

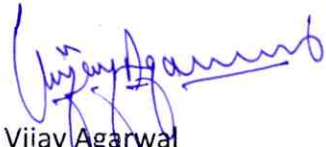



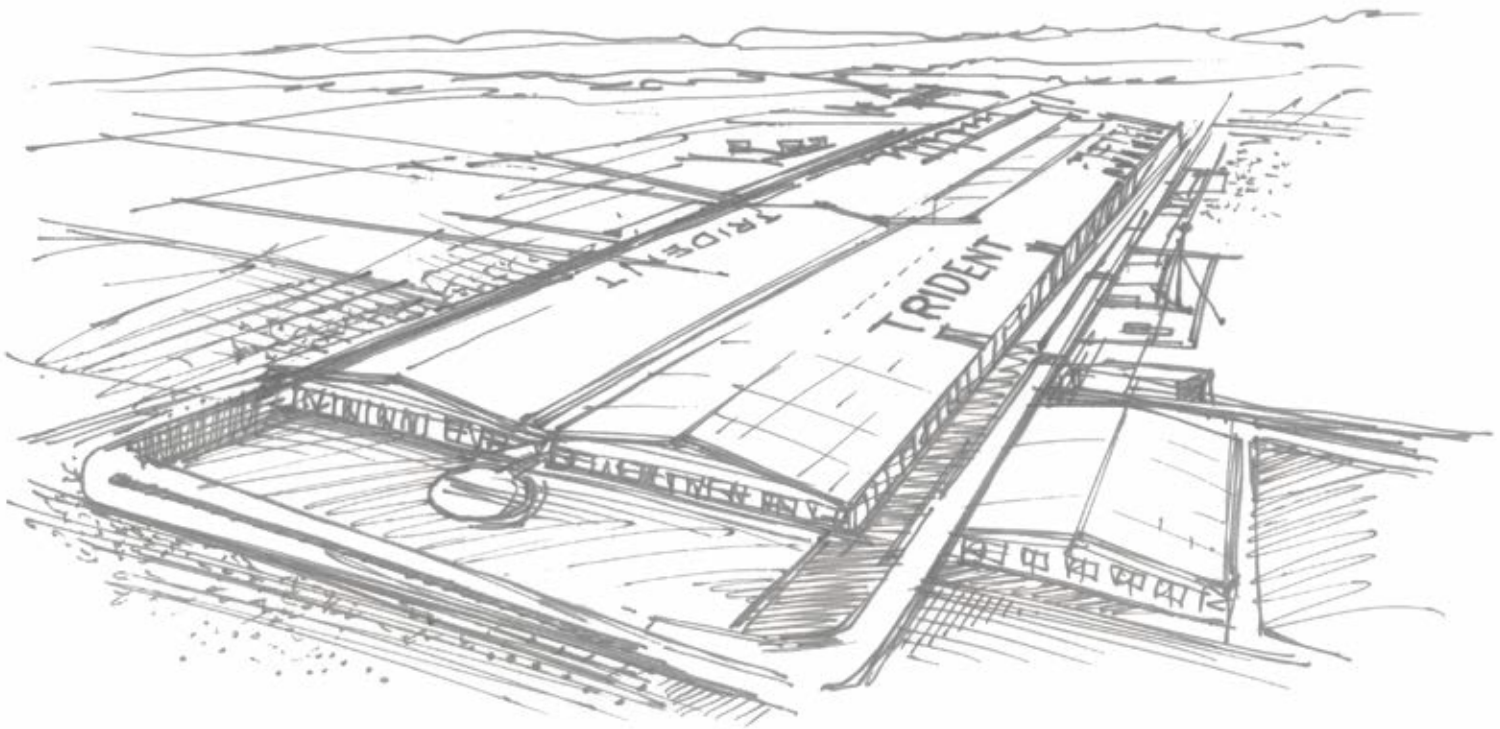
**FORM A**  
**(Pursuant to Clause 31(a) of Listing Agreement)**

| Sr.No. | Particulars                                    | Details  |
|--------|--|--|
| 1.     | Name of the Company                            | Trident Limited  |
| 2.     | Annual financial statements for the year ended | March 31, 2014   |
| 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:                               |  |
|        | CEO/Managing Director                          | <b>For Trident Limited</b><br><br>(Deepak Nanda)<br>Managing Director<br>DIN: 00403335   |
|        | Chief Financial Officer                        | <b>For Trident Limited</b><br><br>(Arun Goyal)<br>Chief Financial Officer   |
|        | Auditor of the Company                         | <b>For DELOITTE HASKINS &amp; SELLS</b><br>Chartered Accountants<br>(Firm Registration No. 015125N)<br><br>Vijay Agarwal<br>(Partner)<br>(Membership No. 094468) |
|        | Audit Committee Chairman                       | <b>For Trident Limited</b><br><br>(S K Tuteja)<br>Chairman-Audit Committee<br>DIN: 00594076   |

Place: Ludhiana  
Dated: May 15, 2014

# bringing dreams to life!

TRIDENT LIMITED  
24<sup>th</sup> Annual Report 2013-14





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## bringing dreams to life!

- At Trident, we believe that the biggest limitations exist only in the mind. Consequently, we invested in a larger production capacity that made it possible for us to emerge as the world's largest terry towel manufacturer.
- At Trident, we believe being versatile in a volatile market counts. Consequently, we didn't simply specialise in one product category; we addressed the entire value chain.
- At Trident, we believe that economies-of-scale can only be achieved by consciously evolving our portfolio. So rather than strengthening our downstream competencies, we reinforced our presence across the value chain.

The result is that Trident has established its leadership position in the industries that it operates: textiles and paper. Trident is now one of the world's largest integrated home textile manufacturers and the world's largest wheat straw-based paper manufacturer.

*At Trident, we believe in bringing dreams to life!*





at Trident, we believe that ‘bringing dreams to life’ is not just a state of mind...

We invest in the best technologies even when cheaper variants are available.

We service demanding global customers even when easier clients would suffice.

We specialise in customised products even when a commodity strategy would be simpler.

We focus on raising the service bar even when a simple ‘make-and-deliver’ approach would work.

We complemented our innovation-oriented mindset with consistent brand-building when a commodity approach would have been suggested.

Because, at Trident, bringing dreams to life is what we do. Day in and day out.

## Vision

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

## Our 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

## Who we are

**Trident Limited** is the flagship Company of Trident Group, a US\$ 1 billion Indian business conglomerate and a global player. Headquartered in Ludhiana (Punjab), Trident is the largest terry towel and wheat straw-based paper manufacturer in the world.

The Company operates in two major business segments – textiles and paper – with manufacturing facilities located in Punjab and Madhya Pradesh. Trident’s customer base spans more than 75 countries across six continents and comprises numerous global retail brands.

Trident Limited is a publicly-held Company with its shares traded on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).



## What we do

**Trident Limited** is one of the world’s largest integrated home textile manufacturers. The Company is the largest manufacturer of terry towels in the world and one of India’s largest yarn spinners. The entire Company’s textile operation is integrated. The Company is also the world’s largest wheat straw-based paper manufacturer.



# At Trident, bringing dreams to life is embedded in our DNA.

|                                |  |
|--------------------------------|--|
| Continuous quality improvement | <b>Business</b> excellence activities like Kaizen, TQM, TPM, 5S and Change Management focused on lean manufacture<br><b>TPM</b> policy resulting in zero accidents, zero defects and zero breakdowns   |
| Focus on value-addition        | <b>Innovation</b> in design and product development (textiles and paper products)<br><b>Patented</b> technologies for superior quality Air Rich™ towels for better functionality and aesthetics<br><b>Paper</b> division geared towards high-margin copier segment |
| Brownfield expansion           | <b>Sheeting</b> unit in Budni with 500 looms<br><b>38,802</b> TPA of additional cotton yarn capacities to address rising demand<br><b>Capital</b> outlay moderated on account of government incentives (Central and State)   |

|                            |   |
|----------------------------|---|
| Cost efficiency            | <b>50 MW</b> captive power; power cost-to-revenues ratio one of the lowest in the sector<br><b>Access</b> to suppliers (India, China and Egypt) for quality cotton supply |
| New markets                | <b>Continuous</b> focus on broadbasing the global presence<br><b>Entered</b> new markets (UK, Italy, France, Japan, Australia, South Africa and Canada)                   |
| Branding                   | <b>Aggressive</b> home textile branding to address the premium segment<br><b>New</b> look to be introduced for the copier paper and new terry towel brands                |
| Geographic diversification | <b>Locational</b> advantage related to logistics (Madhya Pradesh unit close to ports) and governmental support (mega project incentives), strengthening margins           |

## Our presence - India

- Trident Limited is headquartered in Ludhiana (Punjab)
- State-of-the-art manufacturing units in Dhaura and Sanghera (Punjab) and Budni (Madhya Pradesh).

## Our presence - world-wide

The Company's marketing presence is spread across India and customers spread in more than 75 countries, over six continents.

## Our certifications

- ISO 9001:2008 & OHSAS 18001:2007 certified for quality management accredited by DNV, Netherlands
- ISO 9001:2008 certification from Intertek Systems Certification for quality management system
- Licensed to use 'Suprema Cotton and Egyptian Cotton' logo
- Licensed to use 'Cotton USA' logo
- Certified by FLO for 'Fair Trade Cotton'
- GOTS certification by CUC for 'Organic Cotton'
- Certificates for manufacturing organic products from TOC
- Certified by OekoTex, Switzerland for safe dyes and chemical use
- Certificate of compliance with AATCC, ASTM and CTPAT standards
- Global certification to use FSC label for its paper
- Fair Trade certification guarantees better deals for producers from developing countries
- BIS quality certification
- Global recycle standard
- Institute for Market Ecology certification
- Global Organic Textile standard
- C&A certification
- PREPS Certification (Publishers' Database for Responsible Environment Paper Sourcing)
- Certified by Scientific Certification Systems for paper production using the transfer and credit system

## Awards and accreditations

- Four-time winner of Wal Mart's 'Supplier of the Year' award
- Three-time winner of the JC Penney award ('Best Supplier' and 'Innovation & Quality')
- Two-time winner of the Ikea Quality and Sustainability award
- Three-time winner of the Corporate Governance award
- Winner of numerous Texprocil Export Performance awards
- Rajiv Gandhi National Quality award (Textiles) by the Bureau of Indian Standards
- Winner of Inclusive Growth award from CISCO (India and SAARC)
- 'Principal Partner – Bath' accreditation from Sears Holding Corporation

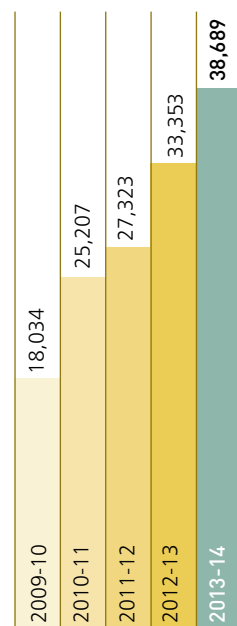
## Our production capacities

| Business            |               | Operations        |                         |
|---------------------|---------------|-------------------|-------------------------|
| Division            | Product       | Existing          | Post ongoing expansions |
| Home textiles       | Terry towels  | 688 looms         | 688 looms               |
|                     | Sheeting      | –                 | 500 looms               |
|                     | Yarn          | 3.66 lac spindles | 5.42 lac spindles       |
|                     |               | 5,500 rotors      | 5,500 rotors            |
|                     | Dyed yarn     | 6,825 TPA         | 6,825 TPA               |
| Paper and chemicals | Paper         | 1,75,000 TPA      | 2,00,000 TPA            |
|                     | Chemicals     | 1,00,000 TPA      | 1,00,000 TPA            |
| Energy              | Captive power | 50 MW             | 110 MW                  |

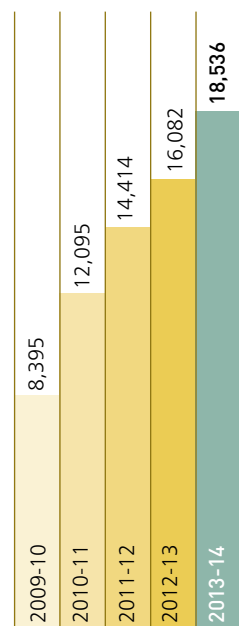
# Financial highlights

| Particulars                | Unit        | Mar-14 | Mar-13 | Mar-12 | Mar-11 | Mar-10 | Mar-09 | Mar-08 | Mar-07 | Mar-06 | Mar-05 |
|----------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Months                     | (no.)       | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 15     |
| Gross turnover             | (₹ million) | 42,649 | 36,846 | 30,984 | 28,296 | 19,737 | 15,242 | 12,232 | 9,924  | 8,810  | 8,090  |
| Net sales                  | (₹ million) | 38,689 | 33,353 | 27,323 | 25,207 | 18,034 | 13,981 | 10,487 | 8,166  | 7,436  | 7,056  |
| Exports                    | (₹ million) | 18,536 | 16,082 | 14,414 | 12,095 | 8,395  | 6,862  | 5,193  | 4,352  | 4,190  | 3,300  |
| EBITDA                     | (₹ million) | 7,439  | 5,778  | 3,202  | 4,140  | 3,560  | 2,605  | 1,818  | 1,794  | 1,588  | 1,464  |
| PAT                        | (₹ million) | 1,970  | 493    | (437)  | 671    | 565    | (530)  | 400    | 409    | 568    | 426    |
| Net worth                  | (₹ million) | 9,309  | 7,063  | 6,505  | 5,315  | 5,028  | 4,463  | 4,452  | 3,995  | 3,585  | 3,150  |
| Fixed assets (Gross block) | (₹ million) | 34,858 | 34,056 | 33,323 | 25,827 | 23,388 | 21,032 | 13,273 | 12,101 | 10,074 | 8,218  |
| Total debt                 | (₹ million) | 18,623 | 22,398 | 22,837 | 19,181 | 17,111 | 15,569 | 12,856 | 9,899  | 6,895  | 4,664  |
| Long-term debt             | (₹ million) | 7,659  | 9,492  | 12,726 | 11,125 | 11,859 | 11,528 | 10,272 | 7,614  | 5,032  | 3,502  |
| Enterprise value (EV)      | (₹ million) | 22,792 | 24,385 | 25,912 | 22,270 | 19,980 | 16,930 | 15,643 | 13,270 | 12,031 | 10,659 |
| EBITDA margin              | (%)         | 19%    | 17%    | 12%    | 16%    | 20%    | 19%    | 17%    | 22%    | 21%    | 21%    |
| EV/EBITDA                  | (times)     | 3.06   | 4.23   | 8.09   | 5.38   | 5.61   | 6.50   | 8.60   | 7.40   | 7.58   | 7.28   |
| Debt-equity ratio          | (times)     | 2.00   | 3.17   | 3.51   | 3.61   | 3.40   | 3.49   | 2.88   | 2.48   | 1.92   | 1.47   |
| EPS                        | (₹)         | 6.33   | 1.60   | (1.59) | 3.02   | 2.54   | (2.64) | 2.06   | 2.11   | 2.93   | 2.19   |
| Cash EPS                   | (₹)         | 14.96  | 10.09  | 5.94   | 11.74  | 10.39  | 2.80   | 6.32   | 6.46   | 6.35   | 6.16   |
| Net debt-to-EBITDA         | (times)     | 2.45   | 3.81   | 7.06   | 4.62   | 4.73   | 5.90   | 6.85   | 5.22   | 4.04   | 2.99   |
| Book value/share           | (₹)         | 29.92  | 22.72  | 21.27  | 23.91  | 22.63  | 20.09  | 22.92  | 20.57  | 18.12  | 16.22  |
| RoCE                       | (%)         | 28%    | 19%    | 6%     | 13%    | 11%    | 9%     | 6%     | 9%     | 11%    | 13%    |

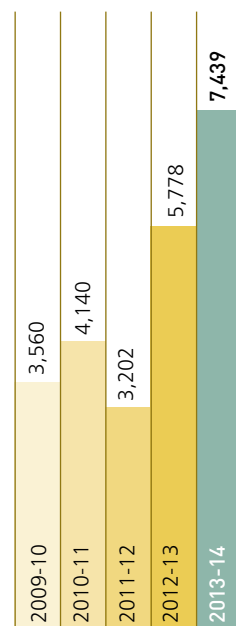
Net sales (₹million)



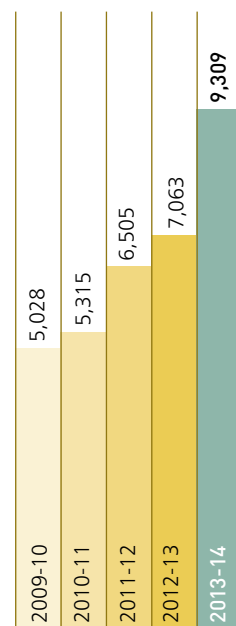
Exports (₹million)



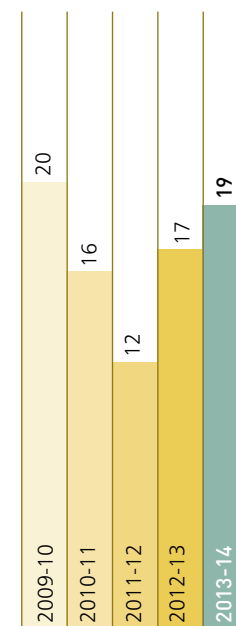
EBITDA (₹million)



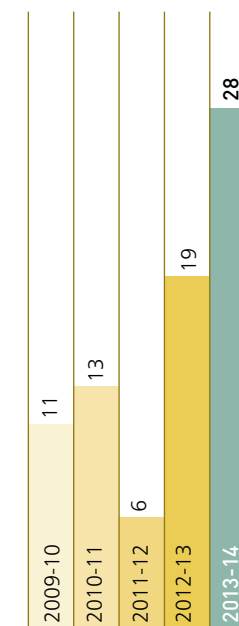
Net worth (₹million)



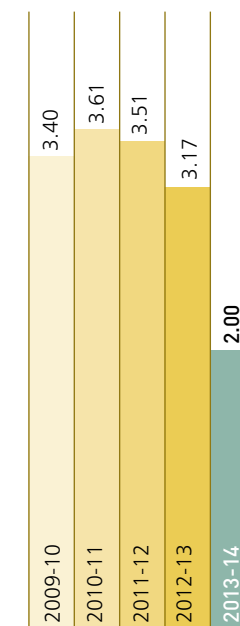
EBITDA margin (%)



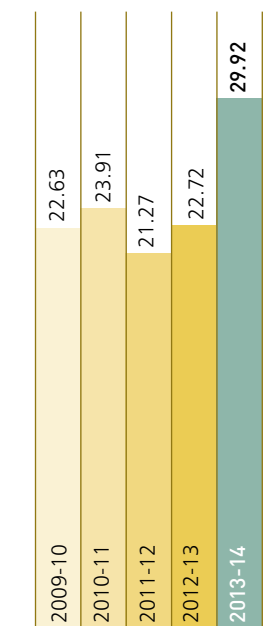
RoCE (%)



Debt-equity ratio



Book value/share (₹)







“Leveraging resources, delivering growth and creating value have been the key drivers of our business.”

## Chairman's message

Dear shareholders,

The Company's financials achieved a northbound growth curve during the year. Armed with a CAGR of 30%, the Company has firmly engraved its name amongst the fastest growing business conglomerates in the country. Known for our scale of ambition, commitment and quality of operations, we aspire to achieve the highest standards in our business operations.

With the amalgamation of Trident Corporation Limited with the Company,

Trident Group now runs the world's largest state-of the-art integrated terry towel unit at a single location. The unit is a fine convergence of globally-best technologies, machinery, automation and human skills. The adoption of initiatives like Total Productive Maintenance (TPM) enhanced our deliverables in terms of economies-of-scale, consistency in quality and efficient services, strengthening our engagement with customers.

We enter the next year with the confidence to maintain the growth momentum enabled by larger capacities, better utilisation and improved product offerings. We are sure that the operational focus with prudent financial management will enable us to bring dreams to life, move faster, innovate better and become one of the best employer brands, leading to enhancement in stakeholder wealth and making Trident a world-class organisation.

I would like to express my gratitude

to all our stakeholders for their continued confidence and endorsement of our growth journey. I thank all our shareholders for their support, motivation and faith reposed in our journey towards a stronger and more sustainable future.

With warm regards,

Rajinder Gupta  
Chairman, Trident Group

₹38.7bn

Achieved the highest-ever revenue with a growth of 16% over the last year.

₹1.97bn

PAT in 2013-14, quadrupled in one year

# Directors' profile

## 01 Mr. S K Tuteja [DIN 00594076]

Mr S K Tuteja, aged 68, boasts of a rich industry experience spanning 45 years. He is a retired IAS Officer of the 1968 batch and a Non-Executive Chairman of the Board. He holds a Masters' degree in Commerce from Delhi University and is a fellow member of the Institute of Company Secretaries of India. He served the government in several key positions at the State and Central level and was secretary to the Government of India in the Department of Food & Public Distribution at the time of his retirement. He has been a consultant to the World Bank and UNIDO.

He was also a member of the Executive Committee of the International Sugar Organisation and the International Grain Council, London. He has contributed to a number of national and international events in India and abroad concerning SMEs. He was a member of an Indian delegation sent to the ministerial conference of the WTO held at Doha.

## 02 Mr. Rajinder Gupta [DIN 00009037]

Mr Rajinder Gupta, aged 55, is the founder of Trident Limited and the Non-Executive Co-Chairman of the Board. He was part of an advanced management programme at the Harvard Business School. He is a first-generation entrepreneur having a rich and varied exposure of promoting industrial ventures over the last two decades. He has served the Company as its Managing Director from 1992 till 2012. He holds directorship of various companies and is also actively associated with several philanthropic ventures.

Mr Rajinder Gupta was deemed a Padma Shree in 2007 by the erstwhile 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 the PHD Chamber of Commerce and Industry and the 'PHD Chamber of Commerce Distinguished Entrepreneurship Award, 2005' by the then President of India.

## 03 Ms. Pallavi Shroff [DIN 00013580]

Ms. Pallavi Shroff, aged 58, is a MMS, LLB and a lawyer by profession. She has a vast experience of over 30 years as a leading litigator in the area of corporate law and banking. She has been recognised in international publications for her expertise in the fields of 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. Shroff is currently a partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co., a leading legal firm. She is regularly called upon by governmental departments and ministries to advise them on various issues. Ms. Shroff's areas of expertise include, *inter alia*, corporate and commercial laws, anti-dumping, arbitration and dispute resolution, competition and anti-trust, intellectual property rights, among others.

## 04 Mr. Rajiv Dewan [DIN 00007988]

Mr Rajiv Dewan, aged 52, 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.

## 05 Mr. Deepak Nanda [DIN 00403335]

Mr. Deepak Nanda, aged 54, is a M.Sc. (Honours) by qualification and has done his Master in Computer Software and Management. He possesses more than three decade experience in business development, client relationship, contract negotiations, project implementation and delivery, improving the efficiency and effectiveness of businesses.

Mr. Nanda has, over-a-decade's experience of working closely with different State Governments, PSUs, boards and corporations, educational institutions in North-West India and helped them develop e-governance strategies, IT roadmaps, deploying key solutions and facilitating change management. He is an alumnus of the Indian Institute of Management, Ahmedabad.



Our day-to-day functioning revolves  
around an ardent desire to  
**bring dreams  
to life!**

### Businesses

Trident has selected to focus on businesses that are core to humankind's prosperity – textiles and paper. The Company is convinced that the broad offtake of these products will only increase as lifestyle quality is enhanced. In view of this, the Company's business model can be assumed as being a fair proxy of inevitable human progress. Further, both businesses have their roots in an agro-based economy which leads to the prosperity of farmers.

### Scale

Trident brings the distinctive advantage of scale to whichever business it selects to be present in. The Company is one of the world's largest integrated manufacturers of home textiles as well as the biggest wheat-straw based paper manufacturer. The Company is also one of the largest yarn spinners of India, its product mix comprising a variety of products addressing diverse consumption segments.

### Experience

Trident brings to its business a rich repository of sectoral knowledge covering executives who have been engaged in the textiles sector for decades. The value of this rich experience is reflected in the Company's product quality, ability to invest across market cycles, product mix, manufacturing excellence and enduring engagement with marquee customers.

### Technology

Trident has prudently selected to invest in cutting-edge technologies sourced from some of the most respected global brands. Currently, manufacturing assets which are less than 10 years old, account for more than 90% of Company's total manufacturing assets. This preference for cutting-edge investment resulted in the manufacture of innovative, value-added products that helped customers take their brands ahead.

### Global reach

Trident recognises that in a capital-intensive business, success is derived from the ability to maximise offtake, making it possible to cover fixed costs more effectively. The Company has a customer presence in more than 75 countries spread across six continents. The Company's prominent international customers include nine of ten largest American retailers, six leading European retailers and five of the seven largest Australia and New Zealand-based retailers.

### Eco-friendly

Trident reconciles economy with ecology. The Company is one of few Indian companies manufacturing paper with wheat straw (unconventional raw material). Besides, the Company's captive power plant utilises waste from other processes as well as biomass for power generation, strengthening its credentials as an environment-friendly organisation.

### Value-addition

Trident has extended beyond the commodity end in its business. The Company has been continuously focusing on value-added products, which is reflected in increased realisations over the years. This has also strengthened Company's ability to withstand the adverse impact of movements in macro-economic variables that are outside its control.

### Branding

The Company has undertaken an aggressive branding strategy for its textiles and paper products. The Company's copier paper brands have been widely accepted by the market and the Company is in the process of launching a new look for them along with the introduction of multiple new products in the terry towel segment. Besides, the Company has increased presence on online portals to reach customers directly.

### Integrated

Trident is an integrated textiles Company, extending its value chain from cotton at one end to terry towels and home furnishings at the other. Currently, about 33% of the yarn manufactured by the Company was internally consumed, strengthening value-addition. This complement makes Trident a convenient one-stop shop for yarn and home textile needs.





# de-risking

## 90%

of the total manufacturing assets  
are less than 10 years old

**At Trident, we believe that sustainable growth is derived from the ability to progressively de-risk the business.**

At Trident, we have engaged in a number of initiatives to mitigate the impact of external variables.

The Company's principal de-risking initiative comprises its business integration. The Company manufactures a variety of yarns that are not only consumed within but also marketed to customers. This integration reinforces the Company's competitiveness through enhanced quality control, making it possible for home furnishing customers to monitor quality from cotton selection to yarn to end product manufacture. The integration also provides a longer value chain; about 33% of the yarn is consumed within for the downstream manufacture of home furnishings and terry towels.

The Company progressively de-risked its business through dispersed manufacturing plants, wherein most of the raw material requirement is being procured within a 100 kilometre radius, thereby moderating logistics costs.

The Company recognised the latent downside in committing a large part of the production capacity to service the growing needs of large international retailers. Consequently, the Company broadbased its international customer spread from a presence in 54 countries in 2007-08 to more than 75 countries in 2013-14.

At Trident, we recognised the risk of currency fluctuations and implemented a comprehensive forex risk management policy to safeguard against movements in foreign exchange rates.

The result is that Trident reported an 891 bps increase in ROCE in 2013-14, reinforcing its recall as a profitable textiles manufacturer.





# excellence

## ₹18.5bn

Revenues accrued from exports; the highest-ever for Trident in any single year.

**At Trident, we pursued excellence by selecting to address the growing needs of demanding global marquee clients.**

At Trident, we pursued excellence by investing in best-in-class technology, irrespective of the higher cost that we had to incur.

At Trident, we pursued excellence by manufacturing quality products that fetched higher sales realisations.

At Trident, we pursued excellence by investing extensively in business excellence initiatives such as TPM that improved our operational efficiencies.

The Company implemented TPM with the objective to achieve zero accidents,

zero defects and zero breakdowns. Takshashila, the dedicated training centre of the Company, is committed to strengthen knowledge and skill levels of employees.

The pursuit of excellence widened stocking, accelerated offtake, enhanced revenue visibility and served as a reference point for a widening international footprint, resulting in a sustainable virtuous cycle.

The pursuit of excellence helped bring dreams to life.





# branding

**Terry towel brands:** Trident Every day, Trident Home Essentials, Trident Classic, Trident Indulgence

**Copier paper brands:** Trident Eco-Green, Trident Natural, Trident Spectra, Trident Royal Touch, Trident My Choice

At Trident, we invested prudently in brand-building exercises which allowed us to carve out an incremental share of the market and enhance profitability. As a means to this end, we intend to modify the look and feel of our copier paper and towel brands.

At Trident, we redefined market penetration by increasing our presence on online portals, thereby reaching end customers directly.

At Trident, we redefined product norms through prudent segmentation, which

helped the Company race ahead of its peers by addressing the unmet needs of customers.

At Trident, we focused on product branding by ensuring that we always had quality products with distinctive features in the pipeline (Aroma, Organica and Cuddlies) for launch during festive occasions.

The result is that Trident is the fourth largest player in the branded copier paper category and third largest player in the premier branded towels category in India.



## Management discussion and analysis

### Economic overview

#### Global economic outlook

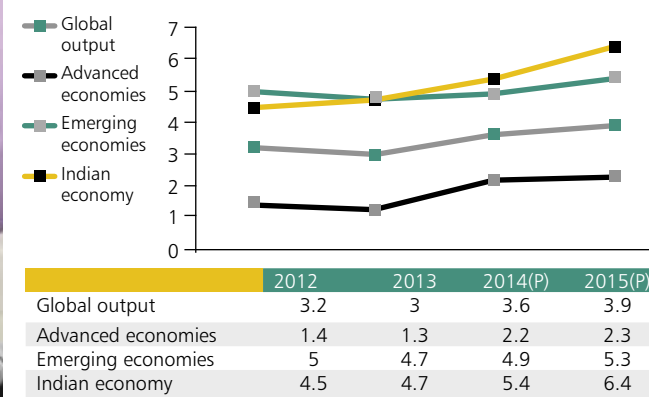
The global economy experienced subdued growth for yet another year in 2013. As per the *World Economic Outlook* (January 2014), global growth is projected to strengthen from 3% in 2013 to 3.6% in 2014 and 3.9% in 2015. In advanced economies, growth is expected to increase to about 2.25% in 2014-15, an improvement of about 1 percentage point over 2013. This economic growth will be strongest in the United States at about 2.75% and in the eurozone it is expected to be varied but positive. In emerging markets and developing economies, growth is projected to pick up gradually from 4.7% in 2013 to about 5% in 2014 and 5.25% in 2015. It is expected to be catalysed by stronger external demand from advanced economies, but tighter financial conditions could dampen domestic demand growth. In China, growth is projected to remain at about 7.5% in 2014 as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path.

While output gaps remain large, the monetary policy stance should stay accommodative to usher in fiscal consolidation. In emerging market economies, vulnerabilities appear mostly localised. The strengthening of the recovery from the recession in the advanced economies is a welcome development. But growth remains uneven globally, and more policy reformulations are needed to fully restore confidence, ensure robust growth, and lower downside risk (Source: IMF, *World Economic Outlook*, April 2014)

#### Indian economy

The Indian economy experienced a sustained slowdown during the year under review on the back of global contractionary headwinds, domestic macroeconomic imbalances and fiscal policy reversals. GDP growth in 2013-14 was estimated at 4.7% compared to 4.5% in 2012-13 (Source: CSO). During the year under review, consumer spending remained muted, discounts prevailed, profits declined and brands weakened.

World economic outlook projections of GDP growth



Source: IMF, OECD

World economic outlook projections of GDP growth



Source: World Bank

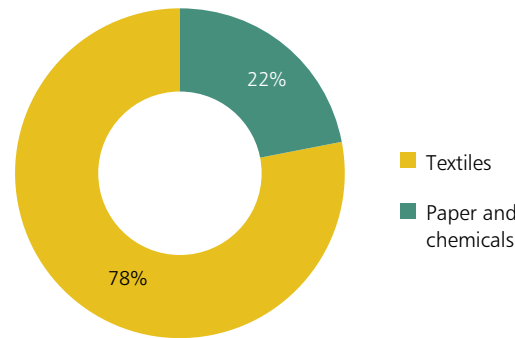
## Business overview

Trident Limited is the flagship company of the Punjab-headquartered conglomerate Trident Group, having a turnover of ₹38,689 million. Trident manufactures textile products (terry towel, cotton yarn, blended yarn, among others), paper, chemical and energy. Trident with its planned expansions is strategically poised to become one of the biggest and most renowned home textiles manufacturers globally. It has already achieved the milestone of being the largest manufacturer of terry towels in the world after commissioning of its new plant in Budni, Madhya Pradesh. Trident has a customer base spread across the world and derives 48% of its revenues from exports.

Large-scale operations, continuous expansions, business

excellence and global presence have given Trident a sustainable competitive advantage in the industry.

Trident – segment wise revenue contribution – FY14 (%)



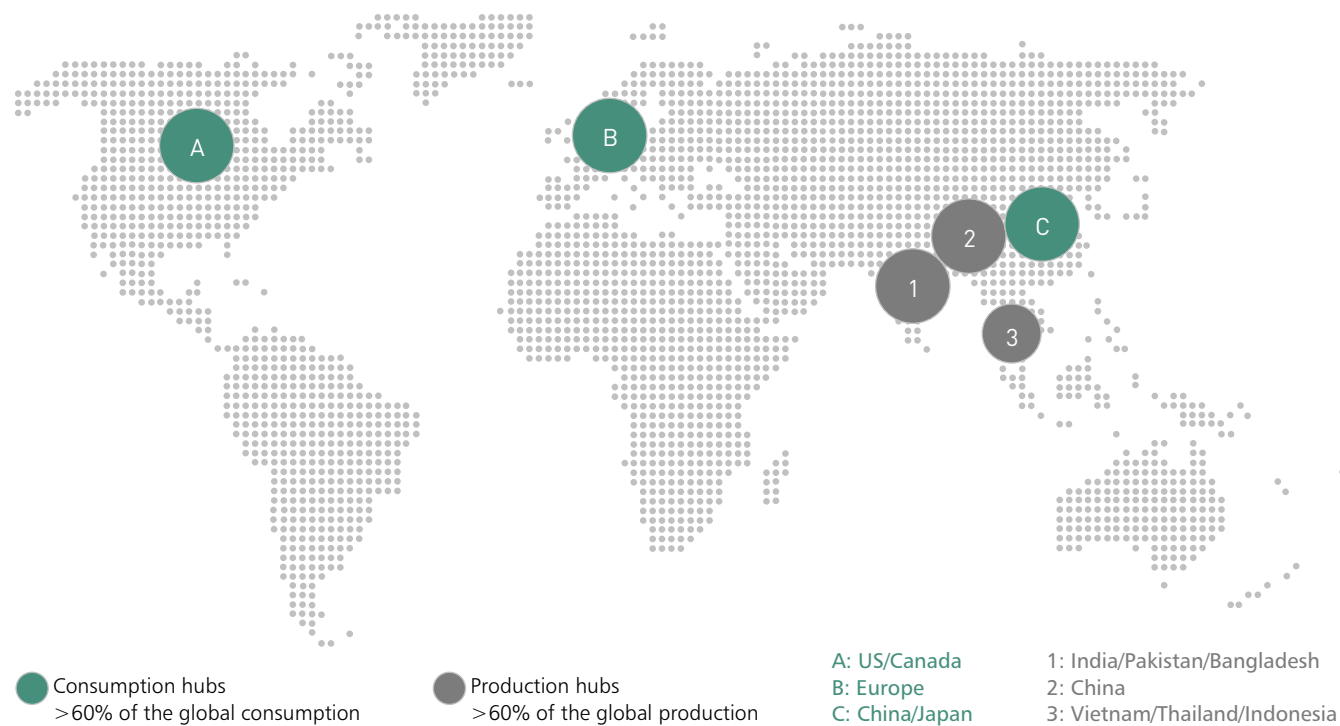
## 01 Textiles business

### Global textile scenario

Consequent to growing usage of textiles in diverse areas, the global textile industry is rapidly evolving. By 2020, the global textile and apparel trade is expected to grow from 24 million metric tonnes to 105 million metric tonnes. Due to low operational costs and geographical advantages, Asian countries are poised to contribute most to the segment. China, India

and Pakistan account for more than 60% of the world fibre consumption while Bangladesh and Vietnam have emerged as textile economies, dependent on imported textile inputs. Global retailers now prefer a single point service, helping integrate suppliers of textile and clothing.

### Global trends in textile consumption and production



### Indian textile industry

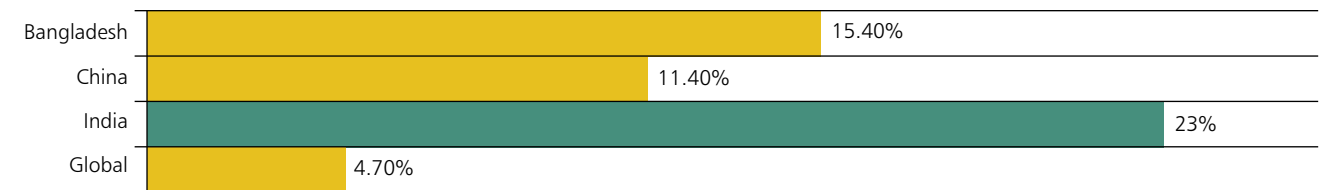
The Indian textile industry is of overwhelming importance to the economic life of the country. Apart from providing one of the basic necessities of life, the textile sector also plays a vital role through its contribution to industrial output, employment generation and export earnings.

- It employs nearly 35 million, highest only after agriculture and 18% of the industrial sector
- Contributes 4% of the country's GDP and 14% of its industrial production

- Accounts for 12% of the excise collection and 12% of country's total exports

As per the 12th Five Year Plan, the textiles sector will create an additional employment of 15 million by 2016-17, reflecting the sector's growth prospects. India's current textile market size pegged at US\$90 billion (including nearly US\$40 billion in exports) is expected to grow to US\$220 billion by 2020. India's share in global textiles increased by 17.5% in 2013 compared to the previous year. Currently India's textiles export stood at US\$40.2 billion.

### Global textile industry growth rates



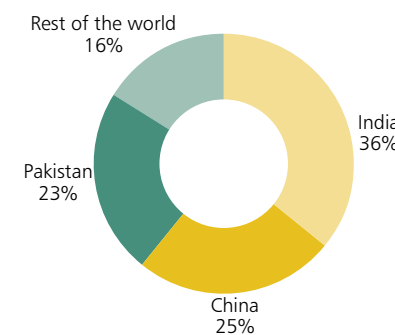
Source: Ministry of Textiles, press release, 2<sup>nd</sup> June 2014

### Home textiles segment overview

The domestic home textiles market, growing at over 9% annually, is expected to reach US\$26.6 billion by 2015. Less than 10% of the market is organised, giving a huge opportunity for organised players to carve out a large share. Of the various segments within home textiles, bed linen and bath linen contribute to two-thirds of the total market size. Kitchen linen, curtains, upholstery and rugs/carpets contribute to the rest of the market.

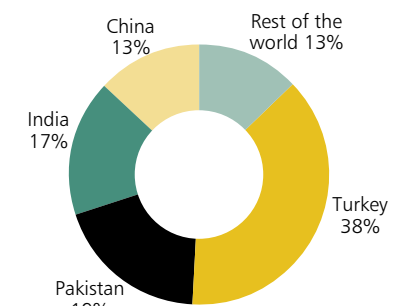
The story for home textiles at the global level is similar to the overall textiles industry. The major consumptions hubs of the world are the developed economies, with US and eurozone leading the world. The production hubs lie in the developing countries of East and South-East Asia and countries like Turkey and Egypt, among others.

### Country-wise market share (by value) in US towel (cotton) imports 2013



Source: Emerging Textiles

### Country-wise market share (by value) in EU towel (cotton) imports 2013



Source: Emerging Textiles



The major competitors in the cotton towel business are China, Pakistan and Turkey. India enjoys a bulk of the share of the US market in terms of cotton towel exports and the third largest share of the EU market.

### Trident home textiles overview

Trident has increased its towel manufacturing capacity to 688 looms post-merger with the erstwhile Trident Corporation Limited, an associate Company. This combined capacity has made Trident Limited the largest manufacturer of terry towels in the world. Also, the towel making facility at Budni (Madhya Pradesh) is the largest standalone terry towel facility. The Company is capable of producing 88,775 metric tonnes of towel per annum at optimum utilisation with a balanced product mix. The Company exports to 70 countries, contributing 81% to the segment revenue of ₹14,469 million. Trident offers a variety of brands of terry towels in the domestic market, catering to everyday as well as indulgent use. These home textiles products are sold under various established brands like Home Essentials, Classic, Kids & Mom, Floral, Colors and Indulgence.

#### Product portfolio:

- Solid bath ensembles
- Jacquard bath ensembles

- Beach towels
- Celebratory towels and towels for special occasion
- Sublimate printed towels
- Embroidered towels
- Bath mats
- Bathrobes in various designs/styles

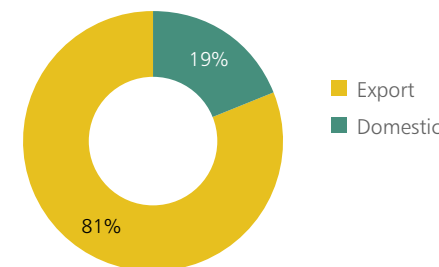
Trident is strengthening its global recall as an innovation-led Company, with improvements in production infrastructure, fibre use and processing. The Company's air-rich and zero-twist innovations have redefined the norms of excellence for the towels sector. Over the years, exciting developments have comprised low-twist, quick-dry towel, pro-collection towels as well as value-added surface finish collections comprising Bleach Pro, Color Pro, Health Pro, White Pro and Fresh Pro.

The Company plans to set up a composite sheeting unit in Budni, Madhya Pradesh, comprising 500 looms and 1.76 lac spindles for cotton yarn directed at captive consumption. This strategic investment will cater to two-thirds of the home textiles market occupied by bed and bath linen.

to bring cutting-edge technology to ensure cost-effective and well-designed products.

**Globally renowned clientele:** The Company has a strong client list comprising global retail and institutional brands like J.C. Penney, Wal-Mart Stores Inc., Ralph Lauren, Calvin Klein, Carrefour S.A., H&M, IKEA, Marks & Spencer, ITC Hotels, Taj Hotels Resorts and Palaces, Oberoi Hotels & Resorts, among others, across 70 countries. Over the years, the Company has made steady inroads into Japan, the Middle East and South Africa.

#### Domestic-export sales mix for the towel segment



#### Integrated operations and high qualitative standards:

Trident has a presence across the value chain of textiles manufacturing. This allows it to bring natural synergies and mitigates raw material price fluctuation risk. The home textile business internally consumes more than 20% of the yarn produced. Trident is particular about quality standards and maintains world-class standard in term of its products, plants and processes. The Company has a strong QC team and has invested in a sophisticated laboratory compliant with AATCC and ISO standards.

**High potential domestic market:** The Indian home textile market has huge potential and will be one of the major growth drivers of the economy in coming years. The market was estimated at US\$4 billion in 2011 and is expected to grow to US\$9 billion by 2021 with an annual CAGR of 8%. With increasing purchasing power, skewed youth demographics, rapid urbanisation, growing hospitality sector and availability of quality products, India is bound to emerge as a huge market for home textiles.

To seize the first-mover's advantage, Trident is selling its own towel brands through renowned e-commerce websites in India. This will provide the Company which a competitive advantage of having an established brand name and a pan-India distribution network.

**New developed markets:** There are few markets like Japan, Australia, among others, for home textiles where the presence of Indian products are weak. Targeting these new markets will not only bring new businesses but will also diversify the risk emerging from an over dependence on the US market.

The Company has already undertaken initiatives in this regard and is exploring new markets like Japan, Australia and New Zealand, among others.

### Weaknesses and threats for the home textiles industry

**International competition:** Competition from China, Pakistan, and Turkey is fierce in the home textiles segment. With the country progressing on the path of overall development, the cost-competitiveness that Trident enjoys might deteriorate.

The Government of India introduced new policy changes to preserve cost competitiveness and the health of one of India's oldest industries, which contributes significantly to India's GDP and employment.

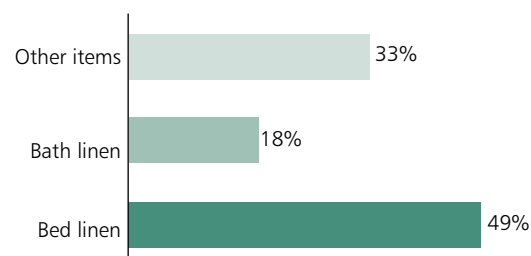
**Other threats:** The Company's production may get hampered in case of natural calamities, economic downturns and changes in trade regulations.

### Yarn segment overview

The global cotton stock level reached an all-time high of 109.6 million bales in the second half of 2013 and is estimated to increase to 120.8 million bales by July 2014. Amid the high global stock levels in 2013-14, the current international cotton prices remained range-bound at around 91 US cents per pound, which is around 3 US cents per pound higher than what it was in 2012-13. China accounted for 45% of global trade during CY13, down from 54% in CY12. In 2013-14, global consumption grew by less than 1% to 23.4 million tonnes while production hovered around 25.5 million tonnes (26.5 million tonnes in 2012-13), but in 2014-15, consumption is expected to grow at 3%, resulting in a total consumption of 24.1 million tonnes. However, with a large amount of high-end stock sitting idle outside China and lower imports into China, prices remain vulnerable to downside risks.

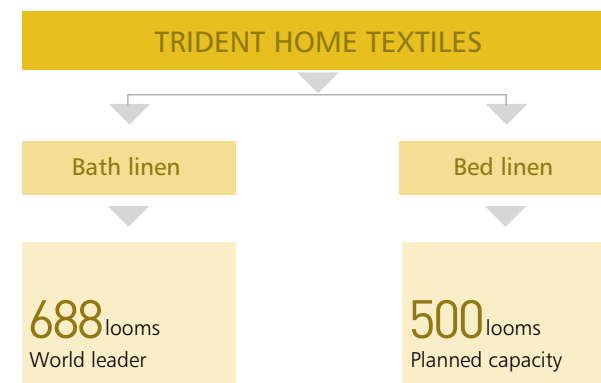
The global cotton production in 2013-14 was around 116.8 million bales after sustaining a decline of 5 % from the previous season largely owing to the reduction in the cotton area under cultivation because of profitable alternative crops.

#### Item-wise configuration of the home textile market



Source: Textiles and Apparel Compendium 2012, Technopak

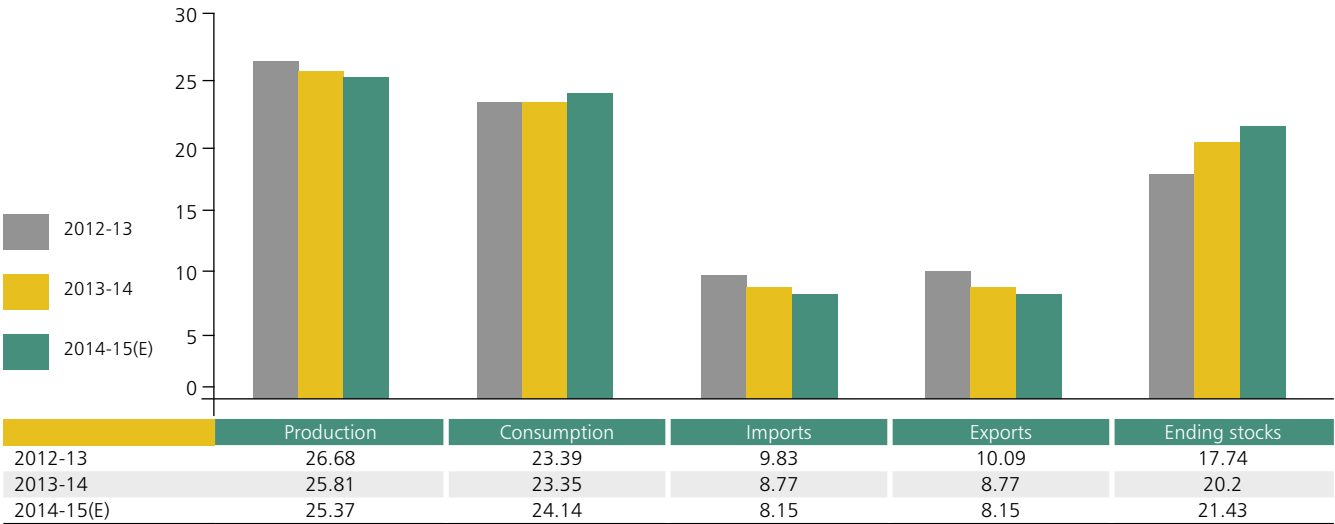
#### Trident's strategic investment



### Strengths and opportunities for home textiles

**Economies-of-scale and best-in-class technology:** The Company is the largest manufacturer of terry towels in the world, enhancing its economy-of-scale. Trident also has tie-ups with best-in-class technology partners and system providers

World cotton supply and distribution (in million tonnes)



Source: ICAC

Indian cotton yarn industry

Cotton is one of the principal crops of India and the major raw material for the domestic textile industry. With 47 million spindles and 0.75 million open-end rotors, India is the world’s second largest spinning capacity, commanding a good share in the global cotton yarn market. India produces over 3,400 million kilograms of yarn with cotton yarn accounting for nearly 73% of the total spun-yarn production. India produces a comprehensive range of yarns from a fine 200 count to a coarse 2 count, for every conceivable use across clothing, home textiles, hosiery and industrial applications.

In India, the states of Maharashtra, Gujarat, Andhra Pradesh and Madhya Pradesh are the leading cotton producing states. In 2013-14, the crop production was estimated at around 29 million bales, up by 2% from the preceding year on the back of higher yields. In terms of tonnage it was around 6.4 million tonnes, a rise of 4.9%. India, the world’s second largest

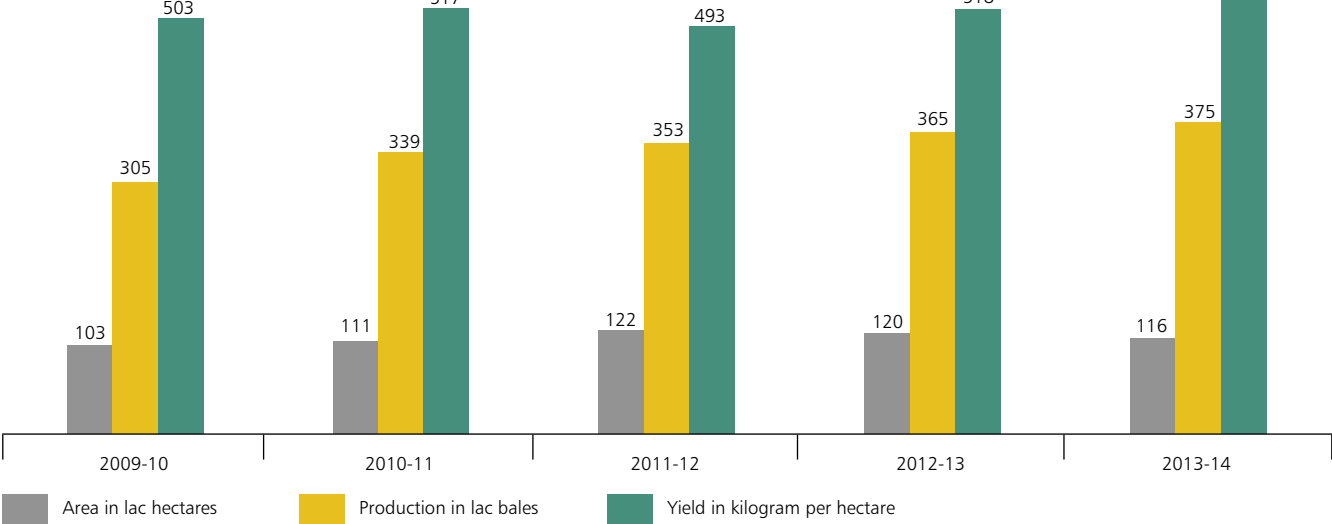
producer and is expected to have a harvested area of 11.7 million hectares, down by 2.5% from a year earlier as non-irrigated areas, especially in Madhya Pradesh, shifted to soybean production. The 2013-14, domestic yield was estimated at around 552 kilograms per hectare, nearly 6% higher than the previous year in light of the extra pickings that transpired due to favourable late-season rainfall.

For the past several years, 100% cotton yarn has alone accounted for 57% of the total yarn production in India. The remaining 43% is attributed by blended yarn, filament yarn and 100% non-cotton yarn. Approximately 65-70% of the yarn produced in India is cotton-based, either partially or completely. India exported nearly 1,107 million kilograms of cotton yarn in FY13 and the same is expected to touch 1,500 million kilograms at the end of FY14, China accounts for 30% of India’s cotton yarn exports followed by Bangladesh with 16%.

bringing  
dreams to life  
with our  
technology



World cotton supply and distribution (in million tonnes)



Source: Cotton Advisory Board

Trident yarn 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’s yarn products are marketed under the Trident brand. The yarn segment contributed 46% to aggregate revenues for FY14. The yarn segment has a presence in 19 countries and witnessed a 31% export contribution to the total yarn revenues of ₹19,785 million. The segment revenue witnessed a growth of 17.5% over the previous year’s revenues of ₹16,837 million. The section also saw a considerable growth of 74% in EBIT over the previous year, garnering ₹2,331 million in FY14.

This growth can be attributed to a huge demand of yarn from China, weakening of the rupee against US dollar and stagnant cotton prices.

The Company has nine manufacturing units in Barnala (Punjab)

and Budni (Madhya Pradesh) with state-of-the-art facilities (ring spinning, carding, combing, open-ended spinning and yarn dyeing) sourced from globally renowned suppliers. Its product range services the needs of the knitting, weaving, denim, hosiery, shirting and suiting segments.

Strengths and opportunities for yarn business

**Economies-of-scale:** Trident already has a huge capacity of 3.65 lac spindles and a future expansion of 1.76 lac spindles will make Trident capable of producing around 1.4 lac tonnes of yarn per annum. This addition will usher in operational synergies, build revenues and reduce the cost of manufacturing yarn through economies-of-scale.

**Enhanced utilisation:** Due to better capacity utilisation in FY14, the yarn division clocked 87,144 metric tonnes, an increase of 3.1% over the last year.

| Product name          | Application  |
|-----------------------|--|
| Core spun yarn        | Denims, bottom wear, shirting and corduroy among others  |
| Slub yarn             | T-shirts, shirting, home furnishing, sweaters            |
| Core spun slub yarn   | Denims, corduroy, bottom wear and more                   |
| Compact yarn          | Shirting, sheeting, suiting, knitting and more           |
| El-twist yarn         | Bottom wear, shirting, home furnishing                   |
| Modal yarn            | Inner wear, socks, T-shirts, shirting and more           |
| Fine cotton yarn      | High-end knitting & shirting, sheeting and more          |
| Soya yarn             | Sweaters, T-shirts, inner wear, T-shirts, towel and more |
| Viscose yarn          | T-Shirts, socks, inner wear, sweat-shirts.               |
| Air rich/wrapper yarn | Towels, bath robs, mates, carpets, rugs and more         |
| Zero-twist yarn       | Towels, bathmats, rugs, baby wear, T-shirts              |
| Bamboo yarn           | Hosiery, towel, bathrobes, hygienic clothing             |



**Quality focus:** The Company's plants are certified as per ISO 9001:2008; its products are certified by national and international agencies (IMO, GOTS, CUC, among others), is proof of stringent qualitative norms. The Company invested in a strong QC team and state-of-the-art laboratory to test raw materials and finished products.

**Cost optimisation:** Various cost optimisation measures like Kaizen, TQM, TPM ensured enhanced production and utilisation. Resultantly, the Company was able to curtail production costs while improving quality.

**Increasing domestic demand:** India is emerging as a consumption hub of textiles because of a steady increase in per capita income and a growing population. The demand for value-added yarn is also increasing that would drive growth.

In order to tap this opportunity, the Company is investing in the production of value-added yarn. In FY14, out of the total yarn manufactured, 42% was value-added.

## Weakness and threats for the yarn business

**Fluctuating cotton prices:** Fluctuating cotton prices lead to inventory losses. The Company developed a robust risk management system to mitigate most of the risks arising out of fluctuating cotton prices.

**Depleting cost-competitiveness:** With India moving up in the growth path, the cost of producing yarn will increase and may erode India's competitive advantage over other nations. To mitigate this risk, the Company is investing value-added yarn manufacture, implementing cost optimisation and foraying into more profitable markets.

## Outlook for textiles

**Home textiles:** The home textile sector in the country is expected to witness improvement as export demand has begun

to pick up with a revival in demand from the US market. A continued weakness of the rupee against the US dollar expected to aid higher export realisations in rupee terms. Trident's new expansion of 300 looms, brand building, value-added products and online e-commerce sales will help the Company enter new markets and will position Trident in the existing and new markets. The Company intends to implement lean manufacturing processes to reduce costs and waste.

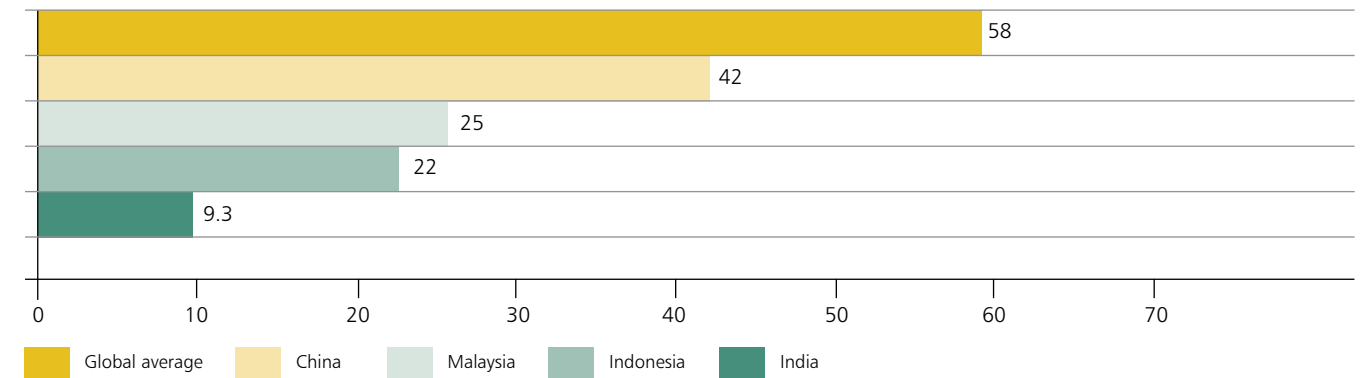
**Yarn:** In 2014-15 the world cotton consumption is expected to grow strongly, rising by 3.2% from the current consumption levels. Rebounding world economic growth, favourable movements in cotton prices and China's cotton policy reformulation are key factors, which are expected to drive the industry in the coming years.

The future for the Indian cotton industry appears brighter due to a revival in domestic yarn production, rising exports and favourable government policies, which have helped stabilise cotton prices at a higher level. However, in 2014-15, the domestic cotton production is expected to clock a decade-high of 37.5 million bales (a bale is 170 kilograms) with yields at a six-year high, due to favourable monsoons and higher acreage of high-yielding Bt (*Bacillus Thuringiensis*) cotton. Consequently the industry expects cotton prices to remain at current levels with no more than a 10% change either way for 2014-15. However, an adverse weather development may lead to a lower-than-expected actual production for the current cotton season (October-September). Trident's emphasis on value added yarn, cost optimisation, and customer service will help the Company tap into the opportunity and shield it from market fluctuations.

The Company is strengthening economies- of-scale by pursuing brownfield expansion in Budni. It is laying an emphasis on value-added products, business excellence and branding.

1.3 million people indirectly. The mills use a variety of raw materials viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, among others. The geographical spread of the industry is responsible for the regional balance of production and consumption. The annual operating capacity of the industry stands at 12.75 million tonnes. During this fiscal, domestic production of paper and paperboard is estimated at

## Per capita paper consumption in 2014 (in kilograms)



Source: IPMA

10.11 million tonnes. As per industry estimates, overall paper consumption (including newsprint) has now touched 11.15 million tonnes and per capita consumption is pegged at 9.3 kilograms. Demand for paper has been hovering around 8% for the past five years while the consumption of paper in India has been growing by around 6% annually over the same period, industrial paper accounting for 60% of the total consumption.

India is the fastest growing market for paper globally and presents an exciting scenario; paper consumption is poised

for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tonnes by 2015-16. The long-term view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by 1 kilogram per capita could lead to an increase in demand by 1 million tonnes a year.

By 2025, India's paper consumption is expected to reach about 24 metric tonnes and production is pegged at 22 metric tonnes resulting in a per capita consumption of 17 kilograms.

[Source: IPMA]

## Trident paper overview

Trident is the world's largest wheat straw-based paper producer with a paper and pulp capacity of 175,000 tonnes per annum and 125,000 tonnes per annum respectively. Wheat straw is a waste which comes out of the production of wheat, for which India is the second largest producer in the world after China. Trident Paper has a customer presence across 35 countries including India, the Middle East, Africa, the US, Latin America and the UK, among others. Many corporate-level initiatives have been taken to reduce water and energy consumption, which can increase margins.

The paper segment has shown a jump of 13.70% in revenues and 26.30% in EBIT over the last year. Sales amounting to

156,258 metirc tonnes has been recorded this year up by 2% compared to the last year.

### Product portfolio:

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

## Trident copier brands



bringing  
dreams  
to life  
with premier  
branded  
products

## 02 Paper, chemical and energy business

### Industry overview - Paper

The Indian paper industry accounts for about 1.6% of the world's production of paper and paperboard. The estimated turnover of the industry stood at ₹35,000 crore (US\$7 billion) approximately and its contribution to the exchequer stood at around ₹3,000 crore (US\$0.6 billion). The industry provides employment to more than 0.37 million people directly and

## Strength and opportunities for the paper business

**Eco-friendly paper:** The Company uses pulp-made of wheat straw instead of wood, which makes the operation environment-friendly. This unique positioning helps the Company stand apart from competitors.

**Well-established brands:** The Company has five well-established brands in the copier paper segment, which drives around half the segment revenue. The Company enjoys a positive word-of-mouth and is among the top four copier paper suppliers in terms of market share.

**Quality control:** The Company's products are backed by prestigious certifications (OHSAS 18001, FSC C100253, ISO 14001:2004, ISO-9001 and BIS). The Company has in place in-house world-class QC and R&D labs to test output.

**Abundant raw material:** Punjab is one of the largest producers of wheat in India with the highest production density. This gives the Company access to an abundant supply of wheat straw combined with a low cost of wheat pulp in comparison to wood pulp, a competitive edge over peers.

**Increasing use of paper:** The per capita paper consumption has potential to increase manifold in India. Increase in literacy, economic development, office spaces and advertisements, among others, would drive this increase. The copier paper will provide a high growth rate in coming years. Trident is poised to leverage this opportunity with well-established copier paper brands, an extensive network of distributors and products with superior strength and brightness.

## Weakness and threats for the paper segment

**Paper-less environment:** The increasing use of electronic media and rising preference to work in a paper-less environment is

a big threat to the paper industry. However, Trident is eco-friendly as it uses wheat straw and is well-prepared to face any industry-level threat.

## Chemical and power segment

Trident has a capacity of 100,000 TPA production of Sulphuric Acid, manufactured using state-of-the-art machinery from DE Dietrich, Germany. The Company's sulphuric acid products categories comprise 'commercial grade', 'battery grade' and 'AR and LR' grade cater to diverse battery needs, Zinc Sulphate, alum, detergent, dye and fertiliser industries. During FY14, the Company produced 91,128 metric tonnes of Sulphuric Acid, up by 12% compared to the previous year.

The Company has a captive power producing capacity of 50MW, produced through three mega-turbines and two power boilers. The captive power makes Trident self-sufficient in all its other businesses at its Punjab facility. The power plant is equipped with the latest multi-fuel AFBC boilers with complete automated DCS operation and intelligent load management system. The plant can consume agro-wastes (rice husk), ETP sludge, methane (from ETP), pet coke and imported coke. Trident plans to set up a 60 MW of power plant for captive consumption at its Madhya Pradesh plants to keep the business independent from external power availability.

## Outlook

India is the fastest growing global market for paper and presents an exciting scenario; paper consumption is poised for a big leap forward in sync with economic growth. The demand in this industry will be governed by price, quality and brand. Trident has a natural cost advantage over wood pulp-based papers. This advantage, along with eco-friendly positioning and superior products, has helped Trident to improve realisations and sales of branded copier papers. The Company is confident

of increasing sales and realisations in the coming years.

## Financial performance review

FY14 was a year of growth and profitability for Trident Limited. The Company recorded a 16% growth in revenues, 29% growth in EBITDA and 300% growth in PAT compared to the previous year. The Company registered its highest-ever revenues, EBITDA and PAT in FY14.

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

### Statement of profit and loss

**Revenues:** The Company's total revenues in FY14 were ₹38,851 million, up by 16% against the previous financial year's total revenues of ₹33,577 million. The growth was primarily led by sales of more value-added and branded products, more exports following the rupee depreciating against the dollar, stable raw material prices and decrease in costs.

**Segmental revenues:** The Company's total revenues comprised 46% from the yarn segment, which contribute ₹19,785 million with a y-o-y growth rate of 18%. Home textiles contributed around 34% i.e. ₹14,469 million to the total revenue with a y-o-y growth rate of 14%. The paper and chemicals segment contributed around 20% to total revenues at ₹8,356 million with a y-o-y growth rate of 15%.

**EBIDTA:** Trident closed FY14 on a robust note with an EBIDTA of ₹7,439 million, up by 29% against ₹5,778 million in FY13. EBIDTA margins at 19.1% improved by 1.95 percentage points over FY13, courtesy enhanced utilisation, sales in new markets and thrust on increasing value-added products across Terry towel, yarn and paper segments catering to niche customers, offering higher realisation. Better cost control through CLRI (cleaning, lubricating, retightening, inspection) across the

organisation also augmented the profitability margins of the Company.

**Interest cost control:** Despite a scaling of operations, the Company was able to keep its interest costs under control. This was done following long-term debt repayment of ₹380.09 million from internal accruals and other sources.

**Net profit:** The Company recorded a net profit of ₹1,970.3 million in FY14, increasing from a net profit of ₹493 million in FY12, with a y-o-y growth rate of 300%. During FY14, the Company was able to generate higher margins on its products, incur lower interest costs and reduce the cost of goods sold. The EPS for this year jumped to ₹6.33 from ₹1.6 in FY13.

### Balance Sheet

**Equity capital:** The equity capital in FY14 stood at ₹3,110.9 million against ₹3,108.4 million in FY13. This increase of ₹2.5 million came from the allotment of Equity Shares to employees of the Company pursuant to the exercise of options in terms of Trident Employee Stock Options Plan, 2007.

**Reserves and surplus:** The reserves and surplus of the Company improved to ₹5,768 million at the close of FY14, as against ₹3,954 million during FY13. This was enabled by internal accruals out of profits.

**Borrowings:** The Company's long-term borrowings for FY14 came down substantially to ₹7,658 million against ₹9,492 million in FY13, courtesy a repayment of ₹380.09 million in long-term debts. Short-term borrowings also decreased to ₹8,039 million from ₹9,674 million in FY13.

**Debt-equity ratio:** The Company brought down its debt-equity ratio to 2x, following the repayment of certain long-term debts. The same stood at 3.17x at the close of FY13.

bringing dreams  
to life  
with our holistic  
safety, health and  
environment



bringing  
dreams to life  
with our human  
capital



**Current ratio:** The Company's current ratio increased 0.79x at the end of FY14, in comparison 0.73x in FY13.

### Further issue of shares

Further issue of equity shares is proposed to be made only at a minimum premium of ₹50/- per share i.e. at a price not lower than ₹60/- per share in terms of new set of articles of association of the Company approval to which is proposed to be obtained from Shareholders through Postal Ballot.

### Risks and concerns

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 the globe and foreign exchange fluctuations. These are industry-specific in nature and relate to the cyclical sectoral movements and also the macroeconomic 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 minimally from risks related to its business by remaining conservative during cyclical downturns. Such risks where the Company keeps a close watch include:

**Foreign currency risk:** Since the Company caters to 75 countries globally 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 continuously monitoring the exposure and limiting the same in view of applicable margins under the relevant product/market segment.

**Geo-economic global cycle risk:** The Company operates as a leading home textiles and paper supplier across all regions, from the US, Mexico, the EU, Australia and many other countries. Due to the 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 the domestic business it derives, and its export orders. The Company also strives hard to widen its geographical mix across various regions, to ensure the impact of the cyclical slowdown in certain regions are dovetailed by the 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 Madhya Pradesh. The same is primarily dependent on the cotton harvest in every season and subsequently the prices of same. At times, the cotton yield may be lower than expected due to agricultural yield, because of rain and other factors, and the prices of cotton may show volatility. However, the Company has multiple vendors in place, to meet its requirements of cotton, and keeps backup storage to safeguard against cotton unavailability.

**Competition (from China and ASEAN) risk:** The Company faces a regular competition from China and ASEAN countries in the cotton yarn and home textiles segments while catering to multi-brand retail chain stores and overseas producers. However, given a scenario in which labour costs are moving up slowly in China, the Company hopes to take advantage of the economies-of-scale that it enjoys in the yarn and home textile segments to carve out a bigger market share.

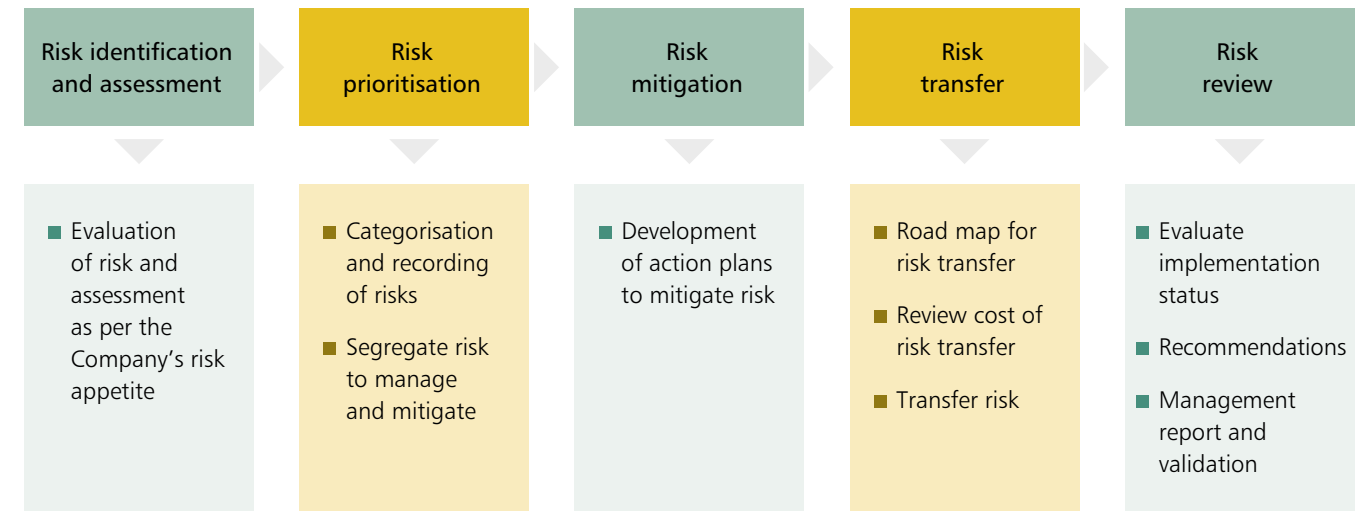
**New project risk:** Trident has implemented new project of 300 looms for terry towels at Budni, Madhya Pradesh. The plant is in its initial phase of operations and may take some time to match the efficiencies of the old plant in Punjab. The open-end yarn projects are also newly-commissioned and may take time to achieve efficiencies. The Company has a tried and tested framework in place to mitigate new project risks. Trident plans all these expansions in a way that minimum burden is laid on existing businesses and the cumulative risk of all projects is reduced. During implementation, the Company sticks to the plan and reformulates the planned strategy and framework with changing times. All this helps the Company plan for the future and avoid surprises during the implementation or stabilisation phase.

### 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 formulated a structured risk identification, review and mitigation process. The key elements of the process are:

- Continuous risk identification
- Prioritising risk on the basis of impact and intensity
- Risk mitigation through identified pre-measures
- Risk transfer through effective roadmapping, reviewing and processing
- Risk review for continuous strengthening of mitigation measures

### Process flow to mitigate risk



### 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's requirements from an advisory capacity, from time to time. It also helps improve and evaluate the systems already followed by the Company across its areas of operations and policies. The team takes various calls based on the size and scale of business operations that are of interest to 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 boost 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 Company's smooth functioning. The internal audit team's findings and significant changes suggested by them are reviewed by the Audit Committee of the Company to offer best solutions and views on such findings, which are implemented, based on the solutions suggested.

Trident is in the process of upgrading its SAP to the latest ECC-6 version. The objective is to have a fully-integrated SAP system with enhanced features, advanced functionality,

increased automation which will help Trident in business transformation, internal process and planning control and will improve business performance. The improved efficiencies and processes offered will benefit financial, sales and marketing, human resources and supply chain elements of the business.

### Corporate social responsibility

In addition to delivering innovative products and outstanding services to customers worldwide, Trident believes it is important to contribute further to the society. When a corporate provides a range of resources to communities, supporting their development and proactively tackling issues, it is, in part, fulfilling its social responsibility as a good corporate citizen. Such actions also benefit the corporate's own operations, fostering a better business environment and creating new markets that can grow sustainably. Trident works with a variety of stakeholders, including governmental bodies and non-profit and non-governmental organisations, to address complex social issues, leveraging mutual strengths to implement effective initiatives. With this common vision, Trident regional offices and affiliates also conduct activities to respond to needs everywhere the Company operates. Trident's initiatives are inspired by the desire to contribute to a more secure and sustainable future. Trident's value system aspires to transcend beyond business, endeavouring to give back to the society and improving the lives of the people and surrounding environment.

Some key initiatives undertaken during the year were as follows:

#### Honing skills

- Bringing vulnerable and disadvantaged youth back into the mainstream and training them in key job skills
- Enhancing the quality of life of adjoining villages through community engagement programmes, awareness sessions and on-the-job training. They are supported with hourly stipends proportionate to the time spent on the shopfloor. The incumbents are finally absorbed on the basis of Trident's selection criteria.

#### Prison no bar

- The Punjab Government and Trident joined hands to improve the life of prisoners, by holistically engaging, training and improving their behavioural orientation. As a means to this end, sewing machines, fixtures and other related accessories, along with raw material were provided to about 25 inmates of the Modern Jail, Faridkot. They were imparted training in tailoring, checking and packing. Dedicated trainers sent by Trident educated the prisoners about machine parts, sewing zones, threads, thread paths, pedal control, defects in manufacturing, hemming, labeling, insertion and removal of bar-coding.
- Besides providing them with technical training, the Company conducted training sessions in self-motivation, positive attitude and teamwork.

#### Pursuing excellence

- The Company, under its programme 'Learn, earn and grow', handpicked young aspirants (graduates and diploma-holders) from across the country. Thereafter, they were trained in behavioural and technical aspects and absorbed into the organisation.

- Trident collaborated with local ITIs for training men and women in job skills. These individuals were paid a stipend, awarded scholarships and absorbed based on Trident's selection criteria.
- Trident initiated 'Project Anavaran' with the Nasrullaganj ITI with an emphasis on enhancing the quality of education. Subsequently, Trident sponsored students' education, provided them with on-the-job training and ensured 100% employment for qualifying candidates.

#### Able and special

Trident created employability for the specially-abled, by training them and developing their skills through a blend of classroom and on-the-job training. These individuals were paid stipends during the training phase and absorbed across all business segments.

#### Empowering women

Trident already has the distinction of being the first plant in North India to start night shifts for women members of the workforce. The women's empowerment forum – Asmita – caters to the overall development of the 3,000 women who are on the payroll. Some of the activities undertaken by Asmita during the year comprised:

- Tied up with educational institutions to encourage women members to pursue higher education. Special batches were operationalised for female members to be a part of training drills which are at par with those of the best in the world in the realm of weaving.
- Initiated employment and awareness drives in surrounding villages for economically weaker sections.
- Encouraged female members to make decorative and artistic items in their leisure time, which were then put on sale during functions and festivals, thereby enhancing their incomes.

#### Caring for the environment

- The Group understands the importance of conserving natural resources for future generations; the same idea was imbibed through the 'Clean Narmada' campaign.
- Trident manufactured non-timber based copier paper and planted more than one lac trees in and around its facilities in Madhya Pradesh and Punjab.

#### A healing touch

- Trident conducted workshops in villages with the support of local *panchayats* to spread awareness on preventive health measures.
- Regular OPDs were run by in-house medical professionals and medicines were also distributed. Various types of multi-vitamins were also distributed to address problems like anaemia, osteoporosis and other nutritional deficiencies, especially among women and children.

#### Human resource management and industrial relations

With an aim of nurturing talent and fostering a culture of continuous learning and development at Trident, an employee value proposition was formulated around the ethos of 'Experience Entrepreneurship with Opportunity Unlimited'.

Specialised technical and functional training modules, leadership and strategic programmes with a focus on performance optimisation and behavioural training for people development formed the backbone of employee growth and enrichment initiatives. Trident also provided multi-tasking experience, job rotations for enhancing cross-functional exposure in various business domains and fast-tracking high-potential members. This ensured faster growth, a greater sense of responsibility and transparent access to all information, enabling members to realise their potential.

In order to sensitise new recruits, they were asked to be involved hands-on in the area of Gembas. This enabled them to be fully-aware of all business systems and processes in their area and attain practical work proficiency.

Trident conducted leadership assessment centres, with the aim of fostering an environment where senior and mid-level executives could be identified as potential leaders and groomed to take up higher roles with ample opportunities to learn and grow.

Being a value-driven organisation, Trident believes that recognition plays an important role in motivating members. Consequently, it offered performance-based compensation in line with TPM (Total Productive Maintenance) programme and other monetary/non-monetary awards like business excellence, CSR and quarterly rewards according to the 'Reward & Recognition' calendar. Special efforts were undertaken to recognise women achievers under the head of Asmita.

There are three categories in the organisational hierarchy. The details of each level's composition as on March 31, 2014 were given below:

|                              |        |
|------------------------------|--------|
| Institution Builder (IB)     | 21     |
| Development Coach (DC)       | 41     |
| Front Line Entrepreneur(FLE) | 11,976 |

#### 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 revisit any predictive statement as may be deemed fit.

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value chain



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infrastructure



# Directors' Report

*Dear shareholders,*

Your Directors are pleased to present the 24th Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2014.

## Financial Results

The financial performance of your Company for the year ended March 31, 2014 is summarised below:

| Particulars                             | Current Year | Previous Year |
|---|--------------|---------------|
| a) Net sales                            | 38,688.6     | 33,352.6      |
| b) PBIDTA                               | 7,438.9      | 5,778.1       |
| c) Less : Finance Cost                  | 2,103.3      | 2,352.8       |
| d) PBDTA                                | 5,335.6      | 3,425.3       |
| e) Less : Depreciation & amortisation   | 2,684.1      | 2,614.4       |
| f) Profit before tax                    | 2,651.5      | 810.9         |
| g) Less : Provision for tax             | 681.2        | 317.6         |
| h) Net profit after tax                 | 1,970.3      | 493.3         |
| i) Add: Profit brought forward          | 2,520.3      | 2,027.0       |
| j) Balance available for appropriations | 4,490.6      | 2,520.3       |
| Less : Appropriations:                  |              |               |
| k) Proposed dividend                    | 134.2        | —             |
| l) Tax on proposed dividend             | 22.8         | —             |
| m) Balance carried to balance sheet     | 4,333.6      | 2,520.3       |
| n) Earnings per share (₹)               | 6.33         | 1.60          |

## 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.

## Amalgamation of Trident Corporation Limited with the Company

During the year under review, the Hon'ble High Court for the states of Punjab and Haryana at Chandigarh approved the Scheme of Amalgamation of Trident Corporation Limited with the Company vide its Order dated March 14, 2014. Accordingly, the Scheme has been implemented and Trident Corporation Limited has been amalgamated with the Company w.e.f. April 1, 2014, the Appointed Date.

## Results of Operations

### Financial performance and review

The net sales of the Company for the year under review increased to ₹38,688.6 million as compared to ₹33,352.6 million in the previous financial year, registering a growth of approximately 16 percent. The Operating Profit (EBIDTA) for the year has been ₹7,438.9 million as compared to ₹5,778.1 million in the previous financial year, an increase of about 29 percent. The Company has earned a net profit of ₹1,970.3 million as against net profit of ₹493.3 million in the previous financial year, registering an increase of about 300 percent.

The Company's earnings per share was ₹6.33 and cash earnings per share was ₹14.52 during the current year.



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with our  
experience

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

## Changes in Share Capital

Total paid up capital of your Company has increased from ₹3,108.4 million to ₹3,110.9 million during the year under review, pursuant to allotment of 249,600 equity shares of ₹10/- each under the Employee Stock Option Scheme of the Company.

Further, the Board of Directors in its meeting held on May 15, 2014 has allotted 136,352,000 equity shares of ₹10/- each of the Company at a premium of ₹18.61 per share, fully paid-up, in the proportion of 16 equity shares of ₹10/- each of the Company for every 25 equity shares of ₹10/- each of the erstwhile Trident Corporation Limited, to the shareholders of Trident Corporation Limited named in the Register of Members as on the record date fixed for the purpose i.e. April 30, 2014. Thereafter, the total paid-up capital of the Company has increased from ₹3,110.9 million to ₹4,474.39 million.

Further, the Board, pursuant to the approval of the shareholders vide their resolution dated September 21, 2013, has issued 60,000,000 warrants on September 30, 2013, carrying an option to the holder of the warrants to subscribe to one equity share of ₹10/- each at par for every warrant held, within 18 months from the date of allotment of the said warrants.

## Dividend

The Directors of your Company are pleased to recommend a dividend of ₹0.30 per equity share.

The register of members and share transfer books shall remain closed from Saturday, September 13, 2014 to Wednesday, September 24, 2014, both days inclusive, for the purposes of the Annual General Meeting and payment of dividend.

## Contribution to the National Exchequer

The Company contributed a sum of ₹406.6 million (previous year ₹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

The exports of the Company accounted for about 48 percent of net sales. During the year under review, export sales increased by about 15 percent from ₹16,081.7 million in the previous year to ₹18,536.4 million in the current year.

## Expansions/Modernisations

The Company is undertaking the implementation of a composite textile project in the Home Textiles Segment consisting of Bed Sheeting Unit with a capacity of 500 Looms and integrated spinning unit of 176,064 spindles to manufacture high end count from 40 to 80 Ne. The above projects are being implemented at an estimated total project cost of ₹16,669.0 million and are expected to be completed by September, 2015. Being an integrated project, the production from the spinning segment would seamlessly flow into the sheeting segment, adding value in the textile chain and making Company a one-stop-shop for home textiles.

Further, the world's largest integrated terry towel unit located at Budni in Madhya Pradesh, as vested in the Company from the erstwhile Trident Corporation Limited in terms of the above referred Scheme of Amalgamation, was commissioned during the year under review. The project with an installed capacity of 300 looms has been implemented within the sanctioned capital outlay of ₹11,910 million.

Other projects being undertaken by the Company at Budni in Madhya Pradesh include an open-end yarn project by installation of 1,920 rotors at a capital outlay of ₹600 million, which is scheduled for completion in July, 2014. The Company is also setting-up Captive Power Project of 60 MW entailing a capex of ₹3,930 million. The expected date of the completion of the said power project is March, 2015. The said projects are being part financed from term loans, Promoters' contribution and internal cash accruals.

## 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 along

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capital

with the reports of the Directors’ and Auditors’ thereon and all related detailed information are open for inspection by any investor at the corporate office of the Company and of the subsidiary company. The Company will make available these documents to investors 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, 2014 and the consolidated financial statements prepared by the Company in accordance with the accounting standards are given in the Annual Report for the reference of the members.

## Directors

Pursuant to provisions of Articles of Association of the Company and of the Companies Act, 2013, Mr. Rajinder Gupta, Mr. Deepak Nanda, Mr. Rajiv Dewan and Ms. Pallavi Shroff retire at the ensuing Annual General Meeting. Further, all the retiring directors offer themselves for reappointment.

Mr Rajinder Gupta and Mr. Deepak Nanda are proposed to be re-appointed as directors liable to retire by rotation. Mr. Rajiv Dewan and Ms. Pallavi Shroff are proposed to be appointed as Independent Directors on the Board of the Company for a period of 5 (five) years, from the conclusion of the ensuing annual general meeting till the conclusion of 29th annual general meeting.

Mr Surender Kumar Tuteja was appointed as an Additional Director by the Board w.e.f. May 15, 2014. In terms of Section 161 of Companies Act, 2013, Mr. Surender Kumar Tuteja holds office as an Additional Director till the ensuing Annual General Meeting and is eligible for appointment as a director. He is proposed to be appointed as an Independent Director for a period of 5 (five) years, from the conclusion of the ensuing annual general meeting till the conclusion of 29th annual general meeting. Further, the Board of Directors appointed Mr. Surender Kumar Tuteja as the Chairman of the Board and re-designated Mr. Rajinder Gupta as Co-Chairman of the Board w.e.f. May 15, 2014.

Further, during the year under review, Mr. Deepak Nanda, who was a whole-time director upto November 11, 2013, was appointed as Managing Director of the Company for a period of 3 (three) years w.e.f. November 12, 2013.

Mr Sanjay Jain and Mr. Vikas Pratap ceased to be the directors of the Company w.e.f. September 21, 2013 and Dr. M A Zahir ceased to be a director of the Company w.e.f. May 15, 2014. The Board places on record its appreciation for the services rendered by Mr. Sanjay Jain, Mr. Vikas Pratap and Dr. M A Zahir during their respective tenure as directors of the Company.

## Corporate Advisory Board

Mr Rajinder Gupta has been nominated as the Chairman of the Corporate Advisory Board and to act as the representative of the shareholders of the Company to take strategic decisions, to

enhance shareholders’ value and to empower the Chief Operating Officers and Key Managerial Personnel with substantial powers of management of the affairs of the Company.

## 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 2013-14 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.

## 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

139 of the Companies Act, 2013 confirming their eligibility and willingness to accept the office of the Statutory Auditors for the year 2014-15, if re-appointed.

The Statutory Auditors of the Company have submitted Auditors’ Report on the accounts of the Company for the accounting year ended March 31, 2014. The Auditors’ Report for the year is self explanatory & does not contain any qualification/adverse remarks, hence need no comments.

## Cost Audit

The Board of Directors of your Company have re-appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as cost auditors for the financial year 2014-15 to carry out an audit of cost records of the Company in respect of textiles, paper and chemical divisions. The Cost Auditors’ Report for the previous financial year ended March 31, 2013 has been filed with Central Government within the prescribed time limit. The Cost Audit Report for the financial year ended March 31, 2014 shall be filed with Central Government within the prescribed time.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Energy conservation continues to be an area of major emphasis in your Company. 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 annexed as Annexure I hereto and forms part of this report.

## Disclosure on ESOP

The Company introduced the Trident Employees Stock Options Plan, 2007 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

Pursuant to 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 above-said 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 levels. 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  
Date: May 15, 2014

|                   |                          |
|-------------------|--------------------------|
| <b>S K Tuteja</b> | <b>Deepak Nanda</b>      |
| <i>Chairman</i>   | <i>Managing Director</i> |
| DIN: 00594076     | DIN: 00403335            |

# Annexure I to the Directors’ Report

## 1. Conservation of Energy

### 1.1 Energy conservation measures taken:

- Optimising the air changes by changing blade angle of supply and return air fan.

- Reducing wastage of compressed air by auditing and rectifying the leakages.
- Combining the waste collection system and removal of waste suction line.



- Optimising the suction of fan motor of winding department and reducing its suction frequency.

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

- Compressor air reduction by reducing air leakages.
- Replacing non-efficient motors with high-efficient motors.
- Introduction of zero light concept in preparatory.
- Replacement of old motors with new motors.

## 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 towel in the current year as compared to previous year.

| Particulars                               | Units    | Current Year | Previous Year |
|---|----------|--------------|---------------|
| <b>Electricity</b>                        |          |              |               |
| <b>Purchased</b>                          |          |              |               |
| Units                                     | MWH      | 255,382      | 237,197       |
| Total amount                              | ₹million | 1,602.37     | 1,398.53      |
| Rate per unit                             | ₹/Kwh    | 6.27         | 5.90          |
| <b>Own Generation</b>                     |          |              |               |
| <b>Through Diesel Generator</b>           |          |              |               |
| Units                                     | MWH      | 43           | 78            |
| Units/liter of diesel                     | KWH      | 2.62         | 3.06          |
| Diesel cost/unit                          | ₹/Kwh    | 18.76        | 13.78         |
| <b>Through steam turbine</b>              |          |              |               |
| Units                                     | MWH      | 310,117      | 319,524       |
| Units per tonne of steam                  | KWH      | 153          | 153           |
| Cost per unit                             | ₹/Kwh    | 4.49         | 4.20          |
| <b>Coal</b>                               |          |              |               |
| Quantity                                  | MT       | 204,588      | 210,331       |
| Total cost                                | ₹million | 958          | 985           |
| Average rate                              | ₹/MT     | 4,683        | 4,682         |
| <b>Furnace Oil</b>                        |          |              |               |
| Other/Internal Generation                 | -        | -            | -             |
| <b>Consumption per Unit of production</b> |          |              |               |
| Cotton Yarn                               | Kwh/Kg   | 3.07         | 3.07          |
| Towel                                     | Kwh/Kg   | 2.49         | 2.33          |
| Yarn Processing                           | Kwh/Kg   | 2.44         | 2.43          |
| Paper                                     | Kwh/Kg   | 0.93         | 0.98          |
| 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 products in textiles with different combinations of blended cottons and yarns.
- Development of a new range of products in Towels and implementation of new stitching quality for improved customer satisfaction
- Development of new products in paper, Index Paper,

Drawing Paper etc. and launch of 'Trident Royal Touch' Copier Paper.

- Fiber loss reduction and study of bagasse mix with straw as alternative raw material.

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

- Market penetration, product diversification and new customer development.
- Increase in revenue.
- Better brand image.

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

- New product development – eco friendly and superior functional towels, fancy yarns, high end hosiery segment yarns, adaptive technology yarns, premium papers.
- Eco friendly innovations.
- Exploring new products and markets for our products with customisation.

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

- Expenses incurred on research and development is 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 Pinned Spacers in Ring Frame to improve Yarn Quality Parameters.
- Installation of Hairiness Module in winding machines to arrest the bobbins of high hairiness in compact and off centering in CSY yarn.
- Installation of "Tandem Stitch" Sewing Head and "Bar Tack" technology for Sewing durability improvement in high end products.

##### 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 customers spread globally.
- The Company was able to enhance its productivity and rationalise the manufacturing costs towards optimisation.
- The product portfolio was of better quality based on environment friendly technology. The manufacturing costs were also rationalised towards optimisation. 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:

- 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.
- Year of import - 2009-14
- Has technology been fully absorbed? - Yes
- 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 exporting its products to more than 75 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) | 18,536.4     | 16,081.7      |
| Outgo (CIF value of imports)    | 660.4        | 884.7         |
| Travelling expenses             | 4.1          | 4.4           |
| Other expenses                  | 285.9        | 213.7         |



## Annexure II to the Directors' Report

The Company introduced the Employees Stock Options Plan, 2007 in the financial year 2007-08, after approval by the shareholders by way of a special resolution passed by postal ballot on June 29, 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 Nomination and Remuneration Committee (earlier known

DISCLOSURE RELATED  
TO EMPLOYEE STOCK  
OPTION SCHEME OF  
THE COMPANY:

as 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, 2014 is given below:

### Details of options

| Grant  | First Grant  | Second Grant  |
|--|--|---------------|
| Date of Grant  | July 9, 2007   | July 23, 2009 |
| Total number of Options granted  | 7,901,462  | 3,993,000     |
| Exercise price per option  | ₹17.55   | ₹11.20        |
| Options vested   | 2,668,450  | 1,326,151     |
| Options exercised  | Nil  | 388,610       |
| Total number of shares arising as result of exercise of options          | Nil  | 388,610       |
| Options lapsed *   |  |               |
| (*Lapsed options include options forfeited and options cancelled/lapsed) | 5,233,012  | 2,278,239     |
| Variation in terms of Options  | None   | None          |
| Money realised by exercise of Options (₹)                                | Nil  | 4,352,432     |
| Total number of options in force   | 2,668,450  | 1,326,151     |
| Pricing formula  | All the options were granted at the market price which would be the latest available closing price, prior to the meeting of Board/Committee thereof in which options are granted, on the stock exchange on which the shares of the Company are listed. |               |

| 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 for the year: (₹ million)

|  |                |
|--|----------------|
| Pro Forma Adjusted Net Income(Loss) and Earnings Per Share |                |
| Net Profit/(Loss) as reported                              | 1,970.3        |
| Add: Intrinsic Value Compensation Cost                     | -              |
| Less: Fair Value Compensation Cost                         | -              |
| <b>Adjusted Pro Forma Net Profit/(Loss)</b>                | <b>1,970.3</b> |

### Earnings Per Share (₹)

| Particulars        | Basic | Diluted |
|--------------------|-------|---------|
| As Reported        | 6.33  | 6.15    |
| Adjusted Pro Forma | 6.33  | 6.15    |

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

| Particulars                                 | Exercise Price (₹) | Fair Value (₹) |
|---|--------------------|----------------|
| Exercise price equals market price          | 11.20              | 6.25           |
| Exercise price is greater than market price | N.A.               | N.A.           |
| Exercise price is less than market price    | N.A.               | N.A.           |

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 2013-14. 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, 2014.

The statement of the Directors' responsibility on the annual accounts of the Company for the year ended March 31, 2014 is provided below:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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, 2014 and of the profit/loss of the Company for the year ended March 31, 2014.

- 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.
- 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, 2014

S K Tuteja  
Chairman  
DIN: 00594076

Deepak Nanda  
Managing Director  
DIN: 00403335



# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Corporate Governance at Trident cares for the overall well-being and welfare of all constituents 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 the following the 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](http://www.tridentindia.com).

## Board of Directors

As on the date of report, the Board comprised of five directors,

of which 80% are non-executive and 60% are independent directors. The Company has a non-executive, independent chairman. Moreover, the Board has a representation of one woman independent director and one executive director. None of the directors on the Board is a member of more than ten Board level committees or acts as Chairman of more than five Board level committees as required under the Code.

## Board's Definition of Independent Director

An independent director in relation to the Company, means a director other than a managing director or a whole-time director or a nominee director,–

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives–

- (i) holds or has held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
  - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
  - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding,

subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company; or

(f) is not less than 21 years of age.

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

Other details relating to the Board are as follows:

| Name              | Designation       | Category                       | Shareholding in Company (No. of shares) | No. of directorships held in all public companies # | No. of Board Committees' memberships held in all public companies @ | No. of Board Committees' chairmanships held in all public companies @ |
|-------------------|-------------------|--------------------------------|---|---|---|---|
| Mr S K Tuteja     | Chairman          | Non-Executive, Independent     | -                                       | 15  | 5   | 5   |
| Mr Rajinder Gupta | Co-Chairman       | Non-Executive, Non-Independent | -                                       | 5   | 1   | -   |
| Ms Pallavi Shroff | Director          | Non-Executive, Independent     | -                                       | 5   | 1   | -   |
| Mr Rajiv Dewan    | Director          | Non-Executive, Independent     | 23,290                                  | 13  | 3   | 1   |
| Mr Deepak Nanda   | Managing Director | Executive, Non-Independent     | -                                       | 5   | 2   | -   |

# including Trident Limited and excluding private and foreign companies

@ Board Committees, for this purpose include Audit Committee and Stakeholders' Relationship Committee (including Board Committees of Trident Limited)

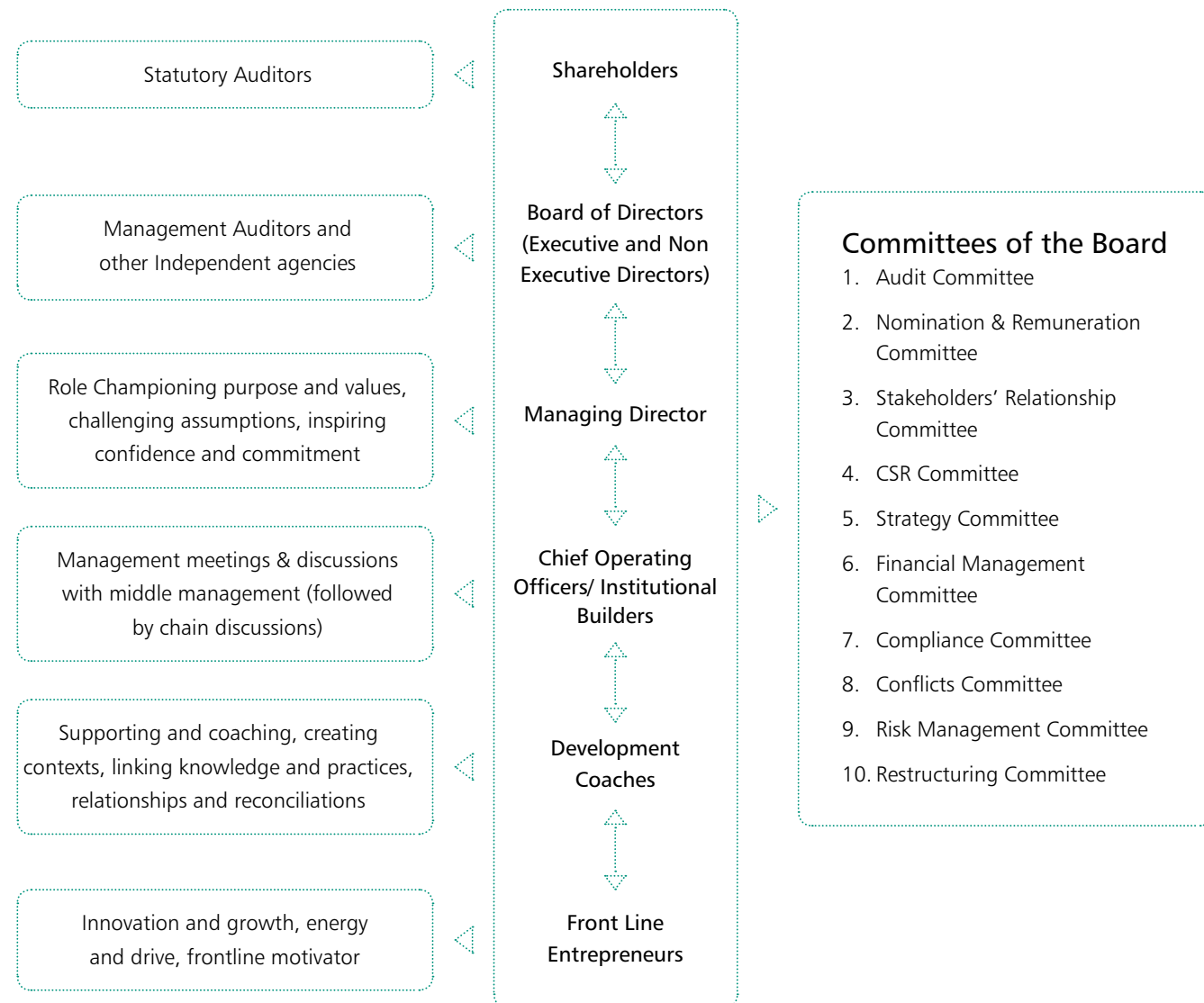
bringing dreams  
to life  
with our  
scale



bringing dreams  
to life  
with our business  
excellence

## Governance Structure

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place best system, process and technology.



## Meetings

### Meetings details - Board and Committees

At least 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 does 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 at least one Audit Committee meeting in each quarter, inter-alia, to review financial results. Meetings 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, 2013 and March 31, 2014:-

| Sl. No | Particulars                                       | No. of meetings held during the year | Date of meetings  |
|--------|---|--------------------------------------|---|
| 1.     | Board of Directors                                | 7                                    | May 15, 2013, August 9, 2013, September 30, 2013, October 9, 2013, November 12, 2013, December 18, 2013, February 9, 2014 |
| 2.     | Audit Committee                                   | 5                                    | May 15, 2013, August 9, 2013, October 9, 2013, November 12, 2013, February 9, 2014  |
| 3.     | Investors' Grievance and Share Transfer Committee | 4                                    | May 9, 2013, August 9, 2013, November 12, 2013, February 9, 2014  |
| 4.     | Screening Committee                               | 2                                    | May 9, 2013, November 12, 2013  |
| 5.     | Compensation Committee                            | 2                                    | November 12, 2013, February 1, 2014   |
| 6.     | Strategy Committee                                | 1                                    | May 15, 2013  |
| 7.     | Financial Management Committee                    | 6                                    | May 15, 2013, August 9, 2013, October 25, 2013, December 27, 2013, January 15, 2014, March 5, 2014                        |
| 8.     | Compliance Committee                              | 4                                    | May 9, 2013, August 9, 2013, November 12, 2013, February 9, 2014  |
| 9.     | Conflicts Committee                               | 2                                    | November 12, 2013, March 15, 2014   |
| 10.    | Restructuring Committee                           | 2                                    | October 3, 2013, October 9, 2013  |

There was a maximum time gap of not more than 85 days between two consecutive Board meetings and 88 days between two consecutive Audit Committee meetings.

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

The details of attendance of each Director of the Company in the Board and Committee meetings held during the financial year 2013-14 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 |          | Restructuring Committee |          |
|-----------------------|-------|----------|-----------------|----------|------------------------|----------|---|----------|---------------------|----------|--------------------|----------|--------------------------------|----------|----------------------|----------|---------------------|----------|-------------------------|----------|
|                       | Held* | Attended | Held*           | Attended | Held*                  | Attended | Held*   | Attended | Held*               | Attended | Held*              | Attended | Held*                          | Attended | Held*                | Attended | Held*               | Attended | Held*                   | Attended |
| Mr Rajinder Gupta ^   | 7     | 7        | ≈               | ≈        | ≈                      | ≈        | ≈   | ≈        | ≈                   | ≈        | ≈                  | ≈        | ≈                              | ≈        | ≈                    | ≈        | ≈                   | ≈        | ≈                       | ≈        |
| Ms Pallavi Shroff     | 7     | 2        | ≈               | ≈        | 2                      | 0        | ≈   | ≈        | ≈                   | ≈        | 1                  | 0        | ≈                              | ≈        | ≈                    | ≈        | ≈                   | ≈        | ≈                       | ≈        |
| Mr Rajiv Dewan        | 7     | 7        | 5               | 5        | 2                      | 2        | 4   | 4        | 2                   | 2        | 1                  | 1        | 6                              | 6        | 4                    | 4        | 2                   | 2        | 2                       | 2        |
| Dr M A Zahir ^ ^ ^    | 7     | 7        | 5               | 5        | 2                      | 2        | 4   | 4        | 2                   | 2        | 1                  | 1        | ≈                              | ≈        | ≈                    | ≈        | 2                   | 2        | 2                       | 2        |
| Mr Deepak Nanda ^ ^   | 7     | 7        | 3               | 3        | ≈                      | ≈        | 4   | 4        | ≈                   | ≈        | ≈                  | ≈        | 4                              | 4        | 4                    | 4        | ≈                   | ≈        | 2                       | 2        |
| Mr Sanjay Jain ^ ^ ^  | 2     | 2        | 2               | 2        | ≈                      | ≈        | ≈   | ≈        | ≈                   | ≈        | ≈                  | ≈        | 2                              | 2        | ≈                    | ≈        | ≈                   | ≈        | ≈                       | ≈        |
| Mr Vikas Pratap ^ ^ ^ | 2     | 0        | ≈               | ≈        | ≈                      | ≈        | ≈   | ≈        | ≈                   | ≈        | ≈                  | ≈        | ≈                              | ≈        | ≈                    | ≈        | ≈                   | ≈        | ≈                       | ≈        |

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

- ≈ Not a member of the Committee.

- ^ Mr. Rajinder Gupta was appointed as Chairman of the Board w.e.f. May 15, 2013 and has further been re-designated as Co-Chairman w.e.f. May 15, 2014.

- ^ ^ Mr. Deepak Nanda who was a whole-time director of the Company upto November 11, 2013 has been re-appointed as Managing Director of the Company w.e.f. November 12, 2013, subject to the approval of shareholders.

- ^ ^ ^ Mr. Sanjay Jain and Mr. Vikas Pratap ceased to be the Directors of the Company w.e.f. September 21, 2013 and Dr. M A Zahir ceased to be the Director of the Company w.e.f. May 15, 2014.

- The Chairman of Audit Committee and Investors' Grievance and Share Transfer Committee (since renamed as Stakeholders' Relationship Committee) were present in Annual General Meeting of the Company held on September 21, 2013.

- Mr Rajinder Gupta, Dr M A Zahir, Mr. Rajiv Dewan and Mr. Deepak Nanda were present in the Annual General Meeting of the Company held on September 21, 2013.



## 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 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 Companies Act, 2013. 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 approved 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 Chairmen.

All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board, inter-alia, includes the following:

- Annual operating plans and budgets and any updates thereon;
- Capital budgets and updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other committees of the Board;
- Legal compliances report and certificate;
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty

notices issued against the Company having material impact;

- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any
- Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any
- Details of joint venture or collaboration agreement, if any;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any;
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc., if any;
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business, if any;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as delay in non-payment of dividend, share transfer etc.

## Board Level Committees

The Board has constituted various Committees for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of land. The Chairman, quorum and the terms of reference of each committee have been approved by the Board.

## Composition of board level committees

### Audit Committee@

1. Mr S K Tuteja, Independent Director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent Director
3. Mr Deepak Nanda, Non-Independent Director

### Stakeholders' Relationship Committee@

1. Mr Rajiv Dewan, Independent Director (Chairman of Committee)
2. Mr Rajinder Gupta, Non-Independent Director
3. Mr Deepak Nanda, Non-Independent Director

### Corporate Social Responsibility@

1. Mr Rajiv Dewan, Independent Director (Chairman of Committee)
2. Mr S K Tuteja, Independent Director
3. Mr Deepak Nanda, Non-Independent Director

### 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

### Restructuring Committee@

1. Mr S K Tuteja, Independent Director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent Director
3. Mr Deepak Nanda, Non-Independent Director

### Nomination & Remuneration Committee@

1. Mr Rajiv Dewan, Independent Director (Chairman of Committee)
2. Mr S K Tuteja, Independent Director
3. Ms Pallavi Shroff, Independent Director
4. Dr Pramod Kumar, HR Expert

### Strategy Committee@

1. Mr Rajinder Gupta, Non-Independent Director (Chairman of Committee)
2. Mr Deepak Nanda, Non-Independent Director
3. Mr Samir Joshipura, Member
4. Mr Abhishek Gupta, Member

### Financial Management 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. Mr S K Tuteja, Independent Director
3. Mr Deepak Nanda, Non-Independent Director

### Risk Management Committee\*

1. Mr S K Tuteja, Independent Director (Chairman of Committee)
2. Mr Rajiv Dewan, Independent Director
3. Mr Deepak Nanda, Non-Independent Director

@ re-constituted as on May 15, 2014

\* constituted on May 15, 2014

bringing dreams  
to life  
with our  
value addition



bringing dreams  
to life  
with our  
integration

## 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, 2013. The broad terms of reference of Audit Committee as adopted by the Board are as under:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing with management the annual financial statements & auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report
  - Change, if any, in the accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in draft Audit Report
  - Going concern assumption
  - Compliance with accounting standards
- v) Reviewing, with the management, the quarterly financial statements and auditors' report thereon before submission to the Board for approval;
- vi) 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 utilised 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;
- vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval of any subsequent modification of transactions of the Company with related parties;
- ix) Scrutiny of inter-corporate loans, investments and guarantees;
- x) Valuation of undertaking or assets of the Company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- xiii) 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;
- xiv) Discussions with internal auditors of any significant findings and follow up thereon;
- xv) 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;
- xvi) Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- xvii) Looking 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;
- xviii) Reviewing and overseeing the functioning of the Whistle Blower mechanism and / or Vigil Mechanism;
- xix) Approval of the 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;
- xx) Dealing with other matters as may be required to be reviewed by Audit Committee under Listing Agreement, Companies Act and other laws, rules and regulations;
- xxi) Monitoring the end use of funds raised through public offers and related matters;

- xxii) 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;

xxiii) Reviewing the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

xxiv) Approval of all Related Party Transactions.

xxv) Such other functions as may be entrusted by the Board from time to time.

### Nomination & Remuneration Committee

The Screening Committee and Compensation Committee of the Board have been re-constituted as Nomination & Remuneration Committee by the Board of Directors in their meeting held on May 15, 2014. The broad terms of reference of Nomination & Remuneration Committee include, inter-alia, screening and selection process of directors and senior management, performance evaluation, determination and review of remuneration package of directors, key managerial personnel and senior management and formulation and administration of employee stock option plan of the Company.

### Stakeholders' Relationship Committee

The Investors' Grievance & Share Transfer Committee has been re-constituted into Stakeholders' Relationship Committee by the Board of Directors in their meeting held on May 15, 2014. The broad terms of reference of Stakeholders' Relationship Committee include, inter-alia, monitoring of work related to transfer/transmission/conversion/dematerialisation/rematerialisation/sub-division/consolidation/split-up of shares of the Company, approving issue of duplicate share certificate and addressing all kind of shareholders/investors queries and complaints.

### Strategy Committee

The broad terms of reference of Strategy Committee include, inter-alia, 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.

### Financial Management Committee

The broad terms of reference of Financial Management Committee include, inter-alia, deciding bank operating powers & modifications therein, other banking related issues of the Company, approval and monitoring of borrowings, 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 include, inter-alia, overseeing legal compliance, highlighting instances of non-compliance to the Board with its recommendations to minimise 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 from time to time.

### Conflicts Committee

The broad terms of reference of Conflicts Committee include, inter-alia, 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 reviewing implications of entering into these transactions and performing such other functions as the Board of Directors may entrust to the Committee from time to time.

### Restructuring Committee

The broad terms of reference of Restructuring Committee include, inter-alia, exploring possible restructuring options for synergies, efficient utilisation of resources, creating a stronger base for future growth and performing such other functions as may be assigned by the Board of Directors from time to time.

### Corporate Social Responsibility Committee

The Board has constituted the Corporate Social Responsibility (CSR) Committee in its meeting held on April 14, 2014. The broad terms of reference of CSR Committee include, inter-alia, formulating and recommending to the Board a CSR policy, recommending the amount of expenditure to be incurred on CSR activities and monitoring the implementation of the policy from time to time.

### Risk Management Committee

The Board has constituted the Risk Management Committee in its meeting held on May 15, 2014. The terms of reference of Risk Management Committee include laying down procedures to inform Board members about the risk assessment and minimisation procedures; framing, implementing and monitoring the risk management plan for the Company; and



insuring any compensation or damages to be paid in virtue of any legal liability including a liability arising from a breach of contract by way of insurance against the risk of meeting any liability and such other functions as may be assigned by the Board of Directors from time to time.

## Directors' Remuneration

### Remuneration policy of Directors

#### Executive Directors

The remuneration paid to the executive directors is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors subject to the approval by the shareholders.

#### Non-executive Directors

Non-executive directors are paid remuneration by way of sitting fee for attending meetings of the Board and/or Committees thereof.

Further, the members of the Company, in the Annual General Meeting held on September 21, 2013, approved payment of remuneration by way of commission @ 1% of net profits of the Company to Mr. Rajinder Gupta, Non-executive Chairman of the Board, for a period of two years w.e.f. April 01, 2013 to March 31, 2015, over and above the sitting fees being paid to him for attending meetings of the Board and/or Committee thereof.

The details of the remuneration paid to the Directors along with 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 for the year ended March 31, 2014 |                                  |                       |                 |
|----------------------|-----------------------------------|--|--|----------------------------------|-----------------------|-----------------|
|                      |                                   |  | Sitting fee<br>(in ₹)  | Salary and perquisites<br>(in ₹) | Commission*<br>(in ₹) | Total<br>(in ₹) |
| Mr Rajinder Gupta*   | None                              | Promoter                                       | 140,000  | -                                | 26,844,000            | 26,984,000      |
| Ms Pallavi Shroff    | None                              | None   | 40,000   | -                                | -                     | 40,000          |
| Mr Rajiv Dewan       | None                              | None   | 420,000  | -                                | -                     | 420,000         |
| Dr M A Zahir***      | None                              | None   | 420,000  | -                                | -                     | 420,000         |
| Mr Deepak Nanda**    | None                              | None   | -  | 8,485,667                        | -                     | 8,485,667       |
| Mr Sanjay Jain***    | None                              | None   | 80,000   | -                                | -                     | 80,000          |
| Mr Vikas Pratap ***  | None                              | None   | -  | -                                | -                     | -               |

\* Mr Rajinder Gupta was appointed as Chairman of the Board w.e.f. May 15, 2013 and has further been re-designated as Co-Chairman w.e.f. May 15, 2014.

\*\* Mr Deepak Nanda who was a whole-time director of the Company upto November 11, 2013 has been re-appointed as Managing Director of the Company w.e.f. November 12, 2013, subject to the approval of shareholders.

\*\*\* Mr Sanjay Jain and Mr. Vikas Pratap ceased to be the Directors of the Company w.e.f. September 21, 2013 and Dr. M A Zahir ceased to be the Director of the Company w.e.f. May 15, 2014.

Further, during the financial year 2013-14, the Company has neither advanced any loan nor granted any stock options to any of its directors.

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

#### Pecuniary Relationships or Transaction of Non-Executive Directors vis-a-vis the Company

The Company does not have any direct pecuniary relationships or transactions with any of its non-executive directors. However, a sum of ₹1,028,550/- was paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., in which Ms. Pallavi Shroff, Director of the Company is a partner, during the financial year 2013-14 towards fees for legal services. The said 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, Co-Chairman, has entered into a lease agreement with the Company for taking on lease residential building of the Company. A sum of ₹900,000/- has been received from Mr. Rajinder Gupta as lease rent during the year under review.

#### Termination of Agreement with Managing Director and Severance Fees

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

## Directorships of Board Members in Other Companies

The Directors of the Company also hold position as directors, committee members, partners and shareholders in other companies, associations and firms. The committee memberships/chairmanships held by the Directors in other bodies corporate as on March 31, 2014 are in compliance with Clause 49 of the Listing Agreement. Details of the same are given 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   |
|                   | Punjab Communication Limited                  | Director - Board<br>Member - Audit Committee<br>Member - Investors' Grievance Committee     |
| Mr Rajiv Dewan    | 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  |
|                   | Oswal Grandeur 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<br>Chairman - Investors' Grievance Committee |
|                   | Sohrab Spinning Mills Limited                 | Director - Board  |
|                   | Lotus Integrated Texpark Limited              | Director - Board<br>Member - Audit Committee  |
|                   | Majestic Auto Limited                         | Director - Board<br>Member - Audit Committee  |
| 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 Companies Act, 2013 and Articles of Association of the Company, all the directors on the Board of the Company (other than Independent Directors) shall retire from office at the completion of the Annual General Meeting. Accordingly, Mr. Rajinder Gupta and Mr. Deepak Nanda, retire at the forthcoming Annual General Meeting and have offered themselves for re-appointment. The Screening and Compensation Committees (since reconstituted as Nomination and Remuneration Committee) and Board of Directors have recommended re-appointment of aforesaid directors.

Further, Ms. Pallavi Shroff and Mr. Rajiv Dewan, Directors, also retire at the ensuing Annual General Meeting and have offered themselves for re-appointment. The Screening and Compensation Committees (since reconstituted as Nomination and Remuneration Committee) and Board have recommended their re-appointment as Independent Directors for a period of 5 years from the date of this Annual General Meeting till the conclusion of 29th Annual General Meeting.

Mr S K Tuteja was appointed as an additional director by the Board of Directors in their meeting held on May 15, 2014 and holds office till the ensuing Annual General Meeting. The Company has received a notice in writing from member alongwith the deposit of requisite amount under Section 160 of Companies Act, 2013 proposing the candidature of Mr. S K Tuteja for appointment as an Independent Director of the Company. The Screening and Compensation

Committees (since reconstituted as Nomination and Remuneration Committee) and Board have recommended his appointment as an Independent Director for a period of 5 years from the date of this Annual General Meeting till the conclusion of 29th Annual General Meeting.

Further, the Board of Directors, subject to the approval of shareholders, had appointed Mr. Deepak Nanda as Managing Director w.e.f. November 12, 2013. His remuneration and other terms of appointment were approved by the Board on the recommendations of the Screening and Compensation Committees (since reconstituted as Nomination and Remuneration Committee). The Board, accordingly, recommends the re-appointment of Mr. Deepak Nanda as Managing Director of the Company.

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](http://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 Report, 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](http://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, 2013                     | ■ Business Standard<br>■ Punjabi Jagran | August 10, 2013<br>August 10, 2013     |
| Unaudited financial results for the quarter and half year ended September 30, 2013  | ■ Business Standard<br>■ Punjabi Jagran | November 13, 2013<br>November 13, 2013 |
| Unaudited financial results for the quarter and nine months ended December 31, 2013 | ■ Business Standard<br>■ Punjabi Jagran | February 10, 2014<br>February 10, 2014 |
| Audited financial results for the quarter and year ended March 31, 2014             | ■ Business Standard<br>■ Punjabi Jagran | May 17, 2014*<br>May 17, 2014*         |

\* Proposed

### c) Compliance Officer

The Board has appointed following officials as compliance officers of the Company.

1. Ms Shakti Jindal, Company Secretary (e-mail ID: [shaktijindal@tridentindia.com](mailto:shaktijindal@tridentindia.com))

2. Mr Sunny Arora, Deputy Company Secretary (e-mail ID: [sunnyarora@tridentindia.com](mailto:sunnyarora@tridentindia.com))  
The compliance officers can be contacted for any investor related matter relating to the Company on contact No. 1800 180 2999 (Toll Free No.); 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     | Value   | Special Resolutions passed  |
|------|----------|--------------------|----------|---|---|
| 23rd | Saturday | September 21, 2013 | 10:30 am | Trident Group, Raikot Road, Sanghera, Barnala | i. Payment of Remuneration by the way of commission to Non - Executive Chairman of the Board.<br>ii. Alteration in the Articles of Association of the Company.<br>iii. Issue of warrants. |
| 22nd | Monday   | September 24, 2012 | 10:30 am | Trident Group, Raikot Road, Sanghera, Barnala | No special resolution was passed at the meeting.  |
| 21st | Friday   | September 30, 2011 | 10:30 am | Trident Group, Raikot Road, Sanghera, Barnala | No special resolution was passed at the meeting.  |

### e) Postal ballot

The following resolutions were passed through postal ballot during the financial year 2013-14 for which the Board had appointed Mr. S C Gupta, retired District Attorney as scrutiniser:-

| SI No. | Date of passing resolution | Description of ordinary resolution(s) and special resolution(s)   | Voting pattern |         | Remarks                        |
|--------|----------------------------|---|----------------|---------|--------------------------------|
|        |                            |   | For            | Against |                                |
| 1.     | January 27, 2014           | Ordinary resolution pursuant to Section 391 to 394 of the Companies Act, 1956 and other applicable provisions for approval of the Scheme of Amalgamation by public shareholders | 99.91 %        | 0.09 %  | Passed with requisite majority |

## Disclosures

### a) Related party transactions

- There was no materially significant related party transaction, pecuniary transaction or relationship between the Company and its Directors, promoters or the management that may have potential conflict with the interests of the Company at large. The details of related party transactions are 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 considered, recommended and approved by the Conflicts Committee and Audit Committee. Such transactions are thereafter approved by the Board of Directors. The interested directors are not present in the meeting and therefore do not participate in the discussion or decision on such matters.

### 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 policy



## Compliance Status with Mandatory and Non-Mandatory Requirements of Clause 49 of the Listing Agreement

### Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreements entered into with Stock Exchanges.

### Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

- The Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.
- Company has set up a Nomination and Remuneration Committee comprising of three Independent directors and one independent person having expertise in Human Resources. Details of the Committee are given in this report under the head Board Level Committees
- Presently, half yearly financial performance is not being sent to each household of shareholders. However, Company, on quarterly basis, sends financial results to all shareholders who have registered their e-mail ids with depositories/ RTA/ Company.
- No qualification has been observed in the Financial Statements for the year ended March 31, 2014.
- The performance evaluation of all Directors (executive and non-executive) is done by the Nomination & Remuneration Committee, which comprises of three Independent directors and one independent person having expertise in Human Resources.
- The Company has adopted Whistle Blower Policy. No personnel is denied access to the Audit Committee.

### f) Listing fees

Listing fees for the year 2014-15 have been paid to the stock exchanges, where the equity shares of the Company are listed, within the stipulated time.

### g) Payment of Depository Fee:

Annual Custody/ Issuer fee for the year 2014-15 has been paid by the Company to NSDL and CDSL within the stipulated time.

### 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   |

## General Shareholders Information

The following information would be useful to our shareholders:

### a) Annual General Meeting

|       |  |
|-------|--|
| Date  | September 24, 2014                           |
| Day   | Wednesday                                    |
| Time  | 11:30 AM                                     |
| Venue | Trident Group, Raikot Road, Sanghera, Punjab |

### b) Financial calendar

|                     |                                 |
|---------------------|---------------------------------|
| Next financial year | April 1, 2014 to March 31, 2015 |
|---------------------|---------------------------------|

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

|  |                          |
|--|--------------------------|
| For the quarter ended June 30, 2014                    | August 2014 (1st week)   |
| For the quarter and half year ended September 30, 2014 | November 2014 (1st week) |
| For the quarter and period ended December 31, 2014     | February 2015 (2nd week) |
| For the Quarter and year ended March 31, 2015          | May 2015 (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 13, 2014 to Wednesday, September 24, 2014 (both days inclusive) for the purpose of Annual General Meeting.

### e) Listing on stock exchanges

As on March 31, 2014, the equity shares of the Company are listed on the following exchanges:

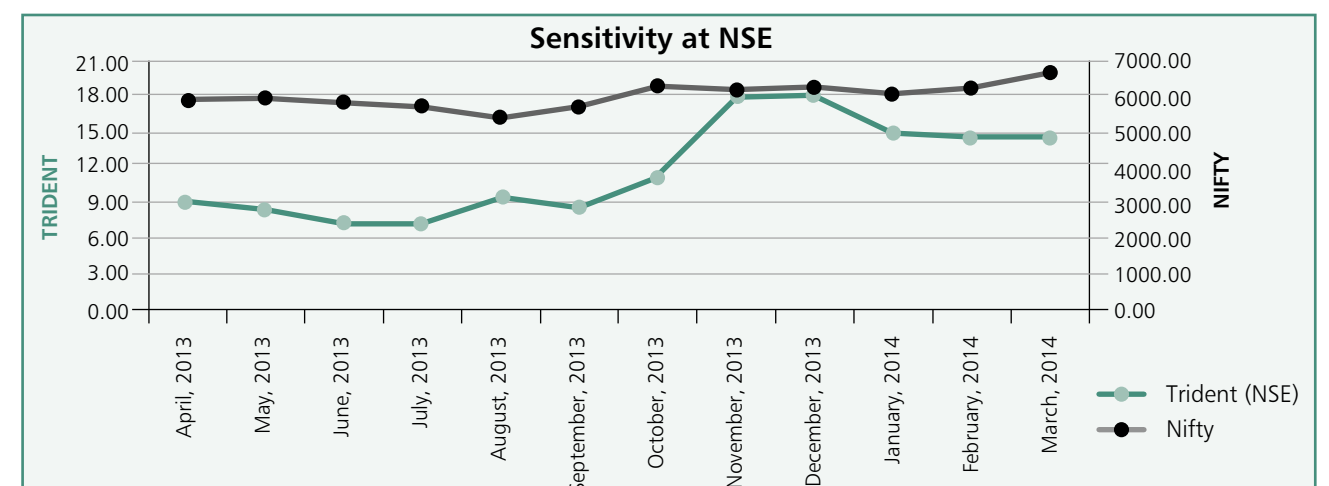
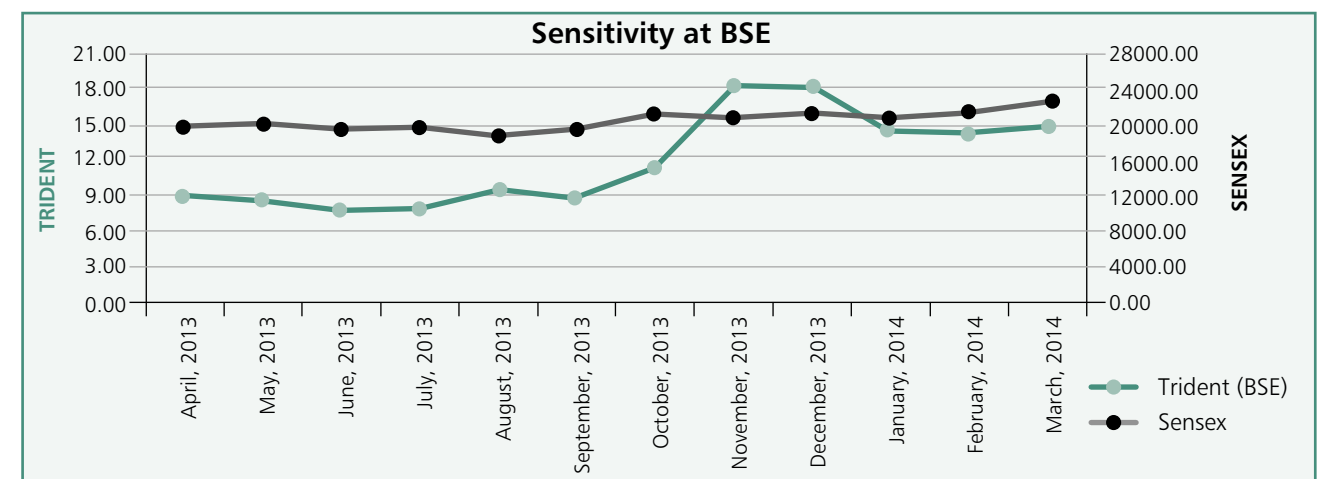
|   |   |
|---|---|
| 1 | <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>25th Floor, Dalal Street, Mumbai – 400 001   |
| 2 | <b>National Stock Exchange of India Limited</b><br>Exchange Plaza, Plot No. C/1 G Block,<br>Bandra Kurla Complex, Bandra (E),<br>Mumbai – 400 051 |

### 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, 2013     | 9.20         | 8.15  | 341,538   | 19,504.18 | 18,226.48 | 9.20         | 8.25  | 741,769   | 5,930.20 | 5,495.10 |
| May, 2013       | 10.09        | 8.60  | 586,060   | 20,286.12 | 19,575.64 | 10.05        | 8.55  | 683,793   | 6,187.30 | 5,944.00 |
| June, 2013      | 8.58         | 7.45  | 216,684   | 19,610.48 | 18,540.89 | 8.60         | 7.40  | 408,501   | 5,939.30 | 5,588.70 |
| July, 2013      | 8.52         | 7.44  | 255,257   | 20,302.13 | 19,177.76 | 8.50         | 7.40  | 451,730   | 6,077.80 | 5,742.00 |
| August, 2013    | 10.65        | 6.68  | 1,082,560 | 19,367.59 | 17,905.91 | 10.70        | 6.70  | 1,516,111 | 5,742.30 | 5,285.00 |
| September, 2013 | 9.92         | 8.90  | 454,075   | 20,646.64 | 18,234.66 | 9.95         | 8.90  | 1,365,661 | 6,115.55 | 5,341.45 |
| October, 2013   | 12.44        | 8.94  | 1,587,821 | 21,164.52 | 19,517.15 | 12.50        | 8.90  | 3,423,534 | 6,299.15 | 5,780.05 |
| November, 2013  | 18.13        | 11.58 | 3,365,431 | 21,239.36 | 20,194.40 | 18.20        | 11.60 | 6,249,328 | 6,317.35 | 5,989.60 |
| December, 2013  | 18.25        | 15.95 | 2,707,806 | 21,326.42 | 20,612.14 | 18.25        | 16.00 | 5,315,362 | 6,363.90 | 6,139.05 |
| January, 2014   | 18.40        | 14.20 | 2,267,126 | 21,373.66 | 20,498.25 | 18.45        | 14.15 | 5,308,292 | 6,345.65 | 6,073.70 |
| February, 2014  | 16.28        | 13.89 | 1,284,018 | 21,120.12 | 20,193.35 | 16.30        | 13.80 | 2,898,670 | 6,276.95 | 6,000.90 |
| March, 2014     | 15.30        | 14.03 | 774,931   | 22,386.27 | 20,946.65 | 15.35        | 14.05 | 1,587,577 | 6,704.20 | 6,221.45 |

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.

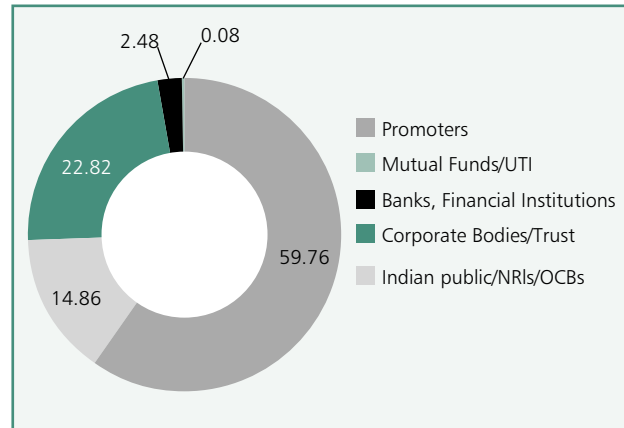
**l) Distribution of shareholding**

As on March 31, 2014 the distribution of shareholding was as follows:

| Shareholding of nominal value in ₹ |    |         | Shareholders  |               | Shareholding       |               |
|------------------------------------|----|---------|---------------|---------------|--------------------|---------------|
|                                    |    |         | Number        | Percent       | Shares             | Percent       |
| up to                              |    | 5,000   | 49,192        | 79.57         | 9,335,083          | 3.00          |
| 5,001                              | To | 10,000  | 6,517         | 10.54         | 5,373,826          | 1.73          |
| 10,001                             | To | 20,000  | 2,969         | 4.80          | 4,608,572          | 1.48          |
| 20,001                             | To | 30,000  | 1,000         | 1.62          | 2,610,304          | 0.84          |
| 30,001                             | To | 40,000  | 436           | 0.71          | 1,591,406          | 0.51          |
| 40,001                             | To | 50,000  | 507           | 0.82          | 2,435,557          | 0.78          |
| 50,001                             | To | 100,000 | 627           | 1.01          | 4,789,812          | 1.54          |
| 100,001 and above                  |    |         | 578           | 0.93          | 280,342,152        | 90.12         |
| <b>Total</b>                       |    |         | <b>61,826</b> | <b>100.00</b> | <b>311,086,712</b> | <b>100.00</b> |

**m) Category wise shareholding as on March 31, 2014**

| Category                        | No. of shares held | Percent of share holding |
|---------------------------------|--------------------|--------------------------|
| <b>Promoters</b>                |                    |                          |
| – Indian promoters              | 185,927,833        | 59.76                    |
| <b>Institutional investors</b>  |                    |                          |
| – Mutual Funds/UTI              | 258,572            | 0.08                     |
| – Banks, Financial Institutions | 7,715,596          | 2.48                     |
| <b>Others</b>                   |                    |                          |
| – Corporate Bodies/Trust        | 70,971,395         | 22.82                    |
| – Indian public/NRIs/OCBs       | 46,213,316         | 14.86                    |
| <b>Grand Total</b>              | <b>311,086,712</b> | <b>100.00</b>            |

**n) Details of shareholders having more than five percent shares as on March 31, 2014**

| Name of shareholder     | No. of shares held | Percent of shareholding |
|-------------------------|--------------------|-------------------------|
| Madhuraj Foundation     | 134,484,000        | 43.23                   |
| Trident Group Limited   | 30,000,000         | 9.64                    |
| Trident Capital Limited | 20,000,000         | 6.43                    |

**o) Dematerialisation of shares**

The equity shares of the Company are compulsory traded and settled in the dematerialised form under ISIN No. INE 064C01014. The details of the equity shares of the Company dematerialised as on March 31, 2014 is given hereunder:

| Particulars                    | As on March 31, 2014 |               | As on March 31, 2013 |               |
|--------------------------------|----------------------|---------------|----------------------|---------------|
|                                | No of shares         | percent       | No of shares         | percent       |
| No. of shares dematerialised   | 292,070,085          | 93.89         | 280,400,376          | 90.21         |
| – NSDL                         | 90,168,308           | 28.98         | 69,379,745           | 22.32         |
| – CSDL                         | 201,901,777          | 64.90         | 211,020,631          | 67.89         |
| No. of shares in physical form | 19,016,627           | 6.11          | 30,436,736           | 9.79          |
| <b>Total</b>                   | <b>311,086,712</b>   | <b>100.00</b> | <b>310,837,112</b>   | <b>100.00</b> |

**p) Conversion of Warrants**

The Company had allotted 30,000,000 warrants to M/s Trident Industrial Corp Limited, a promoter group entity and 30,000,000 warrants to M/s Rainbow Integrated Texpark Limited, a non promoter group entity on September 30, 2013 at a price of ₹10/- per share pursuant to the approval of the shareholders in the annual general meeting held on September 21, 2013. The allottees of warrants have an option to get these warrants converted into equivalent number of equity shares of the Company within 18 months from the date of allotment.

**q) Correspondence received/resolved**

| Nature  | Number of letters (April 2013 – Mar 2014) |            |          |
|---|---|------------|----------|
|   | Received                                  | Attended   | Pending  |
| Transfer of shares                                | 28  | 28         | -        |
| Dividend/Revalidation                             | 100                                       | 100        | -        |
| Annual Report                                     | 104                                       | 104        | -        |
| Loss of shares                                    | 58  | 58         | -        |
| SEBI/Stock exchange                               | 5   | 5          | -        |
| Change of address/status/mandate                  | 159                                       | 159        | -        |
| Conversion  | 122                                       | 122        | -        |
| Misc. like demat/nomination/POA/transmission etc. | 146                                       | 146        | -        |
| <b>Total</b>                                      | <b>722</b>                                | <b>722</b> | <b>-</b> |

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

As on March 31, 2014, 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, 2014 a total of 3,994,601 options were outstanding and in force. During the financial year 2013-14, the Company has allotted 249,600 equity shares to the Employees of the Company pursuant to exercise of options in terms of Trident Employee Stock Options Plan, 2007 on February 1, 2014.

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. There has not been any grant under Trident Employee Stock Options Scheme, 2009 till date.

**t) Exchange of shares of erstwhile Varinder Agro Chemicals Limited with Trident Limited**

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

The shareholders who are still holding shares of erstwhile VACL are requested to surrender their share certificates of VACL at the corporate office of the Company at E – 212, Kitchlu Nagar, Ludhiana – 141001 to get the shares of Trident Limited.

**u) Amalgamation of Trident Infotech Limited and Trident Agritech Limited with Trident Limited**

Trident Infotech Limited (TIL) and Trident Agritech Limited (TAL) have amalgamated with Trident Limited vide Order dated September 29, 2011 of the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. Pursuant to the Scheme of Amalgamation, the Company has allotted 5 equity shares of Trident Limited for every 6 equity shares of TIL and 20 equity shares of Trident Limited for every 31 equity shares of TAL. The Company has dispatched the share certificates of Trident Limited at the registered address of the shareholders of erstwhile TIL and TAL whose names appeared in respective Registers of Members on December 2, 2011, being the Record Date fixed for the purpose. The certificates in respect of shares held by them in erstwhile TIL & TAL are deemed to have been automatically cancelled and are of no effect, on and from the aforesaid Record Date. The shareholders of TIL who have not received the shares of Trident Limited may contact at the corporate office of the Company at E – 212, Kitchlu Nagar, Ludhiana – 141001 to get the shares of Trident Limited.



**v) 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]   | 22,885              | 9,795,719        |
| Additions made during the year [B]   | -                   | -                |
| <b>Total [C] = [A] + [B]</b>   | <b>22,885</b>       | <b>9,795,719</b> |
| Shareholders who approached Company for transfer of shares from suspense account during the year | 101                 | 54,792           |
| Shareholders to whom shares were transferred from suspense account during the year [D]           | 86                  | 48,238           |
| Shareholders in process as on March 31, 2014   | 3                   | 856              |
| <b>Balance at the end of the year [E] = [C] – [D]</b>  | <b>22,799</b>       | <b>9,747,481</b> |

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 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.

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.

**x) 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 SH - 13. Shareholders holding shares in demat form may contact their Depository Participant for the purpose.

**w) Unclaimed Dividend**

Shareholders who have not yet encashed their dividend warrants for the year 2010-11 may approach the Company for re-validation and issue of duplicate warrants. Dividend which remains unpaid/unclaimed over a period of seven

**y) 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, Dhaura, Barnala - 148107 Punjab | Trident Complex, Hoshangabad Road, Budni, Sehore-466445 Madhya Pradesh | Trident Complex, Mansa Road, Dhaura, Barnala - 148107 Punjab |

**z) Address of subsidiary**

Trident Global Corp Limited  
Trident Group,  
Raikot Road,  
Sanghera – 148101, India

**aa) Address for correspondence**

Trident Limited  
CIN No. - L99999PB1990PLC010307  
Trident Group,  
Raikot Road,  
Sanghera – 148101, 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**

- We have examined the compliance of conditions of Corporate Governance by Trident Limited (“the Company”) for the year ended March 31, 2014, as stipulated in clause 49 of the Listing Agreements of the Company with stock exchanges.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and according to the explanations given to us and 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 Agreements.

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

For Deloitte Haskins & Sells  
Chartered Accountants  
Registration No. 015125N

(Vijay Agarwal)

Place : Ludhiana

Date : May 15, 2014

Partner

(Membership No. 094468)

**MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

We have reviewed financial statements and the cash flow statement for the year April 1, 2013 to March 31, 2014 and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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;
- 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:

- 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;
- Significant changes in internal control over financial reporting during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- 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, 2014

(Arun Goyal)

Chief Financial Officer

(Deepak Nanda)

Managing Director

DIN: 00403335

**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 2013-14, 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: May15, 2014

(Shakti Jindal)

Company Secretary

(Deepak Nanda)

Managing Director

DIN: 00403335

# 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 March 31, 2014, 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 notified under the Companies Act, 1956 ("the Act")(which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- 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

- 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.
- As required by Section 227(3) of the Act, we report that:
  - 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.
  - 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.
  - 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.
  - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**

*Chartered Accountants*  
(Firm's Registration No.015125N)

**Vijay Agarwal**

*(Partner)*

Place : Ludhiana

Date : May 15, 2014

(Membership No.094468)

# 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.

- In respect of its fixed assets:
  - The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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. Pursuant to the programme, fixed assets were physically verified by the Management during the year, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - 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.
- In respect of its inventories:
  - 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.
  - 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.
  - 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.
- 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:

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

| (₹ million)                                 |                |                 |
|---|----------------|-----------------|
| Particulars                                 | No. of Parties | Amount involved |
| Balance at the beginning of the year        | 1              | 23.2            |
| Amount recovered during the year            | 1              | 23.2            |
| Balance at the end of the year              | 0              | -               |
| Maximum balance outstanding during the year | 1              | 23.2            |

- 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.
- 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.
- There are no overdue amounts in respect of the loan granted as referred to in paragraph 4(iii) (a) to (c) above.
- 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.
- 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, having regard to our comments in paragraph (iv) above, 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 if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.

(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 an external agency 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, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities and generally been regular in depositing Income-tax 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, 2014 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, 2014 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, 2014 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    | Commissioner (Appeals), Chandigarh                 | 11.5                        | 2007-08, 2013-14                   |
| Central Excise Law | Excise Duty    | Customs, Excise and Service Tax Appellate Tribunal | 122.0                       | 2008-09, 2009-10 and 2010-11       |
| Central Excise Law | Excise Duty    | Revisionary Authority, New Delhi                   | 0.3                         | 2012-13                            |
| Service Tax        | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 3.5                         | 2007-08, 2008-09 and 2009-10       |
| Income-tax Act     | Income Tax     | Asst. Commissioner of Income-tax                   | 9.4                         | (A.Y.) 2004-05                     |
| Income-tax Act     | Income Tax     | Commissioner of Income-tax (Appeals)               | 68.3                        | (A.Y.) 2005-06, 2006-07, 2011-12   |
| Income-tax Act     | Income Tax     | Income Tax Appellate Tribunal                      | 0.3                         | (A.Y.) 2006-07                     |

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 | 40.2               | 2005-06, 2006-07                             |
| Central Excise Law | Excise Duty    | Punjab & Haryana High Court, Chandigarh            | 30.3               | 2002-03, 2003-04, 2008-09 and 2009-10        |
| Service Tax Act    | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 1.8                | 2004-05, 2005-06                             |
| Income Tax Act     | Income Tax     | Income Tax Appellate Tribunal                      | 26.5               | (A.Y.) 2006-07                               |
| Income Tax Act     | Income Tax     | High Court   | 5.5                | (A.Y.) 1989-90, 1990-91, 1997-98 and 1999-00 |
| Income Tax Act     | Income Tax     | Supreme Court                                      | 12.2               | (A.Y.) 2002-03, 2004-05                      |

(x) The Company does not have accumulated losses as at March 31, 2014 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. The Company has not issued any debentures during the year.

(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 have, prima facie, not been used during the year for long-term investment.

(xvi) According to the information and explanations given to us, 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) According to the information and explanations given to us, the Company has not issued any debentures during the year.

(xviii) According to the information and explanations given to us, 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's Registration No.015125N)

**Vijay Agarwal**

*(Partner)*

(Membership No.094468)

Place : Ludhiana

Date : May 15, 2014

**Balance Sheet** as at March 31, 2014

(₹ million)

| Particulars  | Note No.       | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|--|----------------|-------------------------|-------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                    |                |                         |                         |
| <b>1 Shareholders' funds</b>                                       |                |                         |                         |
| a) Share capital   | 3              | 3,110.9                 | 3,108.4                 |
| b) Reserves and surplus  | 4              | 5,767.9                 | 3,954.3                 |
| c) Money received against share warrants                           | 41             | 430.0                   | -                       |
| <b>2 Non-current liabilities</b>                                   |                |                         |                         |
| a) Long term borrowings  | 5              | 7,658.6                 | 9,491.8                 |
| b) Deferred tax liabilities (net)                                  | 32             | 1,082.3                 | 1,070.1                 |
| c) Long term provisions  | 6              | 45.3                    | 42.9                    |
| <b>3 Current liabilities</b>                                       |                |                         |                         |
| a) Short term borrowings   | 7              | 8,038.8                 | 9,673.6                 |
| b) Trade payables  | 8              | 1,852.5                 | 1,658.5                 |
| c) Other current liabilities                                       | 9              | 3,665.8                 | 3,841.5                 |
| d) Short term provisions   | 10             | 193.2                   | 27.8                    |
| <b>Total</b>   |                | <b>31,845.3</b>         | <b>32,868.9</b>         |
| <b>II ASSETS</b>   |                |                         |                         |
| <b>1 Non-current assets</b>  |                |                         |                         |
| a) Fixed assets  |                |                         |                         |
| i) Tangible assets   | 11             | 17,912.3                | 19,622.2                |
| ii) Intangible assets  | 11             | 43.6                    | 60.0                    |
| iii) Capital work in progress                                      |                | 276.9                   | 280.5                   |
| iv) Intangible assets under development                            |                | 85.9                    | -                       |
| b) Non-current investments   | 12             | 1,032.3                 | 619.7                   |
| c) Long term loans and advances                                    | 13             | 1,514.4                 | 1,224.6                 |
| <b>2 Current assets</b>  |                |                         |                         |
| a) Current investments   | 14             | 155.0                   | 25.0                    |
| b) Inventories   | 15             | 6,428.5                 | 6,909.9                 |
| c) Trade receivables   | 16             | 2,641.4                 | 2,323.0                 |
| d) Cash and bank balances  | 17             | 245.2                   | 331.1                   |
| e) Short term loans and advances                                   | 18             | 1,487.8                 | 1,436.6                 |
| f) Other current assets  | 19             | 22.0                    | 36.3                    |
| <b>Total</b>   |                | <b>31,845.3</b>         | <b>32,868.9</b>         |
| <b>Accompanying notes forming part of the financial statements</b> | <b>1 to 47</b> |                         |                         |

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

For and on behalf of the Board of Directors

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

**VIJAY AGARWAL**  
Partner

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

Place : Ludhiana  
Date : May 15, 2014

**Statement of Profit and Loss** for the year ended March 31, 2014

(₹ million)

| Particulars  | Note No.       | For the year ended<br>March 31, 2014 | For the year ended<br>March 31, 2013 |
|--|----------------|--------------------------------------|--------------------------------------|
| <b>1 REVENUE FROM OPERATIONS:</b>                                  |                |                                      |                                      |
| Gross sale of products and services                                | 20             | 39,095.2                             | 33,726.5                             |
| Less: Excise duty  |                | 406.6                                | 373.9                                |
|  |                | <b>38,688.6</b>                      | <b>33,352.6</b>                      |
| 2 Other income   | 21             | 162.8                                | 224.4                                |
| <b>3 Total revenue (1+2)</b>                                       |                | <b>38,851.4</b>                      | <b>33,577.0</b>                      |
| <b>4 EXPENSES:</b>   |                |                                      |                                      |
| Cost of material consumed  | 22             | 19,415.4                             | 18,198.2                             |
| Purchase of stock in trade   | 23             | 881.3                                | 226.1                                |
| Changes in inventories of finished goods<br>and work-in-progress   | 24             | 223.2                                | (8.7)                                |
| Employee benefits expense  | 25             | 2,870.0                              | 2,378.6                              |
| Finance costs  | 26             | 2,103.3                              | 2,352.8                              |
| Depreciation and amortization expense                              | 11             | 2,684.1                              | 2,614.4                              |
| Other expense  | 27             | 8,022.6                              | 7,004.7                              |
| <b>5 Total expenses</b>  |                | <b>36,199.9</b>                      | <b>32,766.1</b>                      |
| <b>6 Profit before tax (3-5)</b>                                   |                | <b>2,651.5</b>                       | <b>810.9</b>                         |
| <b>7 Tax expenses</b>  |                |                                      |                                      |
| - Current tax  |                | 555.7                                | 151.0                                |
| - Deferred tax charge  |                | 12.2                                 | 277.5                                |
| - MAT credit (entitlement)/utilization                             |                | 97.2                                 | (151.0)                              |
| - Deferred tax charge for earlier years                            |                | -                                    | 32.8                                 |
| - Current tax for earlier years                                    |                | 16.1                                 | 7.3                                  |
| <b>8 Profit for the year (6-7)</b>                                 |                | <b>1,970.3</b>                       | <b>493.3</b>                         |
| <b>9 Earnings per equity share in Rupees (face value ₹10 each)</b> | 34             |                                      |                                      |
| - Basic  |                | 6.33                                 | 1.60                                 |
| - Diluted  |                | 6.15                                 | 1.60                                 |
| <b>Accompanying notes forming part of the financial statements</b> | <b>1 to 47</b> |                                      |                                      |

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

For and on behalf of the Board of Directors

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

**VIJAY AGARWAL**  
Partner

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

Place : Ludhiana  
Date : May 15, 2014



## Cash Flow Statement for the year ended March 31, 2014

(₹ million)

| Particulars  | Current year |                  | Previous year |                  |
|--|--------------|------------------|---------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                             |              |                  |               |                  |
| Net profit before tax  |              | 2,651.5          |               | 810.9            |
| Adjustments for:   |              |                  |               |                  |
| Depreciation and amortization expenses                                   | 2,684.1      |                  | 2,614.4       |                  |
| Finance costs  | 2,103.3      |                  | 2,352.8       |                  |
| Interest income  | (75.5)       |                  | (43.3)        |                  |
| Profit on sale of non-current investments (non trade)                    | (1.8)        |                  | -             |                  |
| Doubtful debts, subsidy, VAT and advances written off                    | 212.7        |                  | 5.7           |                  |
| Provision for doubtful trade receivables                                 | 0.7          |                  | 2.9           |                  |
| Provision for doubtful trade receivables no longer required written back | -            |                  | (22.7)        |                  |
| Bad debts recovered  | -            |                  | (22.5)        |                  |
| (Profit)/loss on sale of fixed assets (net)                              | 43.2         | 4,966.7          | (15.9)        | 4,871.4          |
| <b>Operating profit before working capital changes</b>                   |              | <b>7,618.2</b>   |               | <b>5,682.3</b>   |
| Changes in working capital:  |              |                  |               |                  |
| Adjustments for (increase)/decrease in operating assets:                 |              |                  |               |                  |
| Inventories  | 481.4        |                  | (1,705.9)     |                  |
| Trade receivables  | (319.1)      |                  | (384.2)       |                  |
| Short term loans and advances  | (51.2)       |                  | 635.1         |                  |
| Long term loans and advances   | 14.8         |                  | (121.6)       |                  |
| Other current assets   | 18.1         |                  | (17.3)        |                  |
| Adjustments for increase/(decrease) in operating liabilities:            |              |                  |               |                  |
| Trade payables   | 194.0        |                  | (163.2)       |                  |
| Other current liabilities  | 85.7         |                  | (31.2)        |                  |
| Short term provisions  | 8.4          |                  | 8.7           |                  |
| Long term provisions   | 2.4          | 434.5            | 12.8          | (1,766.8)        |
| <b>Cash generated from operations</b>                                    |              | <b>8,052.7</b>   |               | <b>3,915.5</b>   |
| Income tax paid (net)  |              | (584.2)          |               | (112.6)          |
| <b>Net cash from operating activities (A)</b>                            |              | <b>7,468.5</b>   |               | <b>3,802.9</b>   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                             |              |                  |               |                  |
| Capital expenditure on fixed assets, including capital advances          | (1,488.6)    |                  | (883.5)       |                  |
| Proceeds from sale of fixed assets                                       | 143.4        |                  | 86.1          |                  |
| Purchase of current investments  | (130.0)      |                  | (25.0)        |                  |
| Purchase of long term investments  | (415.0)      |                  | (63.2)        |                  |
| Proceeds from sale of long term investments                              | 4.2          |                  | -             |                  |
| Interest received  | 71.7         |                  | 36.1          |                  |
| Bank Balances not considered as cash and cash equivalents                |              |                  |               |                  |
| - Placed   | (104.4)      |                  | (172.6)       |                  |
| - Matured  | 183.6        |                  | 21.9          |                  |
| <b>Net cash from / (used) in investing activities (B)</b>                |              | <b>(1,735.1)</b> |               | <b>(1,000.2)</b> |

## Cash Flow Statement for the year ended March 31, 2014

(₹ million)

| Particulars  | Current year |                  | Previous year |                  |
|--|--------------|------------------|---------------|------------------|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                               |              |                  |               |                  |
| Proceeds from issue of equity shares                                       | 2.8          |                  | 63.9          |                  |
| Proceeds from issue of share warrants                                      | 430.0        |                  | -             |                  |
| Proceeds from long term borrowings   | 1,852.8      |                  | 548.2         |                  |
| Repayment of long term borrowings  | (4,280.4)    |                  | (3,420.1)     |                  |
| Net increase/(decrease) in working capital borrowings                      | (1,634.8)    |                  | 2,317.1       |                  |
| Finance costs  | (2,105.9)    |                  | (2,362.1)     |                  |
| Dividend paid  | (4.6)        |                  | -             |                  |
| <b>Net cash from /(used) in financing activities (C)</b>                   |              | <b>(5,740.1)</b> |               | <b>(2,853.0)</b> |
| Net increase/(decrease) in cash and cash equivalents                       |              | (6.7)            |               | (50.3)           |
| Cash and cash equivalents as at April 1, 2013                              |              | 90.6             |               | 140.9            |
| Cash and cash equivalents at March 31, 2014                                |              | 83.9             |               | 90.6             |
| <b>Reconciliation of Cash and balances with the balance sheet:</b>         |              |                  |               |                  |
| Cash and bank balances as per balance sheet                                |              | 245.2            |               | 331.1            |
| Less: Bank balances not considered as cash and cash equivalents:           |              |                  |               |                  |
| In other deposits accounts   | 26.7         |                  | 94.1          |                  |
| (original maturity more than 3 months)                                     |              |                  |               |                  |
| Unpaid dividend accounts   | 8.3          |                  | 12.9          |                  |
| Held as margin money or security against borrowings and other              | 126.3        | 161.3            | 133.5         | 240.5            |
| commitments  |              |                  |               |                  |
| <b>Cash and cash equivalents at the end of the year *</b>                  |              | <b>83.9</b>      |               | <b>90.6</b>      |
| * Comprises:   |              |                  |               |                  |
| Cash on hand   |              | 14.1             |               | 8.7              |
| Balances with banks :  |              |                  |               |                  |
| - In current accounts  |              | 69.8             |               | 62.9             |
| - In other deposits accounts   |              |                  |               |                  |
| (Original maturity of 3 months or less)                                    |              | -                |               | 19.0             |
|  |              | <b>83.9</b>      |               | <b>90.6</b>      |
| <b>Accompanying notes forming part of the financial statements 1 to 47</b> |              |                  |               |                  |

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

For and on behalf of the Board of Directors

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

**VIJAY AGARWAL**  
Partner

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

Place : Ludhiana  
Date : May 15, 2014

## Notes forming part of the Financial Statements

### Note 1: CORPORATE INFORMATION

Trident Limited ("the Company") is a public company domiciled in India and incorporated on April 18, 1990 under the provisions of the Companies Act, 1956. The name of the Company has been changed from Abhishek Industries Limited to Trident Limited on April 18, 2011. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is engaged in manufacturing, trading and selling of yarn, terry towels, paper, chemicals and IT enabled and business related 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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 read with General Circular 08/2014 dated April 04, 2014 of the Ministry of Corporate Affairs] and the relevant provisions of the 1956 Act/2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 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 risks and rewards of ownership to the buyer and when the Company does 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. Revenue from job charges is recognized when services are rendered and where no significant uncertainty exists regarding the collection of amount of consideration.

The revenue in respect of duty drawback and similar other export benefits is recognized on post export basis at the rate at which the entitlements accrue 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 are 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 recognized 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 recognized as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants with respect to Technology Upgradation Fund (TUF) subsidy is deducted from related finance costs.

#### 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 highly 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.

## Notes forming part of the Financial Statements

### Note 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### 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 are 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 and when services are rendered by the employees.

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 by an independent valuer. 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 and impairment losses, if any. 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 the assets is ready for its intended use.

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

- 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.
- Assets costing ₹5,000 or less are fully depreciated in the year of purchase.
- The intangible asset (software) is amortised over the period of software license or 5 years, whichever is less.
- The leasehold land is amortized over the lease term.

#### 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 is as follows:

- Raw materials: weighted average cost
- Work in progress: 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



## Notes forming part of the Financial Statements

## Note 2: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

are carried at fair value denominated in 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 rates 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 differences 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 contacts 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 which provides evidence of condition that existed as on balance sheet date, are taken into cognizance in accordance with the principles laid down in AS 4 "Contingencies and events occurring after the balance sheet date".

## Notes forming part of the Financial Statements

(₹ million)

| Particulars  | As at March 31, 2014 |                 | As at March 31, 2013 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | Number               | Amount          | Number               | Amount          |
| <b>Note 3: SHARE CAPITAL</b>   |                      |                 |                      |                 |
| <b>Authorised</b>  |                      |                 |                      |                 |
| 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        |
|  |                      | <b>90,860.0</b> |                      | <b>90,860.0</b> |
| <b>Issued, Subscribed and Paid up</b>  |                      |                 |                      |                 |
| Equity shares of ₹10 each (with voting rights) fully paid up (refer (a), (b), (c), (d), (e) and (f) below) | 311,086,712          | 3,110.9         | 310,837,112          | 3,108.4         |
| <b>Total</b>   |                      | <b>3,110.9</b>  |                      | <b>3,108.4</b>  |

**(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, 2014 |         | As at March 31, 2013 |         |
|   | Number               | Amount  | Number               | Amount  |
| <b>Issued, Subscribed and Paid up equity shares</b> |                      |         |                      |         |
| Shares outstanding at the beginning of the year     | 310,837,112          | 3,108.4 | 305,837,112          | 3,058.4 |
| Shares issued during the year                       | 249,600              | 2.5     | 5,000,000            | 50.0    |
| Shares outstanding at the end of the year           | 311,086,712          | 3,110.9 | 310,837,112          | 3,108.4 |

**(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 shareholders holding more than 5 percent shares:**

| Particulars                     | Equity Share Capital |        |                      |        |
|---------------------------------|----------------------|--------|----------------------|--------|
|                                 | As at March 31, 2014 |        | As at March 31, 2013 |        |
|                                 | No. of Shares        | % Held | No. of Shares        | % Held |
| Madhuraj Foundation             | 134,484,000          | 43.2%  | 120,484,000          | 38.8%  |
| Trident Group Limited           | 30,000,000           | 9.6%   | 30,000,000           | 9.7%   |
| Trident Capital Limited         | 20,000,000           | 6.4%   | 20,000,000           | 6.4%   |
| Prudent Traders Private Limited | -                    | -      | 18,860,000           | 6.1%   |

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

| Particulars  | Equity Share Capital |        |                      |        |
|--|----------------------|--------|----------------------|--------|
|  | As at March 31, 2014 |        | As at March 31, 2013 |        |
|  | 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           | 17.2%  |

**(e) As at March 31, 2014, 60,000,000 shares (Previous year Nil) were reserved for issuance towards outstanding share warrants (Refer note 41).****(f) Refer note 43 for equity held by TAL Benefit Trust and note 44 for Employees Stock Options Plan.**

## Notes forming part of the Financial Statements

(₹ million)

| Particulars                                       | As at March 31, 2014 | As at March 31, 2013 |
|---|----------------------|----------------------|
| <b>Note 4: RESERVES AND SURPLUS</b>               |                      |                      |
| <b>a) Capital reserve</b>                         | 628.5                | 628.5                |
| <b>b) Securities premium reserve</b>              |                      |                      |
| Opening balance                                   | 785.5                | 750.3                |
| Add: Premium on shares issued during the year     | 0.3                  | 35.2                 |
| <b>c) General reserve</b>                         | 20.0                 | 20.0                 |
| <b>d) Surplus in statement of profit and loss</b> |                      |                      |
| Opening balance                                   | 2,520.3              | 2,027.0              |
| Net profit for the year                           | 1,970.3              | 493.3                |
| Less: Proposed dividend                           | 134.2                | -                    |
| Less: Tax on proposed dividend                    | 22.8                 | -                    |
| <b>Total</b>                                      | <b>5,767.9</b>       | <b>3,954.3</b>       |
| <b>Note 5: LONG TERM BORROWINGS</b>               |                      |                      |
| <b>Term loans - secured</b>                       |                      |                      |
| From banks  | 6,641.1              | 9,482.9              |
| From financial institutions                       | 1,000.0              | -                    |
| <b>Other loans - secured</b>                      |                      |                      |
| Vehicle loans from banks                          | 17.5                 | 8.9                  |
| <b>Total</b>                                      | <b>7,658.6</b>       | <b>9,491.8</b>       |

**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 movables, 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 42 for repayment terms).

Includes ₹872.6 million (Previous year ₹1,145.8 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 sanctioned to the Company by these Indian banks and accordingly, have been classified as long term borrowings.

**Vehicles loans**

Vehicle loans are secured by hypothecation of vehicles acquired against such loans (Refer note 42 for repayment terms).

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

|  |             |             |
|--|-------------|-------------|
| <b>Note 6: LONG TERM PROVISIONS</b>                      |             |             |
| <b>Provision for employee benefits (Refer note 31) :</b> |             |             |
| Compensated absences                                     | 40.4        | 32.4        |
| Gratuity   | 4.9         | 10.5        |
| <b>Total</b>   | <b>45.3</b> | <b>42.9</b> |

|  |                |                |
|--|----------------|----------------|
| <b>Note 7: SHORT TERM BORROWINGS</b>   |                |                |
| Cash credits/working capital loans from banks - secured (Also Refer note 17) | 8,038.8        | 9,673.6        |
| <b>Total</b>   | <b>8,038.8</b> | <b>9,673.6</b> |

**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.

## Notes forming part of the Financial Statements

(₹ million)

| Particulars                                    | As at March 31, 2014 | As at March 31, 2013 |
|--|----------------------|----------------------|
| <b>Note 8: TRADE PAYABLES</b>                  |                      |                      |
| Acceptances                                    | -                    | 198.2                |
| Other than Acceptances (Refer note 33)         | 1,852.5              | 1,460.3              |
| <b>Total</b>                                   | <b>1,852.5</b>       | <b>1,658.5</b>       |
| <b>Note 9: OTHER CURRENT LIABILITIES</b>       |                      |                      |
| Current maturities of long-term debt - secured | 2,925.3              | 3,232.7              |
| Interest accrued but not due on loans          | 7.7                  | 10.3                 |
| Dividend payable/unclaimed dividend*           | 8.3                  | 12.9                 |
| Statutory remittances                          | 56.9                 | 63.3                 |
| Capital creditors                              | 116.1                | 62.9                 |
| Payables to employees                          | 357.3                | 264.5                |
| Advances from customers                        | 95.1                 | 85.6                 |
| Security deposits - unsecured                  | 99.1                 | 109.3                |
| <b>Total</b>                                   | <b>3,665.8</b>       | <b>3,841.5</b>       |

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

|   |              |             |
|---|--------------|-------------|
| <b>Note 10: SHORT TERM PROVISIONS</b>   |              |             |
| <b>Provision for employee benefits:</b> |              |             |
| Compensated absences (Refer note 31)    | 36.2         | 27.8        |
| <b>Other provisions:</b>                |              |             |
| Proposed dividend                       | 134.2        | -           |
| Tax on proposed dividend                | 22.8         | -           |
| <b>Total</b>                            | <b>193.2</b> | <b>27.8</b> |

**Note 11: FIXED ASSETS**

| Particulars                   | Gross Block          |                           |                    | Depreciation/Amortization |                      |                |                    | Net Block           |                      |
|-------------------------------|----------------------|---------------------------|--------------------|---------------------------|----------------------|----------------|--------------------|---------------------|----------------------|
|                               | As at March 31, 2013 | Additions during the year | Sales / Adjustment | As at March 31, 2014      | As at March 31, 2013 | For the year   | Sales / Adjustment | Upto March 31, 2014 | As at March 31, 2014 |
| <b>A) Tangible assets #</b>   |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Land                          |                      |                           |                    |                           |                      |                |                    |                     |                      |
| - Freehold                    | 986.6                | 95.6                      | -                  | 1,082.2                   | -                    | -              | -                  | -                   | 1,082.2              |
| - Leasehold                   | 702.0                | 0.4                       | -                  | 702.4                     | 20.5                 | 7.7            | -                  | 28.2                | 674.2                |
| Buildings                     | 4,774.7              | 80.4                      | -                  | 4,855.1                   | 792.7                | 142.8          | -                  | 935.5               | 3,919.6              |
| Plant and machinery           | 26,659.0             | 908.3                     | 273.6              | 27,293.7                  | 13,088.9             | 2,467.8        | 114.3              | 15,442.4            | 11,851.3             |
| Furniture and fixtures        | 224.9                | 11.5                      | 17.7               | 218.7                     | 79.7                 | 12.8           | 17.2               | 75.3                | 143.4                |
| Office equipments             | 154.3                | 7.0                       | 12.8               | 148.5                     | 55.4                 | 6.1            | 7.8                | 53.7                | 94.8                 |
| Computers                     | 187.5                | 4.6                       | 1.8                | 190.3                     | 131.9                | 13.2           | 1.7                | 143.4               | 46.9                 |
| Vehicles                      | 169.2                | 35.1                      | 37.2               | 167.1                     | 66.9                 | 15.8           | 15.5               | 67.2                | 99.9                 |
| <b>Total (A)</b>              | <b>33,858.2</b>      | <b>1,142.9</b>            | <b>343.1</b>       | <b>34,658.0</b>           | <b>14,236.0</b>      | <b>2,666.2</b> | <b>156.5</b>       | <b>16,745.7</b>     | <b>17,912.3</b>      |
| <b>B) Intangible assets #</b> |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Software                      | 198.1                | 1.5                       | -                  | 199.6                     | 138.1                | 17.9           | -                  | 156.0               | 43.6                 |
| <b>Total (B)</b>              | <b>198.1</b>         | <b>1.5</b>                | <b>-</b>           | <b>199.6</b>              | <b>138.1</b>         | <b>17.9</b>    | <b>-</b>           | <b>156.0</b>        | <b>43.6</b>          |
| <b>Total (A + B)</b>          | <b>34,056.3</b>      | <b>1,144.4</b>            | <b>343.1</b>       | <b>34,857.6</b>           | <b>14,374.1</b>      | <b>2,684.1</b> | <b>156.5</b>       | <b>16,901.7</b>     | <b>17,955.9</b>      |

# All the assets are owned assets except as indicated otherwise.

**Notes:**

- Additions to plant and machinery include exchange fluctuation loss of ₹488.4 million (Previous year ₹390.8 million).
- Sales/adjustment to plant and machinery include exchange fluctuation gain of ₹120.0 million (Previous year ₹33.8 million).



## Notes forming part of the Financial Statements

Note 11: FIXED ASSETS (Contd.) (₹ 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 |
| <b>C) Tangible assets #</b>   |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Land                          | 915.9                | 70.7                      | -                  | 986.6                     | -                    | -              | -                  | -                   | 986.6                |
| - Freehold                    | 702.0                | -                         | -                  | 702.0                     | 12.9                 | 7.6            | -                  | 20.5                | 681.5                |
| - Leasehold                   | 4,636.9              | 138.9                     | 1.1                | 4,774.7                   | 652.6                | 140.1          | -                  | 792.7               | 3,982.0              |
| Buildings                     | 26,185.4             | 604.2                     | 130.6              | 26,659.0                  | 10,758.7             | 2,400.9        | 70.7               | 13,088.9            | 13,570.1             |
| Plant and machinery           | 189.2                | 35.7                      | -                  | 224.9                     | 67.1                 | 12.6           | -                  | 79.7                | 145.2                |
| Furniture and fixtures        | 143.0                | 11.7                      | 0.4                | 154.3                     | 49.7                 | 5.8            | 0.1                | 55.4                | 98.9                 |
| Office equipments             | 170.6                | 17.3                      | 0.4                | 187.5                     | 119.7                | 12.4           | 0.2                | 131.9               | 55.6                 |
| Computers                     | 182.2                | 8.3                       | 21.3               | 169.2                     | 64.2                 | 15.2           | 12.5               | 66.9                | 102.3                |
| Vehicles                      |                      |                           |                    |                           |                      |                |                    |                     |                      |
| <b>Total (C)</b>              | <b>33,125.2</b>      | <b>886.8</b>              | <b>153.8</b>       | <b>33,858.2</b>           | <b>11,724.9</b>      | <b>2,594.6</b> | <b>83.5</b>        | <b>14,236.0</b>     | <b>19,622.2</b>      |
| <b>D) Intangible assets #</b> |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Software                      | 197.5                | 0.6                       | -                  | 198.1                     | 118.3                | 19.8           | -                  | 138.1               | 60.0                 |
| <b>Total (D)</b>              | <b>197.5</b>         | <b>0.6</b>                | <b>-</b>           | <b>198.1</b>              | <b>118.3</b>         | <b>19.8</b>    | <b>-</b>           | <b>138.1</b>        | <b>60.0</b>          |
| <b>Total (C + D)</b>          | <b>33,322.7</b>      | <b>887.4</b>              | <b>153.8</b>       | <b>34,056.3</b>           | <b>11,843.2</b>      | <b>2,614.4</b> | <b>83.5</b>        | <b>14,374.1</b>     | <b>19,682.2</b>      |

# All the assets are owned assets except as indicated otherwise.

**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).

| Particulars   | As at March 31, 2014 | As at March 31, 2013 |
|---|----------------------|----------------------|
| <b>Note 12: NON CURRENT INVESTMENTS (Unquoted, at cost or under)</b>  |                      |                      |
| <b>I. Investments in equity instruments (Trade)</b>   |                      |                      |
| 24,500 (Previous year 24,500) common stock of USD 1 each fully paid up of Trident Global Inc., USA (Formerly Abhishek Industries Inc.) (Associate), 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 (Associate)  | 0.1                  | 0.1                  |
| 72,600,000 (Previous year 31,100,000) equity shares of ₹10 each fully paid up of Trident Corporation Limited (Associate) *  | 717.5                | 302.5                |
| 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 500,000) equity shares of ₹10 each fully paid up of Trident Global Corp Limited (Subsidiary)   | 5.0                  | 5.0                  |
| <b>Total</b>  | <b>823.8</b>         | <b>408.8</b>         |
| <b>II. Investments in preference shares (Trade)</b>   |                      |                      |
| 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 (Refer note 45)       | 50.0                 | 50.0                 |
| <b>III. Others (Non-trade)</b>  |                      |                      |
| 32,000 (Previous year 32,000) units of face value of ₹630 each, fully paid up and reduced to ₹405 each of Kotak India Venture Fund (Private Equity fund)                        | 13.0                 | 15.4                 |
| <b>IV. Interest (Equity) in TAL Benefit Trust (Refer note 43)</b>   | 145.5                | 145.5                |
| <b>Total</b>  | <b>1,032.3</b>       | <b>619.7</b>         |
| Aggregate book value - unquoted   | 1,032.3              | 619.7                |

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

# The Company has issued corporate guarantee on behalf of this company (Refer note 28).

## Notes forming part of the Financial Statements

(₹ million)

| Particulars  | As at March 31, 2014 | As at March 31, 2013 |
|--|----------------------|----------------------|
| <b>Note 13: LONG TERM LOANS AND ADVANCES</b>   |                      |                      |
| <b>(Unsecured considered good, unless otherwise stated)</b>                            |                      |                      |
| Capital advances   | 770.5                | 168.4                |
| Advances to vendors  | 120.0                | 200.0                |
| Security deposits  | 272.0                | 324.0                |
| Advance income tax [Net of provisions ₹1,410.0 million (Previous year ₹838.5 million)] | 36.0                 | 23.6                 |
| MAT credit entitlement   | 315.9                | 413.1                |
| Government Subsidy   | -                    | 95.5                 |
| <b>Total</b>   | <b>1,514.4</b>       | <b>1,224.6</b>       |

**Note 14: CURRENT INVESTMENTS****Current (Non-trade) (Quoted, at cost or fair value, whichever is lower)****Mutual funds:**

1,779,245 (Previous year 1,779,245) units of face value of ₹10 each fully paid up of SBI Dynamic Bond Fund - Growth (Market value as on 31.03.2014 is ₹26.9 million)

1,003,358 (Previous year Nil) units of face value of ₹10 each fully paid up of SBI Magnum Income Fund - Growth (Market value as on 31.03.2014 is ₹30.0 million)

**Bonds:**

100 (Previous year Nil) bonds, with a maturity period of 15 years, of face value of ₹1,000,000 each with issue price of ₹1,000,100 each fully paid up of Secured, redeemable, non-convertible tax free bonds series - I issued by IFCI Limited, Company's plan is to dispose these bonds on listing.

|                                 |              |             |
|---------------------------------|--------------|-------------|
| <b>Total</b>                    | <b>155.0</b> | <b>25.0</b> |
| Aggregate book value - quoted   | 155.0        | 25.0        |
| Aggregate market value - quoted | 156.9        | 26.3        |

**Note 15: INVENTORIES \*****Stock in trade**

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| - Raw materials                       | 4,734.6        | 5,008.2        |
| - Work in progress [Refer (a) below]  | 745.8          | 858.9          |
| - Finished goods                      | 620.5          | 730.6          |
| Stores and spares                     | 327.6          | 312.2          |
| <b>Total</b>                          | <b>6,428.5</b> | <b>6,909.9</b> |
| <b>(a) Work in progress comprises</b> |                |                |
| - Yarn                                | 261.2          | 218.5          |
| - Towel                               | 415.8          | 577.3          |
| - Paper                               | 68.8           | 63.1           |
|                                       | <b>745.8</b>   | <b>858.9</b>   |

\* At cost or net realizable value, whichever is lower

## Notes forming part of the Financial Statements

(₹ million)

| Particulars   | As at March 31, 2014 |         | As at March 31, 2013 |         |
|---|----------------------|---------|----------------------|---------|
| 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   | 9.7                  |         | 30.0                 |         |
| - Considered doubtful   | 110.5                |         | 39.2                 |         |
|   | 120.2                |         | 69.2                 |         |
| Less: Provision for doubtful trade receivables  | 110.5                | 9.7     | 39.2                 | 30.0    |
|   |                      |         |                      |         |
| Others  | 2,631.7              |         | 2,364.2              |         |
| Less: Provision for doubtful trade receivables  | -                    | 2,631.7 | 71.2                 | 2,293.0 |
| Total   |                      | 2,641.4 |                      | 2,323.0 |

**Note 17: CASH AND BANK BALANCES****Cash and cash equivalents**

|   |      |      |      |      |
|---|------|------|------|------|
| Cash on hand                            |      | 14.1 |      | 8.7  |
| Balances with banks :                   |      |      |      |      |
| - In current accounts                   | 69.8 |      | 62.9 |      |
| - In other deposits accounts            |      |      |      |      |
| (original maturity of 3 months or less) | -    | 69.8 | 19.0 | 81.9 |

**Other bank balances**

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| In other deposits accounts   |       |       |       |       |
| (original maturity more than 3 months)   | 26.7  |       | 94.1  |       |
| - In earmarked accounts  |       |       |       |       |
| (i) Unpaid dividend accounts   | 8.3   |       | 12.9  |       |
| (ii) Held as margin money or security against borrowings and other commitments | 460.9 |       | 133.5 |       |
| Less: Net off as per the set-off agreement with banks *                        | 334.6 | 161.3 | -     | 240.5 |

**Total** 245.2 331.1

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 "Cash Flow Statement". 83.9 90.6

\* The Company has placed fixed deposits amounting to ₹334.6 million (Previous year ₹ NIL) with the banks, whose maturity value alongwith interest earned is assigned to the banks for the settlement of liability under cash credit. In terms of the set off agreement entered into with the banks, the Company has set off the liability under cash with the fixed deposits.

**Note 18: SHORT TERM LOANS AND ADVANCES****(Unsecured considered good, unless otherwise stated)**

|   |  |                |  |                |
|---|--|----------------|--|----------------|
| Loans and advances to related parties                   |  | -              |  | 32.6           |
| Security deposits                                       |  | 108.0          |  | -              |
| Loans and advances to employees                         |  | 14.3           |  | 16.8           |
| Advances to vendors                                     |  | 344.8          |  | 374.7          |
| Prepaid expense   |  | 118.2          |  | 102.1          |
| Balance with customs, excise and port trust authorities |  | 851.9          |  | 819.3          |
| Others  |  | 50.6           |  | 91.1           |
| <b>Total</b>  |  | <b>1,487.8</b> |  | <b>1,436.6</b> |

## Notes forming part of the Financial Statements

(₹ million)

| Particulars                   | As at March 31, 2014 |      | As at March 31, 2013 |      |
|-------------------------------|----------------------|------|----------------------|------|
| Note 19: OTHER CURRENT ASSETS |                      |      |                      |      |
| Interest accrued on deposits  |                      | 21.9 |                      | 18.1 |
| Insurance claim receivables   |                      | 0.1  |                      | 18.2 |
| Total                         |                      | 22.0 |                      | 36.3 |

| Particulars                      | For the year ended<br>March 31, 2014 |          | For the year ended<br>March 31, 2013 |          |
|----------------------------------|--------------------------------------|----------|--------------------------------------|----------|
| Note 20: REVENUE FROM OPERATIONS |                                      |          |                                      |          |
| Sale of products:                |                                      |          |                                      |          |
| Manufactured                     |                                      |          |                                      |          |
| - Yarn                           |                                      | 14,932.9 |                                      | 12,667.9 |
| - Processed yarn                 |                                      | 338.2    |                                      | 309.5    |
| - Towel                          |                                      | 12,779.5 |                                      | 11,964.0 |
| - Paper                          |                                      | 8,337.3  |                                      | 7,135.3  |
| - Sulphuric acid                 |                                      | 359.2    |                                      | 401.1    |
| Traded                           |                                      |          |                                      |          |
| - Towel                          |                                      | 936.1    |                                      | 287.1    |
| - Yarn                           |                                      | 35.7     |                                      | -        |
| Sale of services                 |                                      | 211.3    |                                      | 18.2     |
| Other operating revenue:         |                                      |          |                                      |          |
| Waste sale                       |                                      | 1,165.0  |                                      | 943.4    |
| Total                            |                                      | 39,095.2 |                                      | 33,726.5 |

**Note 21: OTHER INCOME**

|   |  |              |  |              |
|---|--|--------------|--|--------------|
| Interest income   |  | 75.5         |  | 43.3         |
| Profit on sale of non-current investments (non-trade)                     |  | 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         |
| Sales tax subsidy   |  | -            |  | 51.8         |
| Insurance claim   |  | 45.2         |  | 20.5         |
| Miscellaneous income  |  | 40.3         |  | 47.7         |
| <b>Total</b>  |  | <b>162.8</b> |  | <b>224.4</b> |

**Note 22: COST OF MATERIAL CONSUMED****Raw material consumed**

|  |  |                 |  |                 |
|--|--|-----------------|--|-----------------|
| Opening stock                            |  | 5,008.2         |  | 3,276.6         |
| Add: Purchase of raw material            |  | 19,141.8        |  | 19,929.8        |
|  |  | 24,150.0        |  | 23,206.4        |
| Less: Closing stock                      |  | 4,734.6         |  | 5,008.2         |
| <b>Net consumption (Refer (a) below)</b> |  | <b>19,415.4</b> |  | <b>18,198.2</b> |

**a) Raw material consumed comprises:**

|                     |  |                 |  |                 |
|---------------------|--|-----------------|--|-----------------|
| Cotton and fibers   |  | 12,139.1        |  | 10,858.8        |
| Yarn                |  | 3,114.7         |  | 3,596.5         |
| Dyes and chemicals  |  | 2,370.1         |  | 2,343.4         |
| Agro based products |  | 1,661.6         |  | 1,310.5         |
| Others              |  | 129.9           |  | 89.0            |
| <b>Total</b>        |  | <b>19,415.4</b> |  | <b>18,198.2</b> |



## Notes forming part of the Financial Statements

(₹ million)

| Particulars  | For the year ended<br>March 31, 2014 |         | For the year ended<br>March 31, 2013 |         |
|--|--------------------------------------|---------|--------------------------------------|---------|
| Note 23: PURCHASE OF STOCK IN TRADE                                      |                                      |         |                                      |         |
| Towels for resale  |                                      | 847.7   |                                      | 701.0   |
| Yarn for resale  |                                      | 33.6    |                                      | -       |
| Less: sale of material bought back after processing                      |                                      | -       |                                      | 474.9   |
| Total  |                                      | 881.3   |                                      | 226.1   |
|  |                                      |         |                                      |         |
| Note 24: CHANGE IN INVENTORIES OF FINISHED GOODS<br>AND WORK-IN-PROGRESS |                                      |         |                                      |         |
| Opening Stock  |                                      |         |                                      |         |
| Finished goods   | 730.6                                |         | 767.9                                |         |
| Work-in-progress   | 858.9                                | 1,589.5 | 812.9                                | 1,580.8 |
| Less : Closing Stock   |                                      |         |                                      |         |
| Finished goods   | 620.5                                |         | 730.6                                |         |
| Work-in-progress   | 745.8                                | 1,366.3 | 858.9                                | 1,589.5 |
| (Increase)/decrease  |                                      | 223.2   |                                      | (8.7)   |
|  |                                      |         |                                      |         |
| Note 25: EMPLOYEE BENEFITS EXPENSE                                       |                                      |         |                                      |         |
| (Refer note 31)  |                                      |         |                                      |         |
| Salaries and wages   |                                      | 2,583.2 |                                      | 2,103.0 |
| Contribution to provident and other funds                                |                                      | 255.5   |                                      | 257.2   |
| Staff welfare expenses   |                                      | 31.3    |                                      | 18.4    |
| Total  |                                      | 2,870.0 |                                      | 2,378.6 |
|  |                                      |         |                                      |         |
| Note 26: FINANCE COSTS   |                                      |         |                                      |         |
| Interest expense   |                                      |         |                                      |         |
| - On loans for fixed period  |                                      | 933.0   |                                      | 1,214.9 |
| - Others   |                                      | 945.9   |                                      | 973.4   |
| Other borrowing costs  |                                      | 224.4   |                                      | 164.5   |
| Total  |                                      | 2,103.3 |                                      | 2,352.8 |
|  |                                      |         |                                      |         |
| Note 27: OTHER EXPENSES  |                                      |         |                                      |         |
| Stores and spares consumed   |                                      | 817.2   |                                      | 595.7   |
| Packing material and charges   |                                      | 1,009.3 |                                      | 916.4   |
| Power and fuel (Net of utilized by others)                               |                                      | 2,918.4 |                                      | 2,654.4 |
| Rent   |                                      | 47.2    |                                      | 45.3    |
| Repairs and maintenance  |                                      |         |                                      |         |
| - Plant and machinery  |                                      | 91.2    |                                      | 74.6    |
| - Buildings  |                                      | 74.6    |                                      | 50.6    |
| - Others   |                                      | 24.1    |                                      | 12.6    |
| Insurance charges  |                                      | 86.1    |                                      | 76.8    |
| Rates and taxes  |                                      | 32.5    |                                      | 33.2    |
| Commission   |                                      | 450.9   |                                      | 311.9   |
| Freight, clearing and octroi charges                                     |                                      | 1,178.6 |                                      | 926.3   |
| Rebates and discount   |                                      | 275.6   |                                      | 173.1   |
| Advertisement and business promotion                                     |                                      | 237.2   |                                      | 64.7    |
| Net loss of foreign currency transaction and translation                 |                                      | 113.2   |                                      | 630.9   |
| Auditors' remuneration (Refer note 30)                                   |                                      | 10.1    |                                      | 8.4     |

## Notes forming part of the Financial Statements

(₹ million)

| Particulars   | For the year ended<br>March 31, 2014 |         | For the year ended<br>March 31, 2013 |         |
|---|--------------------------------------|---------|--------------------------------------|---------|
| Note 27: OTHER EXPENSES (Contd.)                      |                                      |         |                                      |         |
| Travelling and conveyance                             |                                      | 90.0    |                                      | 47.3    |
| Postage and telephone                                 |                                      | 24.8    |                                      | 25.2    |
| Legal and professional                                |                                      | 107.5   |                                      | 108.9   |
| Doubtful debts, subsidy, VAT and advances written off |                                      | 212.7   |                                      | 5.7     |
| Provision for doubtful trade receivables              |                                      | 0.7     |                                      | 2.9     |
| Loss on sale of fixed assets                          |                                      | 43.2    |                                      | -       |
| Charity and donation                                  |                                      | 6.1     |                                      | 5.2     |
| Miscellaneous expenses                                |                                      | 171.4   |                                      | 234.6   |
| Total   |                                      | 8,022.6 |                                      | 7,004.7 |

| Particulars  | As at March 31, 2014 |         | As at March 31, 2013 |         |
|--|----------------------|---------|----------------------|---------|
| Note 28: CONTINGENT LIABILITIES AND COMMITMENTS<br>(TO THE EXTENT NOT PROVIDED FOR)  |                      |         |                      |         |
| I. Contingent liabilities  |                      |         |                      |         |
| (a) Claims* (excluding claims by employees where amounts are not ascertainable) not acknowledged as debt:                  |                      |         |                      |         |
| - Service tax  |                      | 3.3     |                      | 5.7     |
| - Excise duty  |                      | 83.1    |                      | 45.6    |
| - Income tax   |                      | 72.1    |                      | 9.4     |
| - Others   |                      | -       |                      | 0.5     |
| (b) Bills discounted   |                      | 1,747.6 |                      | 1,963.5 |
| (c) Guarantees given to banks on behalf of others of ₹1978.1 million<br>(Previous year ₹1978.1 million) - Loan outstanding |                      | 1,111.9 |                      | 1,187.4 |
| II. Commitments  |                      |         |                      |         |
| (a) Estimated amount of contracts remaining to be executed on capital account (net of advances)                            |                      | 576.0   |                      | 41.4    |
| (b) Other commitments #  |                      |         |                      |         |

\* All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings when ultimately concluded will not 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 cancellable contractual commitments/contracts which might have a material impact on the financial statements other than commitment given for advertisement in print media of ₹184.3 million (Previous year ₹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, 2014 are as follows:

| Statute            | Nature of Dues | Forum where dispute is pending                     | Amount involved | Period to which the amount relates |
|--------------------|----------------|--|-----------------|------------------------------------|
| Central Excise Law | Excise Duty    | Commissioner (Appeals), Chandigarh                 | 11.8            | 2007-08, 2012-13 & 2013-14         |
| Central Excise Law | Excise Duty    | Customs, Excise and Service Tax Appellate Tribunal | 122.0           | 2008-09, 2009-10 & 2010-11         |
| Service Tax        | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 3.5             | 2007-08, 2008-09 & 2009-10         |

## Notes forming part of the Financial Statements

## Note 29: (Contd.) (₹ million)

| Statute        | Nature of Dues | Forum where dispute is pending       | Amount involved | Period to which the amount relates |
|----------------|----------------|--------------------------------------|-----------------|------------------------------------|
| Income Tax Act | Income Tax     | Assistant Commissioner of Income Tax | 9.4             | A.Y. 2004-05                       |
| Income Tax Act | Income Tax     | Commissioner of Income Tax (Appeal)  | 68.4            | A.Y. 2005-06, 2006-07 & 2011-12    |
| Income Tax Act | Income Tax     | Income Tax Appellate Tribunal        | 0.3             | 2006-07                            |

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

| Statute            | 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 | 40.2   | 2005-06 & 2006-07                        |
| Central Excise Law | Excise Duty    | Punjab & Haryana High Court, Chandigarh            | 30.3   | 2002-03, 2003-04, 2008-09 & 2009-10      |
| Service Tax Act    | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 1.8    | 2004-05 & 2005-06                        |
| Income Tax Act     | Income Tax     | Income Tax Appellate Tribunal                      | 26.5   | A.Y. 2006-07                             |
| Income Tax Act     | Income Tax     | High Court   | 5.5    | A.Y. 1989-90, 1990-91, 1997-98 & 1999-00 |
| Income Tax Act     | Income Tax     | Supreme Court                                      | 12.2   | A.Y. 2002-03 & 2004-05                   |

| Particulars                            | Current Year | Previous Year |
|--|--------------|---------------|
| <b>Note 30: AUDITORS' REMUNERATION</b> |              |               |
| As auditors (audit fee)                | 4.8          | 4.8           |
| In other capacities                    |              |               |
| - Limited review                       | 4.6          | 3.3           |
| - Others                               | 0.6          | 0.2           |
| 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 ₹185.7 million (Previous year ₹161.6 million) during the year as expense towards contribution to these plans.

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Company's contribution to provident fund                    | 137.6        | 117.5         |
| Company's contribution to employees' state insurance scheme | 35.5         | 32.9          |
| Administrative charges on above                             | 12.6         | 11.2          |

## 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.

## Notes forming part of the Financial Statements

## Note 31: EMPLOYEE BENEFITS (Contd.)

## 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, 2014           |                                | As at March 31, 2013           |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | Gratuity                       | Earned and sick leave          | Gratuity                       | Earned and sick leave          |
| <b>A Expenses recognized in the statement of profit and loss for the year ended March 31, 2014</b> |                                |                                |                                |                                |
| Current service cost   | 43.2                           | 6.3                            | 29.3                           | 5.0                            |
| Interest cost  | 15.7                           | 1.2                            | 10.1                           | 1.0                            |
| Expected return on plan assets   | (20.0)                         | -                              | (15.9)                         | -                              |
| Actuarial (gains)/losses   | 28.8                           | 13.8                           | 72.0                           | 11.0                           |
| <b>Total expenses</b>  | <b>67.7</b>                    | <b>21.3</b>                    | <b>95.5</b>                    | <b>17.0</b>                    |
| <b>B Net liabilities recognized in the Balance Sheet as at March 31, 2014</b>                      |                                |                                |                                |                                |
| Present value of defined benefit obligation as at March 31, 2014                                   | 262.0                          | 48.9                           | 204.7                          | 38.4                           |
| Fair value of plan assets with LIC, SBI Life, ICICI Prudential, Metlife and with Trust *           | (257.1)                        | -                              | (194.2)                        | -                              |
| <b>Funded status - unfunded</b>  | <b>4.9</b>                     | <b>48.9</b>                    | <b>10.5</b>                    | <b>38.4</b>                    |
| <b>C Change in the obligation during the year ended March 31, 2014</b>                             |                                |                                |                                |                                |
| Present value of defined benefit obligation at the beginning of the year                           | 204.7                          | 38.4                           | 141.4                          | 31.4                           |
| Current service cost   | 43.2                           | 6.3                            | 29.3                           | 5.0                            |
| Interest cost  | 15.7                           | 1.2                            | 10.1                           | 1.0                            |
| Actuarial (gains)/losses   | 25.4                           | 13.7                           | 71.6                           | 11.0                           |
| Benefit payments   | (27.0)                         | (10.7)                         | (47.7)                         | (10.0)                         |
| <b>Present value of defined benefit obligation at the end of the year</b>                          | <b>262.0</b>                   | <b>48.9</b>                    | <b>204.7</b>                   | <b>38.4</b>                    |
| <b>D Change in assets during the year ended March 31, 2014</b>                                     |                                |                                |                                |                                |
| Plan assets at the beginning of the year   | 194.2                          | -                              | 166.7                          | -                              |
| Expected return on plan assets   | 20.1                           | -                              | 15.9                           | -                              |
| Contribution by the company  | 73.2                           | -                              | 59.7                           | -                              |
| Actuarial gains/(losses)   | (3.4)                          | -                              | (0.4)                          | -                              |
| Actual benefits paid   | (27.0)                         | -                              | (47.7)                         | -                              |
| <b>Plan assets at the end of the year</b>  | <b>257.1</b>                   | <b>-</b>                       | <b>194.2</b>                   | <b>-</b>                       |
| <b>E Main actuarial assumptions</b>  |                                |                                |                                |                                |
| Discount rate  | 9.3%                           | 9.3%                           | 8.2%                           | 8.2%                           |
| 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   | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) |
| <b>Expected benefits payout</b>  | <b>17.7</b>                    |                                | <b>11.6</b>                    |                                |

\*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.

| Particulars  | As at March 31, |       |        |       |       |
|--|-----------------|-------|--------|-------|-------|
|  | 2014            | 2013  | 2012   | 2011  | 2010  |
| <b>Gratuity</b>  |                 |       |        |       |       |
| Present value of defined benefit obligation at the end | 262.0           | 204.7 | 141.4  | 149.9 | 107.8 |
| Fair value of plan assets at the end of the year       | 257.1           | 194.2 | 166.7  | 149.9 | 104.9 |
| Net liability (asset) recognised in balance sheet      | 4.9             | 10.5  | (25.3) | -     | 2.9   |
| Net actuarial losses recognised                        | 28.8            | 72.0  | 1.7    | 14.6  | 12.1  |
| <b>Earned and sick leave</b>                           |                 |       |        |       |       |
| Present value of defined benefit obligation at the end | 48.9            | 38.4  | 31.4   | 38.8  | 37.4  |
| Fair value of plan Assets at the end of the year       | -               | -     | -      | -     | -     |
| Net liability recognised in balance sheet              | 48.9            | 38.4  | 31.4   | 38.8  | 37.4  |
| Net actuarial (gains)/losses recognised                | 13.8            | 11.0  | (3.7)  | (3.1) | (3.3) |



## Notes forming part of the Financial Statements

| (₹ million)   |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
| <b>Note 32: DEFERRED TAXATION</b>                                   |                         |                         |
| Deferred Tax Liability (DTL) on account of accelerated depreciation | 1,231.2                 | 1,429.2                 |
| Less: Deferred Tax Asset (DTA) arising on                           |                         |                         |
| - expenses deductible on payment                                    | (148.9)                 | (128.1)                 |
| - unabsorbed depreciation and brought forward losses                | -                       | (231.0)                 |
| <b>Net deferred tax liability</b>                                   | <b>1,082.3</b>          | <b>1,070.1</b>          |

**Note 33: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

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 ₹41.1 million (Previous year ₹35.1 million). The amount of interest accrued during the year and remaining unpaid as at March 31, 2014 is ₹0.2 million (Previous year Nil).

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: EARNINGS PER SHARE**

The earnings per share (EPS) disclosed in the statement of profit and loss have been calculated as under:

| Particulars  |  | Current Year | Previous Year |
|--|--|--------------|---------------|
| Profit attributable to equity shareholders (₹in million) (A)                                       |  | 1,970.3      | 493.3         |
| Weighted average number of equity shares (number) (B)  |  | 311,086,712  | 308,001,496   |
| Potential dilutive equity shares (number) (C)  |  | 9,365,902    | Nil           |
| Weighted average number of equity shares in computing diluted earning per share (number) (D)=(B+C) |  | 320,452,614  | 308,001,496   |
| Basic earnings/(loss) per share (₹per share) (face value of ₹10 each) (A/B)                        |  | 6.33         | 1.60          |
| Diluted earnings/(loss) per share (₹per share) (face value of ₹10 each) (A/D)                      |  | 6.15         | 1.60          |

**Note 35: PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION**

Project and pre operative expenses pending allocation include:

| Particulars   | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|---|-------------------------|-------------------------|
| Opening balance:                                      | 20.7                    | 11.5                    |
| Add: Expenses incurred during the year:               |                         |                         |
| Finance cost  | 46.6                    | 9.0                     |
| Salary, wages and bonus etc.                          | 0.5                     | -                       |
| Legal and professional                                | 25.5                    | 10.3                    |
| Travelling and conveyance                             | 0.3                     | 1.7                     |
| Bank charges  | 0.3                     | 1.7                     |
| Stores and spares consumed                            | -                       | 2.4                     |
| Others  | 3.0                     | 0.9                     |
| <b>Total</b>  | <b>96.9</b>             | <b>37.5</b>             |
| Less: Allocated to fixed assets                       | 26.0                    | 16.8                    |
| Closing balance, included in capital work in progress | 70.9                    | 20.7                    |

**Note 36: RELATED PARTY DISCLOSURES**

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

## Notes forming part of the Financial Statements

**Note 36: RELATED PARTY DISCLOSURES (Contd.)**

- 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 Capital Limited
- Trident Industrial Corp Limited
- b) Enterprise on which Company exercises significant influence
- Trident Corporation Limited (Also refer note 39)
- Lotus Integrated Texpark Limited (upto 31.03.2013)
- Trident Global, Inc.
- c) Key management personnel and other relatives
- Mr. Deepak Nanda

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2014.**

| 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 |
| <b>Purchase of Goods/ Services</b>       |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Group Limited                  |                                      |               |              |               | 28.4   | 8.7           |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited            |                                      |               |              |               |  |               | 6.8                   | -             |                          |               |                                      |               |
| - Trident Global Inc.                    |                                      |               |              |               |  |               | -                     | 0.3           |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |              |               |  |               | -                     | 13.0          |                          |               |                                      |               |
| <b>Sale of Goods/Services</b>            |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Global Corp Limited            |                                      |               | -            | 1.1           |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited            |                                      |               |              |               |  |               | 287.6                 | 125.7         |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |              |               |  |               | -                     | 1.4           |                          |               |                                      |               |
| <b>Rent received</b>                     |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Global Corp Limited            |                                      |               | -            | -             |  |               |                       |               |                          |               |                                      |               |
| (₹40,452/- Previous year ₹6,742/-)       |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |              |               |  |               | -                     | 0.5           |                          |               |                                      |               |
| - Mr. Rajinder Gupta *                   |                                      |               |              |               |  |               |                       |               | -                        | 0.9           |                                      |               |
| - Mr. Abhishek Gupta **                  |                                      |               |              |               |  |               |                       |               | -                        | 1.5           |                                      |               |
| <b>Rent paid</b>                         |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                    | 2.8                                  | 1.3           |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |              |               |  |               | -                     | 25.9          |                          |               |                                      |               |
| <b>Interest received</b>                 |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Abhishek Ventures and Projects Limited |                                      |               |              |               | -  | 5.0           |                       |               |                          |               |                                      |               |
| <b>Security Deposit paid</b>             |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                    | -                                    | 60.0          |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |              |               |  |               | -                     | 17.4          |                          |               |                                      |               |

## Notes forming part of the Financial Statements

## Note 36: RELATED PARTY DISCLOSURES (Contd.)

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2014. (Contd.)**  
(₹ 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 |
| <b>Security Deposit written back</b>         |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #         |                                      |               |              |               |  |               | -                     | 15.0          |                          |               |                                      |               |
| <b>Advance Given for land purchase</b>       |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                        | 200.0                                | -             |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited                |                                      |               |              |               |  |               | 370.0                 | -             |                          |               |                                      |               |
| <b>Remuneration paid</b>                     |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Mr. Rajinder Gupta *                       |                                      |               |              |               |  |               |                       |               | -                        | 1.8           |                                      |               |
| - Mr. Deepak Nanda                           |                                      |               |              |               |  |               |                       |               | 8.2                      | 6.4           |                                      |               |
| - Mrs Madhu Gupta                            |                                      |               |              |               |  |               |                       |               |                          |               | -                                    | 2.3           |
| - Ms Neha Gupta                              |                                      |               |              |               |  |               |                       |               |                          |               | -                                    | 2.0           |
| - Mr. Abhishek Gupta **                      |                                      |               |              |               |  |               |                       |               | -                        | 15.5          |                                      |               |
| <b>Investments made</b>                      |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited                |                                      |               |              |               |  |               | 415.0                 | 55.0          |                          |               |                                      |               |
| - Trident Global Corp Limited                |                                      |               | -            | 5.0           |  |               |                       |               |                          |               |                                      |               |
| <b>Equity shares allotted to</b>             |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Capital Limited                    |                                      |               |              |               |  |               | -                     | 85.3          |                          |               |                                      |               |
| <b>Money received against share warrants</b> |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Industrial Corp Limited            |                                      |               |              |               | 135.0  | -             |                       |               |                          |               |                                      |               |
| <b>Expenses incurred on behalf of</b>        |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #         |                                      |               |              |               |  |               | -                     | 15.6          |                          |               |                                      |               |
| <b>Balances as at March 31, 2014</b>         |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| <b>Security Deposit receivable</b>           |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                        | 162.5                                | 162.5         |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #         |                                      |               |              |               |  |               | -                     | 17.4          |                          |               |                                      |               |
| <b>Amounts receivable</b>                    |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                        | 199.9                                | -             |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Global Corp Limited                |                                      |               | -            | 0.9           |  |               |                       |               |                          |               |                                      |               |
| - Abhishek Ventures and Projects Limited     |                                      |               |              |               | -  | 23.2          |                       |               |                          |               |                                      |               |

## Notes forming part of the Financial Statements

## Note 36: RELATED PARTY DISCLOSURES (Contd.)

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2014. (Contd.)**  
(₹ 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 |
| - Trident Corporation Limited        |                                      |               |              |               |  |               | 370.0                 | 125.7         |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited # |                                      |               |              |               |  |               | -                     | 20.1          |                          |               |                                      |               |
| <b>Security Deposit payable</b>      |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited # |                                      |               |              |               |  |               | -                     | 25.0          |                          |               |                                      |               |
| <b>Amounts payable</b>               |                                      |               |              |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Group Limited              |                                      |               |              |               | 0.1  | 1.2           |                       |               |                          |               |                                      |               |

# Ceased w.e.f. April 01, 2013

\* Ceased w.e.f. April 23, 2012

\*\* Ceased w.e.f. October 25, 2012

## 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)       |
| Others             | : 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.



## Notes forming part of the Financial Statements

## Note 37: SEGMENT INFORMATION (Contd.)

## II Detail of primary business segments: (₹ million)

| Particulars                               | Yarn            |                 | Towel           |                 | Paper & Chemicals |                | 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   |
| <b>1 Segment revenue</b>                  |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  |                    |                 |
| - External sales                          | 15,960.2        | 13,477.6        | 14,385.8        | 12,644.8        | 8,326.4           | 7,218.5        | 16.2         | 11.7           |                 |                 |                  |                  | 38,688.6           | 33,352.6        |
| - Inter segment Sales                     | 3,765.7         | 3,256.2         | 30.3            | 11.7            | 1.2               | 1.4            | -            | -              |                 |                 | (3,797.2)        | (3,269.3)        | -                  | -               |
| - Other income                            | 58.9            | 103.6           | 52.8            | 37.9            | 28.9              | 28.4           | 0.2          | 3.6            | 22.0            | 50.9            |                  |                  | 162.8              | 224.4           |
| <b>Total revenue</b>                      | <b>19,784.8</b> | <b>16,837.4</b> | <b>14,468.9</b> | <b>12,694.4</b> | <b>8,356.5</b>    | <b>7,248.3</b> | <b>16.4</b>  | <b>15.3</b>    | <b>22.0</b>     | <b>50.9</b>     | <b>(3,797.2)</b> | <b>(3,269.3)</b> | <b>38,851.4</b>    | <b>33,577.0</b> |
| <b>2 Segment results</b>                  | 2,331.0         | 1,340.4         | 1,613.0         | 1,194.8         | 1,325.7           | 1,049.8        | (1.3)        | (0.1)          | -               | -               | -                | -                | 5,268.4            | 3,584.9         |
| Unallocated corporate expenses            |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (513.6)            | (421.2)         |
| (net off unallocated Income)              |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  |                    |                 |
| Profit before interest and tax            |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | 4,754.8            | 3,163.7         |
| Interest expense                          |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (2,103.3)          | (2,352.8)       |
| Provision for taxation                    |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (681.2)            | (317.6)         |
| <b>3 Profit/(loss) after tax</b>          |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | <b>1,970.3</b>     | <b>493.3</b>    |
| <b>4 Other information</b>                |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  |                    |                 |
| a. Segment assets                         | 16,467.1        | 16,714.7        | 7,143.4         | 6,996.2         | 8,977.5           | 8,747.2        | 979.9        | 1,015.1        |                 |                 | (4,156.4)        | (2,605.3)        | 29,411.5           | 30,867.9        |
| Unallocated corporate assets              |                 |                 |                 |                 |                   |                |              |                | 2,433.8         | 2,001.0         |                  |                  | 2,433.8            | 2,001.0         |
| <b>Total assets</b>                       | <b>16,467.1</b> | <b>16,714.7</b> | <b>7,143.4</b>  | <b>6,996.2</b>  | <b>8,977.5</b>    | <b>8,747.2</b> | <b>979.9</b> | <b>1,015.1</b> | <b>2,433.8</b>  | <b>2,001.0</b>  | <b>(4,156.4)</b> | <b>(2,605.3)</b> | <b>31,845.3</b>    | <b>32,868.9</b> |
| b. Segment liabilities                    | 1,639.8         | 1,218.3         | 868.6           | 807.6           | 3,981.0           | 2,706.4        | 2.4          | 2.0            |                 |                 | (4,156.4)        | (2,605.3)        | 2,335.4            | 2,129.0         |
| Unallocated corporate liabilities         |                 |                 |                 |                 |                   |                |              |                | 29,509.9        | 30,739.9        |                  |                  | 29,509.9           | 30,739.9        |
| <b>Total liabilities</b>                  | <b>1,639.8</b>  | <b>1,218.3</b>  | <b>868.6</b>    | <b>807.6</b>    | <b>3,981.0</b>    | <b>2,706.4</b> | <b>2.4</b>   | <b>2.0</b>     | <b>29,509.9</b> | <b>30,739.9</b> | <b>(4,156.4)</b> | <b>(2,605.3)</b> | <b>31,845.3</b>    | <b>32,868.9</b> |
| Capital expenditure                       | 420.9           | 249.9           | 234.5           | 178.8           | 144.4             | 456.5          | -            | (8.1)          | 83.9            | 73.1            |                  |                  | 883.7              | 950.2           |
| Depreciation                              | 1,129.6         | 1,104.0         | 530.8           | 567.0           | 976.1             | 893.8          | 7.8          | 7.8            | 39.8            | 41.8            |                  |                  | 2,684.1            | 2,614.4         |
| Non-cash expenses other than depreciation | 185.0           | 0.2             | 13.4            | 0.8             | 13.4              | 5.8            | 0.5          | 1.8            | 1.1             | -               |                  |                  | 213.4              | 8.6             |

## III Secondary Segment – Geographical:

| Particulars                 | Current Year    | Previous Year   |
|-----------------------------|-----------------|-----------------|
| <b>Segment sales in:</b>    |                 |                 |
| USA                         | 9,200.6         | 8,796.5         |
| India and other countries   | 29,488.0        | 24,556.1        |
| <b>Total Sales</b>          | <b>38,688.6</b> | <b>33,352.6</b> |
| <b>Segment assets in:</b>   |                 |                 |
| USA                         | 565.0           | 456.0           |
| India and other countries   | 33,002.9        | 33,017.2        |
| <b>Capital expenditure:</b> |                 |                 |
| USA                         | -               | -               |
| India and other countries   | 883.7           | 950.2           |

## Notes forming part of the Financial Statements

## Note 38: FOREIGN CURRENCY EXPOSURE

The foreign currency exposure of the Company as on March 31, 2014 is as under:

## a) Category wise quantitative data

| Type of contract                                 | Number       |               | Amount             |                    |
|--|--------------|---------------|--------------------|--------------------|
|  | Current Year | Previous Year | Current Year       | Previous Year      |
| Forward contracts against exports                | 173          | 135           | USD 75.07 million  | USD 45.98 million  |
|  | -            | 2             | -                  | GBP 0.12 million   |
|  | 4            | -             | Euro 0.37 million  | -                  |
| Forward contracts against imports                | 1            | 39            | USD 0.55 million   | USD 19.01 million  |
|  | 8            | 16            | Euro 10.10 million | Euro 14.86 million |
|  | -            | 2             | -                  | CHF 1.80 million   |
| Forward contracts against foreign currency loans | -            | 6             | -                  | USD 13.5 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 0.2 million (Previous year Euro 0.5 million)   |
|  | - USD 0.9 million (Previous year USD 1.0 million)     |
|  | - CHF 0.1 million (Previous year CHF Nil )            |
| Against imports (advance to creditors) | - Euro Nil (Previous year Euro 1.0 million)           |
|  | - USD 0.6 million (Previous year USD NIL million)     |
|  | - CHF Nil (Previous year CHF 0.1 million)             |
|  | - JPY 1.9 million (Previous year JPY 1.2 million)     |
|  | - SEK Nil (Previous year SEK 0.1 million )            |
| Foreign currency loans                 | - USD 28.36 million (Previous year USD 44.48 million) |

## Note 39: AMALGAMATION OF TRIDENT CORPORATION LIMITED WITH THE COMPANY

Subsequent to year end, Trident Corporation Limited has been amalgamated with the Company w.e.f. the appointed date i.e. April 1, 2014 in terms of Scheme of Amalgamation sanctioned by Hon'ble Punjab and Haryana High Court at Chandigarh vide its Order dated March 14, 2014. In terms of the sanctioned scheme, the undertaking of Trident Corporation Limited stands transferred and vests in the Company. The Company has allotted 136,352,000 equity shares of ₹10 each at a premium of ₹18.61 per share on May 15, 2014 to the shareholders of erstwhile Trident Corporation Limited in terms of the sanctioned scheme of Amalgamation. Consequent to this allotment, the paid up equity share capital of the Company has increased to ₹4,474.39 million. The investments and capital advances inter-se between the Amalgamating company (Trident Corporation Limited) and Amalgamated company (Trident Limited) shall stand cancelled on the Appointed date i.e. April 1, 2014.

## Note 40: LEASE AGREEMENTS

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 ₹47.2 million (Previous year ₹45.3 millions) have been charged under "Rent" in note 27.

## Note 41: MONEY RECEIVED AGAINST SHARE WARRANTS

The Company on September 30, 2013, had issued 60,000,000 warrants carrying an option to the holder of such warrants to subscribe to one equity share of ₹10 each at par for every warrant held, within 18 months from the date of allotment of warrants.

Number of warrants outstanding as on March 31, 2014 are 60,000,000, which can be converted into equity shares within 18 months from the date of allotment i.e. anytime before March 31, 2015. Against these outstanding warrants as on March 31, 2014, an amount of ₹430 million has been received by the Company and which shall be utilized towards capital expenditure for its composite textile project.

## Notes forming part of the Financial Statements

## Note 42: SECURED LOANS

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

(₹ million)

| Sr. No. | Outstanding balance  |                      | Repayment Terms   |
|---------|----------------------|----------------------|---|
|         | As at March 31, 2014 | As at March 31, 2013 |   |
|         |                      |                      | Presently payable in:   |
| 1       | 443.6                | 518.1                | 25 quarterly installments of ₹17.28 million and 1 quarterly installment of ₹11.73 million.  |
| 2       | 451.7                | 530.3                | 22 quarterly installments of ₹19.65 million and 1 quarterly installment of ₹19.45 million.  |
| 3       | 563.7                | 736.8                | 11 quarterly installments of ₹43.26 million and 1 quarterly installment of ₹87.97 million.  |
| 4       | 843.4                | 1,176.9              | 6 quarterly installments of ₹101.70 million and 1 quarterly installment of ₹81.60 million.  |
| 5       | 349.9                | 440.0                | 5 quarterly installments of ₹60.00 million and 1 quarterly installment of ₹50.00 million.   |
| 6       | 165.0                | 357.7                | 8 monthly installments of ₹20.00 million and 1 monthly installment of ₹5.00 million.        |
| 7       | 278.6                | 664.8                | 2 quarterly installments of ₹95.20 million and 1 quarterly installment of ₹88.19 million.   |
| 8       | 182.9                | 254.9                | 10 quarterly installments of ₹18.00 million and 1 quarterly installment of ₹2.9 million.    |
| 9       | 78.1                 | 235.7                | 1 quarterly installment of ₹39.40 million and 1 quarterly installment of ₹38.74 million.    |
| 10      | 242.5                | 389.1                | 13 monthly installments of ₹17.5 million and 1 monthly installment of ₹15.0 million.        |
| 11      | 1,000.0              | 0.0                  | 1 quarterly installment of ₹107.70 million and 13 quarterly installments of ₹107.1 million. |
| 12      | 333.2                | 500.0                | 7 quarterly installments of ₹41.70 million and 1 quarterly installment of ₹41.30 million.   |
| 13      | 151.0                | 0.0                  | 32 quarterly installments of ₹390.63 million.   |
| 14      | 235.1                | 736.7                | 14 quarterly installments of ₹16.07 million.  |
| 15      | 414.2                | 552.3                | 12 quarterly installments of ₹34.52 million.  |
| 16      | 451.8                | 518.8                | 27 quarterly installments of ₹16.73 million.  |
| 17      | 1,910.5              | 2,380.9              | 26 quarterly installments of ₹102.19 million.   |
| 18      | 196.3                | 267.8                | 11 quarterly installment of ₹17.86 million.   |
| 19      | 283.4                | 335.1                | 22 quarterly installments of ₹12.89 million.  |
| 20      | 183.2                | 140.4                | 15 quarterly installments of ₹12.50 million.  |
| 21      | 133.6                | 174.7                | 13 quarterly installments of ₹10.28 million.  |
| 22      | 53.5                 | 125.0                | 3 quarterly installments of ₹17.86 million.   |
| 23      | 135.3                | 150.0                | 18 quarterly installments of ₹7.75 million.   |
| 24      | 66.6                 | 0.0                  | 20 quarterly installments of ₹5.63 million.   |
| 25      | 281.9                | 377.8                | 9 quarterly installments of ₹31.33 million.   |
| 26      | 250.0                | 0.0                  | 1 monthly instalment of ₹50 million and 5 montly installments of ₹40 million.               |
|         | <b>9,679.0</b>       | <b>11,563.8</b>      |   |

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% per annum.

## B. Vehicle loans from banks

Vehicle loans are secured by hypothecation of vehicles acquired against such loans, repayable in equal monthly installments, amount due in a year is ₹14.5 million (Previous year ₹10.8 million).

## Notes forming part of the Financial Statements

## Note 43: EQUITY HELD BY TAL BENEFIT TRUST

The Company is a beneficiary of a Trust viz. TAL Benefit Trust settled pursuant to the scheme of 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, 2014, 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 (Previous year ₹145.5 million) which is shown as Investment.

## Note 44: EMPLOYEES' STOCK OPTION PLANS

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 Plan') 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 on statement of profit and loss due to Employee Share-based options as the Company is following intrinsic value method. The Company has allotted 249,600 equity shares (Previous year Nil) to employees during the year under the Trident Employees Stock Options Plan, 2007.

The Company has also introduced Trident Employees Option Scheme, 2009 after the approval of shareholders in their meeting held on August 27, 2009. No grant has been given under the said scheme.

In respect of options granted under the Employees' Stock Option Plan, 2007 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                            |
| <b>Vesting period under the ESOP</b>                |  |  |
| 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 number of options granted                     | 7,901,462                                    | 3,993,000                                    |
| Total number of options accepted                    | 7,421,712                                    | 3,828,000                                    |
| Options lapsed because of resignations              | 4,456,768                                    | 2,113,239                                    |
| Options exercised                                   | -  | 388,610                                      |
| Options lapsed because of ending of exercise period | 296,494                                      | -  |
| Balance   | 2,668,450                                    | 1,326,151                                    |

## Note 45: INVESTMENT IN PREFERENCE SHARES

7% Non-Cumulative Redeemable Preference Shares of IOL Chemicals and Pharmaceuticals Limited held by the Company were due for redemption on March 20, 2014. However, the date of redemption of the said preference shares has been extended by the Board of Directors of the Company vide its resolution dated February 9, 2014 from March 20, 2014 to June 30, 2015, with an option to convert these preference shares into equity shares at a price calculated in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or ₹10/-, whichever is higher. The equity shares so issued shall rank pari passu with existing equity shares of IOL Chemicals and Pharmaceuticals Limited. Further, the Board of Directors of the Company, in their meeting held on May 15, 2014, requested IOL Chemicals and Pharmaceuticals Limited for pre-poning the right of conversion of 7% Non-Cumulative Redeemable Preference Shares into equity shares at the price of ₹28/- per share or as calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whichever is higher.



## Notes forming part of the Financial Statements

## Note 46: ADDITIONAL INFORMATION

a) CIF value of imports (₹ million)

| Particulars      | Current Year | Previous Year |
|------------------|--------------|---------------|
| Capital goods    | 4.5          | 122.1         |
| Store and spares | 138.3        | 207.3         |
| Raw materials    | 517.6        | 555.3         |

b) Expenditure in foreign currency

| Particulars | Current Year | Previous Year |
|-------------|--------------|---------------|
| Travelling  | 4.1          | 4.4           |
| Others      | 285.9        | 213.7         |

c) Value of raw material / stores and spares consumed

| Particulars                                       | Current Year |            | Previous Year |            |
|---|--------------|------------|---------------|------------|
|   | Imported     | Indigenous | Imported      | Indigenous |
| Raw materials                                     | 517.6        | 18,897.8   | 555.3         | 17,642.9   |
| Percentage %                                      | 2.7          | 97.3       | 3.1           | 96.9       |
| Components, store and spares and packing material | 138.3        | 1,688.2    | 207.3         | 1,304.8    |
| Percentage %                                      | 7.6          | 92.4       | 13.7          | 86.3       |

d) Earnings in foreign exchange

| Particulars                             | Current Year | Previous Year |
|---|--------------|---------------|
| Export of goods calculated on FOB value | 18,536.4     | 16,081.7      |

## Note 47:

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

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

Place : Ludhiana  
Date : May 15, 2014

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

## 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, 2014, 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 judgment, 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- 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
- 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

- We did not audit the financial statements of subsidiary viz. Trident Global Corp Limited whose financial statements reflect total assets of ₹4.9 million as at March 31, 2014, total revenue of ₹1.0 million and net cash flows amounting to ₹0.2 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss after tax aggregating ₹30.3 million for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of associates viz Trident Corporation Limited, whose financial statements have not been audited by us. 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 and associates is based solely on the report of the other auditor.

- We have relied on the unaudited financial statements of associates viz. Trident Infotech Inc., and Trident Global Inc. wherein Group's share of loss after tax aggregating ₹0.01 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's Registration No.015125N)

**Vijay Agarwal**

*(Partner)*

Place : Ludhiana

Date : May 15, 2014

(Membership No.094468)

**Consolidated Balance Sheet** as at March 31, 2014 (₹ million)

| Particulars  | Note No.       | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|--|----------------|-------------------------|-------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                    |                |                         |                         |
| <b>1 Shareholders' funds</b>                                       |                |                         |                         |
| a) Share capital   | 3              | 3,110.9                 | 3,108.4                 |
| b) Reserves and surplus  | 4              | 5,737.4                 | 3,952.9                 |
| c) Money received against share warrants                           | 41             | 430.0                   | -                       |
| <b>2 Non-current liabilities</b>                                   |                |                         |                         |
| a) Long term borrowings  | 5              | 7,658.6                 | 9,491.8                 |
| b) Deferred tax liabilities (net)                                  | 32             | 1,082.3                 | 1,070.1                 |
| c) Long term provisions  | 6              | 45.3                    | 42.9                    |
| <b>3 Current liabilities</b>                                       |                |                         |                         |
| a) Short term borrowings   | 7              | 8,038.8                 | 9,673.6                 |
| b) Trade payables  | 8              | 1,852.5                 | 1,658.5                 |
| c) Other current liabilities                                       | 9              | 3,665.8                 | 3,841.5                 |
| d) Short term provisions   | 10             | 193.3                   | 27.8                    |
| <b>Total</b>   |                | <b>31,814.9</b>         | <b>32,867.5</b>         |
| <b>II ASSETS</b>   |                |                         |                         |
| <b>1 Non-current assets</b>  |                |                         |                         |
| a) Fixed assets  |                |                         |                         |
| i) Tangible assets   | 11             | 17,912.3                | 19,622.2                |
| ii) Intangible assets  | 11             | 43.6                    | 60.0                    |
| iii) Capital work in progress                                      |                | 276.9                   | 280.5                   |
| iv) Intangible assets under development                            |                | 85.9                    | -                       |
| b) Non-current investments   | 12             | 997.0                   | 613.7                   |
| c) Long term loans and advances                                    | 13             | 1,514.4                 | 1,224.6                 |
| <b>2 Current assets</b>  |                |                         |                         |
| a) Current investments   | 14             | 155.0                   | 25.0                    |
| b) Inventories   | 15             | 6,428.5                 | 6,910.8                 |
| c) Trade receivables   | 16             | 2,641.4                 | 2,322.1                 |
| d) Cash and bank balances  | 17             | 250.1                   | 335.7                   |
| e) Short term loans and advances                                   | 18             | 1,487.8                 | 1,436.6                 |
| f) Other current assets  | 19             | 22.0                    | 36.3                    |
| <b>Total</b>   |                | <b>31,814.9</b>         | <b>32,867.5</b>         |
| <b>Accompanying notes forming part of the financial statements</b> | <b>1 to 48</b> |                         |                         |

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

For and on behalf of the Board of Directors

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

**VIJAY AGARWAL**  
Partner

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

Place : Ludhiana  
Date : May 15, 2014

**Consolidated Statement of Profit and Loss** for the year ended March 31, 2014 (₹ million)

| Particulars   | Note No.       | For the year ended<br>March 31, 2014 | For the year ended<br>March 31, 2013 |
|---|----------------|--------------------------------------|--------------------------------------|
| <b>1 REVENUE FROM OPERATIONS:</b>   |                |                                      |                                      |
| Gross sale of products and services   | 20             | 39,096.2                             | 33,725.7                             |
| Less: Excise duty   |                | 406.6                                | 373.9                                |
|   |                | <b>38,689.6</b>                      | <b>33,351.8</b>                      |
| <b>2 Other income</b>   | <b>21</b>      | <b>163.1</b>                         | <b>224.4</b>                         |
| <b>3 Total revenue (1+2)</b>  |                | <b>38,852.7</b>                      | <b>33,576.2</b>                      |
| <b>4 EXPENSES:</b>  |                |                                      |                                      |
| Cost of material consumed   | 22             | 19,415.4                             | 18,198.2                             |
| Purchase of stock in trade  | 23             | 881.3                                | 226.1                                |
| Changes in inventories of finished goods<br>and work-in-progress                  | 24             | 224.1                                | (9.6)                                |
| Employee benefits expense   | 25             | 2,870.0                              | 2,378.6                              |
| Finance costs   | 26             | 2,103.3                              | 2,352.8                              |
| Depreciation and amortization expense   | 11             | 2,684.1                              | 2,614.4                              |
| Other expense   | 27             | 8,022.7                              | 7,005.2                              |
| <b>5 Total expenses</b>   |                | <b>36,200.9</b>                      | <b>32,765.7</b>                      |
| <b>6 Profit before tax (3-5)</b>  |                | <b>2,651.8</b>                       | <b>810.5</b>                         |
| <b>7 Tax expenses</b>   |                |                                      |                                      |
| - Current tax   |                | 555.8                                | 151.0                                |
| - Deferred tax charge   |                | 12.2                                 | 277.5                                |
| - MAT credit (entitlement)/utilization  |                | 97.2                                 | (151.0)                              |
| - Deferred tax charge for earlier years   |                | -                                    | 32.8                                 |
| - Current tax for earlier years   |                | 16.1                                 | 7.3                                  |
|   |                | 681.3                                | 317.6                                |
| <b>8 Profit after tax and before share of profit/(loss) from associates (6-7)</b> |                | <b>1,970.5</b>                       | <b>492.9</b>                         |
| <b>9 Share in profit/(loss) of associates</b>                                     |                | (30.3)                               | 0.2                                  |
| <b>10 Profit for the year (8+9)</b>   |                | <b>1,940.2</b>                       | <b>493.1</b>                         |
| <b>11 Earnings per equity share in Rupees (face value ₹10 each)</b>               | <b>34</b>      |                                      |                                      |
| - Basic   |                | 6.24                                 | 1.60                                 |
| - Diluted   |                | 6.05                                 | 1.60                                 |
| <b>Accompanying notes forming part of the financial statements</b>                | <b>1 to 48</b> |                                      |                                      |

In terms of our report attached  
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**S K TUTEJA**  
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**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

Place : Ludhiana  
Date : May 15, 2014



## Consolidated Cash Flow Statement for the year ended March 31, 2014 (₹ million)

| Particulars  | Current year |                  | Previous year |                |
|--|--------------|------------------|---------------|----------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                             |              |                  |               |                |
| Net profit before tax, share of profit of associates                     |              | 2651.8           |               | 810.5          |
| Adjustments for:   |              |                  |               |                |
| Depreciation and amortization expenses                                   | 2,684.1      |                  | 2,614.4       |                |
| Finance costs  | 2,103.3      |                  | 2,352.8       |                |
| Interest income  | (75.8)       |                  | (43.3)        |                |
| Profit on sale of non-current investments (non trade)                    | (1.8)        |                  | -             |                |
| Doubtful debts, subsidy, VAT and advances written off                    | 212.7        |                  | 5.7           |                |
| Provision for doubtful trade receivables                                 | 0.7          |                  | 2.9           |                |
| Provision for doubtful trade receivables no longer required written back | -            |                  | (22.7)        |                |
| Bad debts recovered  | -            |                  | (22.5)        |                |
| (Profit)/loss on sale of fixed assets (net)                              | 43.2         | 4,966.4          | (15.9)        | 4,871.4        |
| <b>Operating profit before working capital changes</b>                   |              | <b>7,618.2</b>   |               | <b>5,681.9</b> |
| Changes in working capital:  |              |                  |               |                |
| Adjustments for (increase)/decrease in operating assets:                 |              |                  |               |                |
| Inventories  | 482.3        |                  | (1,706.8)     |                |
| Trade receivables  | (320.0)      |                  | (383.3)       |                |
| Short term loans and advances  | (51.2)       |                  | 635.1         |                |
| Long term loans and advances   | 14.8         |                  | (121.6)       |                |
| Other current assets   | 18.1         |                  | (17.3)        |                |
| Adjustments for increase/(decrease) in operating liabilities:            |              |                  |               |                |
| Trade payables   | 194.0        |                  | (163.2)       |                |
| Other current liabilities  | 85.7         |                  | (31.2)        |                |
| Short term provisions  | 8.5          |                  | 8.7           |                |
| Long term provisions   | 2.4          | 434.6            | 12.8          | (1,766.8)      |
| <b>Cash generated from operations</b>                                    |              | <b>8,052.8</b>   |               | <b>3,915.1</b> |
| Income tax paid (net)  |              | (584.3)          |               | (112.6)        |
| <b>Net cash from operating activities (A)</b>                            |              | <b>7,468.5</b>   |               | <b>3,802.5</b> |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                             |              |                  |               |                |
| Capital expenditure on fixed assets, including capital advances          | (1,488.6)    |                  | (883.5)       |                |
| Proceeds from sale of fixed assets                                       | 143.4        |                  | 86.1          |                |
| Purchase of current investments  | (130.0)      |                  | (25.0)        |                |
| Purchase of long term investments  | (415.0)      |                  | (58.2)        |                |
| Proceeds from sale of long term investments                              | 4.2          |                  | -             |                |
| Interest received  | 72.0         |                  | 36.1          |                |
| Bank Balances not considered as cash and cash equivalents                |              |                  |               |                |
| - Placed   | (104.4)      |                  | (176.6)       |                |
| - Matured  | 187.6        |                  | 21.9          |                |
| <b>Net cash from / (used) in investing activities (B)</b>                |              | <b>(1,730.8)</b> |               | <b>(999.2)</b> |

## Consolidated Cash Flow Statement for the year ended March 31, 2014 (₹ million)

| Particulars  | Current year |                  | Previous year |                  |
|--|--------------|------------------|---------------|------------------|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                               |              |                  |               |                  |
| Proceeds from issue of equity shares                                       | 2.8          |                  | 63.9          |                  |
| Proceeds from issue of share warrants                                      | 430.0        |                  | -             |                  |
| Proceeds from long term borrowings   | 1,852.8      |                  | 548.2         |                  |
| Repayment of long term borrowings  | (4,280.4)    |                  | (3,420.1)     |                  |
| Net increase/(decrease) in working capital borrowings                      | (1,634.8)    |                  | 2,317.1       |                  |
| Finance costs  | (2,105.9)    |                  | (2,362.1)     |                  |
| Dividend paid  | (4.6)        |                  | -             |                  |
| <b>Net cash from /(used) in financing activities (C)</b>                   |              | <b>(5,740.1)</b> |               | <b>(2,853.0)</b> |
| Net increase/(decrease) in cash and cash equivalents                       |              | (2.4)            |               | (49.7)           |
| Cash and cash equivalents as at April 1, 2013                              |              | 91.2             |               | 140.9            |
| <b>Cash and cash equivalents at March 31, 2014</b>                         |              | <b>88.8</b>      |               | <b>91.2</b>      |
| <b>Reconciliation of Cash and balances with the balance sheet:</b>         |              |                  |               |                  |
| Cash and bank balances as per balance sheet                                |              | 250.1            |               | 335.7            |
| Less: Bank balances not considered as cash and cash equivalents:           |              |                  |               |                  |
| In other deposits accounts   |              |                  |               |                  |
| (original maturity more than 3 months)                                     | 26.7         |                  | 94.1          |                  |
| Unpaid dividend accounts   | 8.3          |                  | 12.9          |                  |
| Held as margin money or security against borrowings and other commitments  | 126.3        | 161.3            | 137.5         | 244.5            |
| <b>Cash and cash equivalents at the end of the year *</b>                  |              | <b>88.8</b>      |               | <b>91.2</b>      |
| * Comprises:   |              |                  |               |                  |
| Cash on hand   |              | 14.1             |               | 8.7              |
| Balances with banks :  |              |                  |               |                  |
| - In current accounts  |              | 70.4             |               | 63.5             |
| - In other deposits accounts   |              |                  |               |                  |
| (Original maturity of 3 months or less)                                    |              | 4.3              |               | 19.0             |
| <b>Accompanying notes forming part of the financial statements 1 to 48</b> |              | <b>88.8</b>      |               | <b>91.2</b>      |

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

**VIJAY AGARWAL**  
Partner

Place : Ludhiana  
Date : May 15, 2014

For and on behalf of the Board of Directors

**S K TUTEJA**  
Chairman

**DEEPAK NANDA**  
Managing Director

**SHAKTI JINDAL**  
Company Secretary

**ARUN GOYAL**  
Chief Financial Officer

Place : Ludhiana  
Date : May 15, 2014

## 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 on April 18, 1990 under the provisions of the Companies Act, 1956. Trident Global Corp Limited is a wholly owned subsidiary of the Company. The Group is engaged in manufacturing, trading and selling of yarn, terry towels, paper, chemicals and IT enabled and business related 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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 read with General Circular 08/2014 dated April 04, 2014 of the Ministry of Corporate Affairs] and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 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 46].

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 and associates 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., March 31, 2014 except to associates as mentioned in note 46 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 risks and rewards of ownership to the buyer and when the Company does 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. Revenue from job charges is recognized when services are rendered and where no significant uncertainty exists regarding the collection of amount of consideration.

The revenue in respect of duty drawback and similar other export benefits is recognized on post export basis at the rate at which the entitlements accrue 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 are 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 recognized 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 recognized

## Notes forming part of the Consolidated Financial Statements

### Note 2: BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants with respect to Technology Upgradation Fund (TUF) subsidy is deducted from related finance costs.

#### G 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 highly 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.

#### 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 are 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 and when services are rendered by the employees.

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 by an independent valuer. 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.

#### I Fixed assets

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation and impairment losses, if any. 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 the assets is ready for its intended use.

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

- 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.
- Assets costing ₹5,000 or less are fully depreciated in the year of purchase.
- The intangible asset (software) is amortised over the period of software license or 5 years, whichever is less.
- The leasehold land is amortized over the lease term.

#### 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.



## Notes forming part of the Consolidated Financial Statements

### Note 2: BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### 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 is as follows:

- Raw materials: weighted average cost
- Work in progress: 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 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 rates 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 differences 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 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 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.

## Notes forming part of the Consolidated Financial Statements

### Note 2: BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 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.

#### 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 which provides evidence of condition that existed as on balance sheet date, are taken into cognizance in accordance with the principles laid down in AS 4 "Contingencies and events occurring after the balance sheet date".

| (₹ million)  |                      |                 |                      |                 |
|--|----------------------|-----------------|----------------------|-----------------|
| Particulars  | As at March 31, 2014 |                 | As at March 31, 2013 |                 |
|  | Number               | Amount          | Number               | Amount          |
| <b>Note 3: SHARE CAPITAL</b>   |                      |                 |                      |                 |
| <b>Authorised</b>  |                      |                 |                      |                 |
| Equity shares of ₹10 each (with voting rights)   | 6,086,000,000        | 60,860.0        | 6,086,000,000        | 60,860.0        |
| Preference shares of ₹10 each  | 3,005,000,000        | 30,050.0        | 3,005,000,000        | 30,050.0        |
|  |                      | <b>90,910.0</b> |                      | <b>90,910.0</b> |
| <b>Issued, Subscribed and Paid up</b>  |                      |                 |                      |                 |
| Equity shares of ₹10 each (with voting rights) fully paid up (refer (a), (b), (c), (d), (e) and (f) below) | 311,086,712          | 3,110.9         | 310,837,112          | 3,108.4         |
| <b>Total</b>   |                      | <b>3,110.9</b>  |                      | <b>3,108.4</b>  |

#### (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, 2014 |         | As at March 31, 2013 |         |
|   | Number               | Amount  | Number               | Amount  |
| <b>Issued, Subscribed and Paid up equity shares</b> |                      |         |                      |         |
| Shares outstanding at the beginning of the year     | 310,837,112          | 3,108.4 | 305,837,112          | 3,058.4 |
| Shares issued during the year                       | 249,600              | 2.5     | 5,000,000            | 50.0    |
| Shares outstanding at the end of the year           | 311,086,712          | 3,110.9 | 310,837,112          | 3,108.4 |

#### (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 shareholders holding more than 5 percent shares:

| Particulars                     | Equity Share Capital |        |                      |        |
|---------------------------------|----------------------|--------|----------------------|--------|
|                                 | As at March 31, 2014 |        | As at March 31, 2013 |        |
|                                 | No. of Shares        | % Held | No. of Shares        | % Held |
| Madhuraj Foundation             | 134,484,000          | 43.2%  | 120,484,000          | 38.8%  |
| Trident Group Limited           | 30,000,000           | 9.6%   | 30,000,000           | 9.7%   |
| Trident Capital Limited         | 20,000,000           | 6.4%   | 20,000,000           | 6.4%   |
| Prudent Traders Private Limited | -                    | -      | 18,860,000           | 6.1%   |

## Notes forming part of the Consolidated Financial Statements

## Note 3: SHARE CAPITAL (Contd.)

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

| Particulars  | Equity Share Capital |        |                      |        |
|--|----------------------|--------|----------------------|--------|
|  | As at March 31, 2014 |        | As at March 31, 2013 |        |
|  | 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           | 17.2%  |

(e) As at March 31, 2014, 60,000,000 shares (Previous year Nil) were reserved for issuance towards outstanding share warrants (Refer note 41).

(f) Refer note 43 for equity held by TAL Benefit Trust and note 44 for Employees' Stock Options Plan. (₹ million)

| Particulars                                   | As at March 31, 2014 |         | As at March 31, 2013 |         |
|---|----------------------|---------|----------------------|---------|
| Note 4: RESERVES AND SURPLUS                  |                      |         |                      |         |
| a) Capital reserve                            |                      | 628.5   |                      | 628.5   |
| b) Securities premium reserve                 |                      |         |                      |         |
| Opening balance                               | 785.5                |         | 750.3                |         |
| Add: Premium on shares issued during the year | 0.3                  | 785.8   | 35.2                 | 785.5   |
| c) General reserve                            |                      | 20.0    |                      | 20.0    |
| d) Surplus in statement of profit and loss    |                      |         |                      |         |
| Opening balance                               | 2,519.9              |         | 2,025.8              |         |
| Net profit for the year                       | 1,940.2              |         | 493.1                |         |
| Less: Proposed dividend                       | 134.2                |         | -                    |         |
| Less: Tax on proposed dividend                | 22.8                 | 4,303.1 | -                    | 2,518.9 |
| Total   |                      | 5,737.4 |                      | 3,952.9 |

**Note 5: LONG TERM BORROWINGS**

|                              |  |                |  |                |
|------------------------------|--|----------------|--|----------------|
| <b>Term loans - secured</b>  |  |                |  |                |
| From banks                   |  | 6,641.1        |  | 9,482.9        |
| From financial institutions  |  | 1,000.0        |  | -              |
| <b>Other loans - secured</b> |  |                |  |                |
| Vehicle loans from banks     |  | 17.5           |  | 8.9            |
| <b>Total</b>                 |  | <b>7,658.6</b> |  | <b>9,491.8</b> |

**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 movables, 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 42 for repayment terms).

Includes ₹872.6 million (Previous year ₹1,145.8 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 sanctioned to the Company by these Indian banks and accordingly, have been classified as long term borrowings.

**Vehicles loans**

Vehicle loans are secured by hypothecation of vehicles acquired against such loans (Refer note 42 for repayment terms).

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

**Note 6: LONG TERM PROVISIONS****Provision for employee benefits (Refer note 31) :**

|                      |  |             |  |             |
|----------------------|--|-------------|--|-------------|
| Compensated absences |  | 40.4        |  | 32.4        |
| Gratuity             |  | 4.9         |  | 10.5        |
| <b>Total</b>         |  | <b>45.3</b> |  | <b>42.9</b> |

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars  | As at March 31, 2014 |         | As at March 31, 2013 |         |
|--|----------------------|---------|----------------------|---------|
| Note 7: SHORT TERM BORROWINGS  |                      |         |                      |         |
| Cash credits/working capital loans from banks - secured (Also Refer note 17) |                      | 8,038.8 |                      | 9,673.6 |
| Total  |                      | 8,038.8 |                      | 9,673.6 |

**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.

**Note 8: TRADE PAYABLES**

|  |  |                |  |                |
|--|--|----------------|--|----------------|
| Acceptances                            |  | -              |  | 198.2          |
| Other than Acceptances (Refer note 33) |  | 1,852.5        |  | 1,460.3        |
| <b>Total</b>                           |  | <b>1,852.5</b> |  | <b>1,658.5</b> |

**Note 9: OTHER CURRENT LIABILITIES**

|  |  |                |  |                |
|--|--|----------------|--|----------------|
| Current maturities of long-term debt - secured |  | 2,925.3        |  | 3,232.7        |
| Interest accrued but not due on loans          |  | 7.7            |  | 10.3           |
| Dividend payable/unclaimed dividend*           |  | 8.3            |  | 12.9           |
| Statutory remittances                          |  | 56.9           |  | 63.3           |
| Capital creditors                              |  | 116.1          |  | 62.9           |
| Payables to employees                          |  | 357.3          |  | 264.5          |
| Advances from customers                        |  | 95.1           |  | 85.6           |
| Security deposits - unsecured                  |  | 99.1           |  | 109.3          |
| <b>Total</b>                                   |  | <b>3,665.8</b> |  | <b>3,841.5</b> |

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

**Note 10: SHORT TERM PROVISIONS****Provision for employee benefits:**

|                          |  |              |  |             |
|--------------------------|--|--------------|--|-------------|
| Compensated absences     |  | 36.3         |  | 27.8        |
| <b>Other provisions:</b> |  |              |  |             |
| Proposed dividend        |  | 134.2        |  | -           |
| Tax on proposed dividend |  | 22.8         |  | -           |
| <b>Total</b>             |  | <b>193.3</b> |  | <b>27.8</b> |

**Note 11: FIXED ASSETS**

| Particulars                 | Gross Block          |                           |                    | Depreciation/Amortization |                      |                |                    | Net Block           |                      |                      |
|-----------------------------|----------------------|---------------------------|--------------------|---------------------------|----------------------|----------------|--------------------|---------------------|----------------------|----------------------|
|                             | As at March 31, 2013 | Additions during the year | Sales / Adjustment | As at March 31, 2014      | As at March 31, 2013 | For the year   | Sales / Adjustment | Upto March 31, 2014 | As at March 31, 2014 | As at March 31, 2013 |
| <b>A) Tangible assets #</b> |                      |                           |                    |                           |                      |                |                    |                     |                      |                      |
| Land                        |                      |                           |                    |                           |                      |                |                    |                     |                      |                      |
| - Freehold                  | 986.6                | 95.6                      | -                  | 1,082.2                   | -                    | -              | -                  | -                   | 1,082.2              | 986.6                |
| - Leasehold                 | 702.0                | 0.4                       | -                  | 702.4                     | 20.5                 | 7.7            | -                  | 28.2                | 674.2                | 681.5                |
| Buildings                   | 4,774.7              | 80.4                      | -                  | 4,855.1                   | 792.7                | 142.8          | -                  | 935.5               | 3,919.6              | 3,982.0              |
| Plant and machinery         | 26,659.0             | 908.3                     | 273.6              | 27,293.7                  | 13,088.9             | 2,467.8        | 114.3              | 15,442.4            | 11,851.3             | 13,570.1             |
| Furniture and fixtures      | 224.9                | 11.5                      | 17.7               | 218.7                     | 79.7                 | 12.8           | 17.2               | 75.3                | 143.4                | 145.2                |
| Office equipments           | 154.3                | 7.0                       | 12.8               | 148.5                     | 55.4                 | 6.1            | 7.8                | 53.7                | 94.8                 | 98.9                 |
| Computers                   | 187.5                | 4.6                       | 1.8                | 190.3                     | 131.9                | 13.2           | 1.7                | 143.4               | 46.9                 | 55.6                 |
| Vehicles                    | 169.2                | 35.1                      | 37.2               | 167.1                     | 66.9                 | 15.8           | 15.5               | 67.2                | 99.9                 | 102.3                |
| <b>Total (A)</b>            | <b>33,858.2</b>      | <b>1,142.9</b>            | <b>343.1</b>       | <b>34,658.0</b>           | <b>14,236.0</b>      | <b>2,666.2</b> | <b>156.5</b>       | <b>16,745.7</b>     | <b>17,912.3</b>      | <b>19,622.2</b>      |



## Notes forming part of the Consolidated Financial Statements

## Note 11: FIXED ASSETS (Contd.) (₹ million)

| Particulars            | Gross Block                |                                 |                       |                            | Depreciation/Amortization  |                 |                       |                           | Net Block                  |                            |
|------------------------|----------------------------|---------------------------------|-----------------------|----------------------------|----------------------------|-----------------|-----------------------|---------------------------|----------------------------|----------------------------|
|                        | As at<br>March<br>31, 2013 | Additions<br>during the<br>year | Sales /<br>Adjustment | As at<br>March 31,<br>2014 | As at<br>March<br>31, 2013 | For the<br>year | Sales /<br>Adjustment | Upto<br>March<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March<br>31, 2013 |
| B) Intangible assets # |                            |                                 |                       |                            |                            |                 |                       |                           |                            |                            |
| Software               | 198.1                      | 1.5                             | -                     | 199.6                      | 138.1                      | 17.9            | -                     | 156.0                     | 43.6                       | 60.0                       |
| Total (B)              | 198.1                      | 1.5                             | -                     | 199.6                      | 138.1                      | 17.9            | -                     | 156.0                     | 43.6                       | 60.0                       |
| Total (A + B)          | 34,056.3                   | 1,144.4                         | 343.1                 | 34,857.6                   | 14,374.1                   | 2,684.1         | 156.5                 | 16,901.7                  | 17,955.9                   | 19,682.2                   |

# All the assets are owned assets except as indicated otherwise.

**Notes:**

- Additions to plant and machinery include exchange fluctuation loss of ₹488.4 million (Previous year ₹390.8 million).
- Sales/adjustment to plant and machinery include exchange fluctuation gain of ₹120.0 million (Previous year ₹33.8 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 |
| <b>C) Tangible assets #</b>   |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Land                          |                      |                           |                    |                           |                      |                |                    |                     |                      |
| - Freehold                    | 915.9                | 70.7                      | -                  | 986.6                     | -                    | -              | -                  | -                   | 986.6                |
| - Leasehold                   | 702.0                | -                         | -                  | 702.0                     | 12.9                 | 7.6            | -                  | 20.5                | 681.5                |
| Buildings                     | 4,636.9              | 138.9                     | 1.1                | 4,774.7                   | 652.6                | 140.1          | -                  | 792.7               | 3,982.0              |
| Plant and machinery           | 26,185.4             | 604.2                     | 130.6              | 26,659.0                  | 10,758.7             | 2,400.9        | 70.7               | 13,088.9            | 13,570.1             |
| Furniture and fixtures        | 189.2                | 35.7                      | -                  | 224.9                     | 67.1                 | 12.6           | -                  | 79.7                | 145.2                |
| Office equipments             | 143.0                | 11.7                      | 0.4                | 154.3                     | 49.7                 | 5.8            | 0.1                | 55.4                | 98.9                 |
| Computers                     | 170.6                | 17.3                      | 0.4                | 187.5                     | 119.7                | 12.4           | 0.2                | 131.9               | 55.6                 |
| Vehicles                      | 182.2                | 8.3                       | 21.3               | 169.2                     | 64.2                 | 15.2           | 12.5               | 66.9                | 102.3                |
| <b>Total (C)</b>              | <b>33,125.2</b>      | <b>886.8</b>              | <b>153.8</b>       | <b>33,858.2</b>           | <b>11,724.9</b>      | <b>2,594.6</b> | <b>83.5</b>        | <b>14,236.0</b>     | <b>19,622.2</b>      |
| <b>D) Intangible assets #</b> |                      |                           |                    |                           |                      |                |                    |                     |                      |
| Software                      | 197.5                | 0.6                       | -                  | 198.1                     | 118.3                | 19.8           | -                  | 138.1               | 60.0                 |
| <b>Total (D)</b>              | <b>197.5</b>         | <b>0.6</b>                | <b>-</b>           | <b>198.1</b>              | <b>118.3</b>         | <b>19.8</b>    | <b>-</b>           | <b>138.1</b>        | <b>60.0</b>          |
| <b>Total (C + D)</b>          | <b>33,322.7</b>      | <b>887.4</b>              | <b>153.8</b>       | <b>34,056.3</b>           | <b>11,843.2</b>      | <b>2,614.4</b> | <b>83.5</b>        | <b>14,374.1</b>     | <b>19,682.2</b>      |

# All the assets are owned assets except as indicated otherwise.

**Notes:**

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

| Particulars  | As at March 31, 2014 |              | As at March 31, 2013 |              |
|--|----------------------|--------------|----------------------|--------------|
| <b>Note 12: NON CURRENT INVESTMENTS (Unquoted, at cost or under)</b>   |                      |              |                      |              |
| <b>I. Investments in equity instruments (Trade)</b>  |                      |              |                      |              |
| 24,500 (Previous year 24,500) common stock of USD 1 each fully paid up of Trident Global Inc., USA (Formerly Abhishek Industries Inc.) (Associate), 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 (Associate)   |                      | 0.1          |                      | 0.1          |
| 72,600,000 (Previous year 31,100,000) equity shares of ₹10 each fully paid up of Trident Corporation Limited (Associate) *   | 717.5                |              | 302.5                |              |
| Less: Group share of loss upto year end  | 30.3                 | 687.2        | -                    | 302.5        |
| 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                |              |
| Less: Group share of loss upto year end  | -                    | 100.0        | 1.00                 | 99.0         |
|  |                      | <b>788.5</b> |                      | <b>402.8</b> |

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars   | As at March 31, 2014 |              | As at March 31, 2013 |              |
|---|----------------------|--------------|----------------------|--------------|
| <b>Note 12: NON CURRENT INVESTMENTS (Unquoted, at cost or under) (Contd.)</b>   |                      |              |                      |              |
| <b>II. Investments in preference shares (Trade)</b>   |                      |              |                      |              |
| 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 (Refer note 45) |                      | 50.0         |                      | 50.0         |
|   |                      | <b>50.0</b>  |                      | <b>50.0</b>  |
| <b>III. Others (Non-trade)</b>  |                      |              |                      |              |
| 32,000 (Previous year 32,000) units of face value of ₹630 each, fully paid up and reduced to ₹405 each of Kotak India Venture Fund (Private Equity fund)                  |                      | 13.0         |                      | 15.4         |
|   |                      |              |                      |              |
| <b>IV. Interest (Equity) in TAL Benefit Trust (Refer note 43)</b>   |                      | 145.5        |                      | 145.5        |
| <b>Total</b>  |                      | <b>997.0</b> |                      | <b>613.7</b> |
| Aggregate book value - unquoted   |                      | 997.0        |                      | 613.7        |

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

# The Company has issued corporate guarantee on behalf of this company (Refer note 28).

**Note 13: LONG TERM LOANS AND ADVANCES****(Unsecured considered good, unless otherwise stated)**

|  |                |                |
|--|----------------|----------------|
| Capital advances   | 770.5          | 168.4          |
| Advances to vendors  | 120.0          | 200.0          |
| Security deposits  | 272.0          | 324.0          |
| Advance income tax [Net of provisions ₹1,410.0 million (Previous year ₹838.5 million)] | 36.0           | 23.6           |
| MAT credit entitlement   | 315.9          | 413.1          |
| Government Subsidy   | -              | 95.5           |
| <b>Total</b>   | <b>1,514.4</b> | <b>1,224.6</b> |

**Note 14: CURRENT INVESTMENTS****Current (Non-trade) (Quoted, at cost or fair value, whichever is lower)****Mutual funds:**

1,779,245 (Previous year 1,779,245) units of face value of ₹10 each fully paid up of SBI Dynamic Bond Fund - Growth (Market value as on 31.03.2014 is ₹26.9 million)

1,003,358 (Previous year Nil) units of face value of ₹10 each fully paid up of SBI Magnum Income Fund - Growth (Market value as on 31.03.2014 is ₹30.0 million)

**Bonds:**

100 (Previous year Nil) bonds, with a maturity period of 15 years, of face value of ₹1,000,000 each with issue price of ₹1,000,100 each fully paid up of Secured, redeemable, non-convertible tax free bonds series - I issued by IFCI Limited, Company's plan is to dispose these bonds on listing.

|                                 |              |             |
|---------------------------------|--------------|-------------|
| <b>Total</b>                    | <b>155.0</b> | <b>25.0</b> |
| Aggregate book value - quoted   | 155.0        | 25.0        |
| Aggregate market value - quoted | 156.9        | 26.3        |

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars                           | As at March 31, 2014 | As at March 31, 2013 |
|---------------------------------------|----------------------|----------------------|
| <b>Note 15: INVENTORIES *</b>         |                      |                      |
| <b>Stock in trade</b>                 |                      |                      |
| - Raw materials                       | 4,734.6              | 5,008.2              |
| - Work in progress [Refer (a) below]  | 745.8                | 858.9                |
| - Finished goods                      | 620.5                | 731.5                |
| Stores and spares                     | 327.6                | 312.2                |
| <b>Total</b>                          | <b>6,428.5</b>       | <b>6,910.8</b>       |
| <b>(a) Work in progress comprises</b> |                      |                      |
| - Yarn                                | 261.2                | 218.5                |
| - Towel                               | 415.8                | 577.3                |
| - Paper                               | 68.8                 | 63.1                 |
| <b>Total</b>                          | <b>745.8</b>         | <b>858.9</b>         |

\* At cost or net realizable value, whichever is lower

|   |         |                |         |                |
|---|---------|----------------|---------|----------------|
| <b>Note 16: TRADE RECEIVABLES</b>   |         |                |         |                |
| <b>(Unsecured considered good, unless otherwise stated)</b>   |         |                |         |                |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |         |                |         |                |
| - Considered good   | 9.7     |                | 30.0    |                |
| - Considered doubtful   | 110.5   |                | 39.2    |                |
|   | 120.2   |                | 69.2    |                |
| Less: Provision for doubtful trade receivables  | 110.5   | 9.7            | 39.2    | 30.0           |
|   |         |                |         |                |
| Others  | 2,631.7 |                | 2,363.3 |                |
| Less: Provision for doubtful trade receivables  | -       | 2,631.7        | 71.2    | 2,292.1        |
| <b>Total</b>  |         | <b>2,641.4</b> |         | <b>2,322.1</b> |

|   |       |              |       |              |
|---|-------|--------------|-------|--------------|
| <b>Note 17: CASH AND BANK BALANCES</b>  |       |              |       |              |
| <b>Cash and cash equivalents</b>  |       |              |       |              |
| Cash on hand  |       | 14.1         |       | 8.7          |
| Balances with banks :   |       |              |       |              |
| - In current accounts   | 70.4  |              | 63.5  |              |
| - In other deposits accounts  |       |              |       |              |
| (original maturity of 3 months or less)   | 4.3   | 74.7         | 19.0  | 82.5         |
| <b>Other bank balances</b>  |       |              |       |              |
| In other deposits accounts  |       |              |       |              |
| (original maturity more than 3 months)  | 26.7  |              | 94.1  |              |
| - In earmarked accounts   |       |              |       |              |
| (i) Unpaid dividend accounts  | 8.3   |              | 12.9  |              |
| (ii) Held as margin money or security against borrowings and other commitments                                      | 460.9 |              | 137.5 |              |
| Less: Net off as per the set-off agreement with banks *   | 334.6 | 161.3        | -     | 244.5        |
| <b>Total</b>  |       | <b>250.1</b> |       | <b>335.7</b> |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 "Cash Flow Statement". |       | 88.8         |       | 91.2         |

\* The Company has placed fixed deposits amounting to ₹334.6 million (Previous year ₹Nil) with the banks, whose maturity value alongwith interest earned is assigned to the banks for the settlement of liability under cash credit. In terms of the set off agreement entered into with the banks, the Company has set off the liability under cash credit with the fixed deposits.

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars   | As at March 31, 2014 | As at March 31, 2013 |
|---|----------------------|----------------------|
| <b>Note 18: SHORT TERM LOANS AND ADVANCES</b>               |                      |                      |
| <b>(Unsecured considered good, unless otherwise stated)</b> |                      |                      |
| Loans and advances to related parties                       | -                    | 32.6                 |
| Security deposits   | 108.0                | -                    |
| Loans and advances to employees                             | 14.3                 | 16.8                 |
| Advances to vendors   | 344.8                | 374.7                |
| Prepaid expense   | 118.2                | 102.1                |
| Balance with customs, excise and port trust authorities     | 851.9                | 819.3                |
| Others  | 50.6                 | 91.1                 |
| <b>Total</b>  | <b>1,487.8</b>       | <b>1,436.6</b>       |
| <b>Note 19: OTHER CURRENT ASSETS</b>                        |                      |                      |
| Interest accrued on deposits                                | 21.9                 | 18.1                 |
| Insurance claim receivables                                 | 0.1                  | 18.2                 |
| <b>Total</b>  | <b>22.0</b>          | <b>36.3</b>          |

| Particulars                             | For the year ended<br>March 31, 2014 | For the year ended<br>March 31, 2013 |
|---|--------------------------------------|--------------------------------------|
| <b>Note 20: REVENUE FROM OPERATIONS</b> |                                      |                                      |
| <b>Sale of products:</b>                |                                      |                                      |
| <b>Manufactured</b>                     |                                      |                                      |
| - Yarn                                  | 14,932.9                             | 12,667.9                             |
| - Processed yarn                        | 338.2                                | 309.5                                |
| - Towel                                 | 12,779.5                             | 11,964.0                             |
| - Paper                                 | 8,338.3                              | 7,134.4                              |
| - Sulphuric acid                        | 359.2                                | 401.1                                |
| <b>Traded</b>                           |                                      |                                      |
| - Towel                                 | 936.1                                | 287.2                                |
| - Yarn                                  | 35.7                                 | -                                    |
| <b>Sale of services</b>                 | 211.3                                | 18.2                                 |
| <b>Other operating revenue:</b>         |                                      |                                      |
| Waste sale                              | 1,165.0                              | 943.4                                |
| <b>Total</b>                            | <b>39,096.2</b>                      | <b>33,725.7</b>                      |

|   |              |              |
|---|--------------|--------------|
| <b>Note 21: OTHER INCOME</b>  |              |              |
| Interest income   | 75.8         | 43.3         |
| Profit on sale of non-current investments (Non-trade)                     | 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         |
| Sales tax subsidy   | -            | 51.8         |
| Insurance claim   | 45.2         | 20.5         |
| Miscellaneous income  | 40.3         | 47.7         |
| <b>Total</b>  | <b>163.1</b> | <b>224.4</b> |

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Note 22: COST OF MATERIAL CONSUMED</b> |                 |                 |
| <b>Raw material consumed</b>              |                 |                 |
| Opening stock                             | 5,008.2         | 3,276.6         |
| Add: Purchase of raw material             | 19,141.8        | 19,929.8        |
|   | 24,150.0        | 23,206.4        |
| Less: Closing stock                       | 4,734.6         | 5,008.2         |
| <b>Net consumption (Refer (a) below)</b>  | <b>19,415.4</b> | <b>18,198.2</b> |



## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars                                | For the year ended<br>March 31, 2014 | For the year ended<br>March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| <b>a) Raw material consumed comprises:</b> |                                      |                                      |
| Cotton and fibers                          | 12,139.1                             | 10,858.8                             |
| Yarn                                       | 3,114.7                              | 3,596.5                              |
| Dyes and chemicals                         | 2,370.1                              | 2,343.4                              |
| Agro based products                        | 1,661.6                              | 1,310.5                              |
| Others                                     | 129.9                                | 89.0                                 |
| <b>Total</b>                               | <b>19,415.4</b>                      | <b>18,198.2</b>                      |

**Note 23: PURCHASE OF STOCK IN TRADE**

|   |              |              |
|---|--------------|--------------|
| Towels for resale                                   | 847.7        | 701.0        |
| Yarn for resale                                     | 33.6         | -            |
| Less: sale of material bought back after processing | -            | 474.9        |
| <b>Total</b>  | <b>881.3</b> | <b>226.1</b> |

**Note 24: CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

|                             |       |              |       |              |
|-----------------------------|-------|--------------|-------|--------------|
| <b>Opening Stock</b>        |       |              |       |              |
| Finished goods              | 731.5 |              | 767.9 |              |
| Work-in-progress            | 858.9 | 1,590.4      | 812.9 | 1,580.8      |
| <b>Less : Closing Stock</b> |       |              |       |              |
| Finished goods              | 620.5 |              | 731.5 |              |
| Work-in-progress            | 745.8 | 1,366.3      | 858.9 | 1,590.4      |
| <b>(Increase)/decrease</b>  |       | <b>224.1</b> |       | <b>(9.6)</b> |

**Note 25: EMPLOYEE BENEFITS EXPENSE (Refer note 31)**

|   |                |                |
|---|----------------|----------------|
| Salaries and wages                        | 2,583.2        | 2,103.0        |
| Contribution to provident and other funds | 255.5          | 257.2          |
| Staff welfare expenses                    | 31.3           | 18.4           |
| <b>Total</b>                              | <b>2,870.0</b> | <b>2,378.6</b> |

**Note 26: FINANCE COSTS**

|                             |                |                |
|-----------------------------|----------------|----------------|
| Interest expense            |                |                |
| - On loans for fixed period | 933.0          | 1,214.9        |
| - Others                    | 945.9          | 973.4          |
| Other borrowing costs       | 224.4          | 164.5          |
| <b>Total</b>                | <b>2,103.3</b> | <b>2,352.8</b> |

**Note 27: OTHER EXPENSES**

|  |         |         |
|--|---------|---------|
| Stores and spares consumed                 | 817.2   | 595.7   |
| Packing material and charges               | 1,009.3 | 916.4   |
| Power and fuel (Net of utilized by others) | 2,918.4 | 2,654.4 |
| Rent                                       | 47.2    | 45.3    |
| Repairs and maintenance                    |         |         |
| - Plant and machinery                      | 91.2    | 74.6    |
| - Buildings                                | 74.6    | 50.6    |
| - Others                                   | 24.1    | 12.6    |
| Insurance charges                          | 86.1    | 76.8    |
| Rates and taxes                            | 32.5    | 33.2    |
| Commission                                 | 450.9   | 311.9   |
| Freight, clearing and octroi charges       | 1,178.6 | 926.3   |

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars  | For the year ended<br>March 31, 2014 | For the year ended<br>March 31, 2013 |
|--|--------------------------------------|--------------------------------------|
| <b>Note 27: OTHER EXPENSES (Contd.)</b>                  |                                      |                                      |
| Rebates and discount                                     | 275.6                                | 173.1                                |
| Advertisement and business promotion                     | 237.2                                | 64.7                                 |
| Net loss of foreign currency transaction and translation | 113.2                                | 630.9                                |
| Auditors' remuneration (Refer note 30)                   | 10.1                                 | 8.4                                  |
| Travelling and conveyance                                | 90.0                                 | 47.3                                 |
| Postage and telephone                                    | 24.8                                 | 25.2                                 |
| Legal and professional                                   | 107.5                                | 108.9                                |
| Doubtful debts, subsidy, VAT and advances written off    | 212.7                                | 5.7                                  |
| Provision for doubtful trade receivables                 | 0.7                                  | 2.9                                  |
| Loss on sale of fixed assets                             | 43.2                                 | -                                    |
| Charity and donation                                     | 6.1                                  | 5.2                                  |
| Miscellaneous expenses                                   | 171.5                                | 235.1                                |
| <b>Total</b>   | <b>8,022.7</b>                       | <b>7,005.2</b>                       |

| Particulars   | As at March 31, 2014 | As at March 31, 2013 |
|---|----------------------|----------------------|
| <b>Note 28: CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>                                 |                      |                      |
| <b>I. Contingent liabilities</b>  |                      |                      |
| (a) Claims* (excluding claims by employees where amounts are not ascertainable) not acknowledged as debt:               |                      |                      |
| -Service tax  | 3.3                  | 5.7                  |
| -Excise duty  | 83.1                 | 45.6                 |
| -Income tax   | 72.1                 | 9.4                  |
| -Others   | -                    | 0.5                  |
| (b) Bills discounted  | 1,747.6              | 1,963.5              |
| (c) Guarantees given to banks on behalf of others of ₹1978.1 million (Previous year ₹1978.1 million) - Loan outstanding | 1,111.9              | 1,187.4              |
| <b>II. Commitments</b>  |                      |                      |
| (a) Estimated amount of contracts remaining to be executed on capital account (net of advances)                         | 576.0                | 41.4                 |
| (b) Other commitments #   |                      |                      |

\* All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings when ultimately concluded will not 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 cancellable contractual commitments/contracts which might have a material impact on the financial statements other than commitment given for advertisement in print media of ₹184.3 million (Previous year ₹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, 2014 are as follows:

| Statute            | Nature of Dues | Forum where dispute is pending                     | Amount involved | Period to which the amount relates |
|--------------------|----------------|--|-----------------|------------------------------------|
| Central Excise Law | Excise Duty    | Commissioner (Appeals), Chandigarh                 | 11.8            | 2007-08, 2012-13 & 2013-14         |
| Central Excise Law | Excise Duty    | Customs, Excise and Service Tax Appellate Tribunal | 122.0           | 2008-09, 2009-10 & 2010-11         |

## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Statute        | Nature of Dues | Forum where dispute is pending                     | Amount involved | Period to which the amount relates |
|----------------|----------------|--|-----------------|------------------------------------|
| Service Tax    | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 3.5             | 2007-08, 2008-09 & 2009-10         |
| Income Tax Act | Income Tax     | Assistant Commissioner of Income Tax               | 9.4             | A.Y. 2004-05                       |
| Income Tax Act | Income Tax     | Commissioner of Income Tax (Appeal)                | 68.4            | A.Y. 2005-06, 2006-07 & 2011-12    |
| Income Tax Act | Income Tax     | Income Tax Appellate Tribunal                      | 0.3             | 2006-07                            |

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

| Statute            | 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 | 40.2   | 2005-06 & 2006-07                        |
| Central Excise Law | Excise Duty    | Punjab & Haryana High Court, Chandigarh            | 30.3   | 2002-03, 2003-04, 2008-09 & 2009-10      |
| Service Tax Act    | Service Tax    | Customs, Excise and Service Tax Appellate Tribunal | 1.8    | 2004-05 & 2005-06                        |
| Income Tax Act     | Income Tax     | Income Tax Appellate Tribunal                      | 26.5   | A.Y. 2006-07                             |
| Income Tax Act     | Income Tax     | High Court   | 5.5    | A.Y. 1989-90, 1990-91, 1997-98 & 1999-00 |
| Income Tax Act     | Income Tax     | Supreme Court                                      | 12.2   | A.Y. 2002-03 & 2004-05                   |

| Particulars                            | Current Year | Previous Year |
|--|--------------|---------------|
| <b>Note 30: AUDITORS' REMUNERATION</b> |              |               |
| As auditors (audit fee)                | 4.8          | 4.8           |
| In other capacities                    |              |               |
| - Limited review                       | 4.6          | 3.3           |
| - Others                               | 0.6          | 0.2           |
| 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 ₹185.7 million (Previous year ₹161.6 million) during the year as expense towards contribution to these plans.

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Company's contribution to provident fund                    | 137.6        | 117.5         |
| Company's contribution to employees' state insurance scheme | 35.5         | 32.9          |
| Administrative charges on above                             | 12.6         | 11.2          |

**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.

## Notes forming part of the Consolidated Financial Statements

**Note 31: EMPLOYEE BENEFITS (Contd.)****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, 2014           |                                | As at March 31, 2013           |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | Gratuity                       | Earned and sick leave          | Gratuity                       | Earned and sick leave          |
| <b>A Expenses recognized in the consolidated statement of profit and loss for the year ended March 31, 2014</b> |                                |                                |                                |                                |
| Current service cost  | 43.2                           | 6.3                            | 29.3                           | 5.0                            |
| Interest cost   | 15.7                           | 1.2                            | 10.1                           | 1.0                            |
| Expected return on plan assets  | (20.0)                         | -                              | (15.9)                         | -                              |
| Actuarial (gains)/losses  | 28.8                           | 13.8                           | 72.0                           | 11.0                           |
| <b>Total expenses</b>   | <b>67.7</b>                    | <b>21.3</b>                    | <b>95.5</b>                    | <b>17.0</b>                    |
| <b>B Net liabilities recognized in the consolidated Balance Sheet as at March 31, 2014</b>                      |                                |                                |                                |                                |
| Present value of defined benefit obligation as at March 31, 2014  | 262.0                          | 48.9                           | 204.7                          | 38.4                           |
| Fair value of plan assets with LIC, SBI Life, ICICI Prudential, Metlife and with Trust *                        | (257.1)                        | -                              | (194.2)                        | -                              |
| <b>Funded status - unfunded</b>   | <b>4.9</b>                     | <b>48.9</b>                    | <b>10.5</b>                    | <b>38.4</b>                    |
| <b>C Change in the obligation during the year ended March 31, 2014</b>  |                                |                                |                                |                                |
| Present value of defined benefit obligation at the beginning of the year  | 204.7                          | 38.4                           | 141.4                          | 31.4                           |
| Current service cost  | 43.2                           | 6.3                            | 29.3                           | 5.0                            |
| Interest cost   | 15.7                           | 1.2                            | 10.1                           | 1.0                            |
| Actuarial (gains)/losses  | 25.4                           | 13.7                           | 71.6                           | 11.0                           |
| Benefit payments  | (27.0)                         | (10.7)                         | (47.7)                         | (10.0)                         |
| <b>Present value of defined benefit obligation at the end of the year</b>                                       | <b>262.0</b>                   | <b>48.9</b>                    | <b>204.7</b>                   | <b>38.4</b>                    |
| <b>D Change in assets during the year ended March 31, 2014</b>  |                                |                                |                                |                                |
| Plan assets at the beginning of the year  | 194.2                          | -                              | 166.7                          | -                              |
| Expected return on plan assets  | 20.1                           | -                              | 15.9                           | -                              |
| Contribution by the company   | 73.2                           | -                              | 59.7                           | -                              |
| Actuarial gains/(losses)  | (3.4)                          | -                              | (0.4)                          | -                              |
| Actual benefits paid  | (27.0)                         | -                              | (47.7)                         | -                              |
| <b>Plan assets at the end of the year</b>   | <b>257.1</b>                   | <b>-</b>                       | <b>194.2</b>                   | <b>-</b>                       |
| <b>E Main actuarial assumptions</b>   |                                |                                |                                |                                |
| Discount rate   | 9.3%                           | 9.3%                           | 8.2%                           | 8.2%                           |
| 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  | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) | Indian Assured Lives (2006-08) |
| <b>F Expected benefits payout</b>   | <b>17.7</b>                    | <b>11.6</b>                    |                                |                                |

\*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.

| Particulars  | As at March 31, |       |        |       |       |
|--|-----------------|-------|--------|-------|-------|
|  | 2014            | 2013  | 2012   | 2011  | 2010  |
| <b>Gratuity</b>  |                 |       |        |       |       |
| Present value of defined benefit obligation at the end | 262.0           | 204.7 | 141.4  | 149.9 | 107.8 |
| Fair value of plan assets at the end of the year       | 257.1           | 194.2 | 166.7  | 149.9 | 104.9 |
| Net liability (asset) recognised in balance sheet      | 4.9             | 10.5  | (25.3) | -     | 2.9   |
| Net actuarial losses recognised                        | 28.8            | 72.0  | 1.7    | 14.6  | 12.1  |
| <b>Earned and sick leave</b>                           |                 |       |        |       |       |
| Present value of defined benefit obligation at the end | 48.9            | 38.4  | 31.4   | 38.8  | 37.4  |
| Fair value of plan Assets at the end of the year       | -               | -     | -      | -     | -     |
| Net liability recognised in balance sheet              | 48.9            | 38.4  | 31.4   | 38.8  | 37.4  |
| Net actuarial (gains)/losses recognised                | 13.8            | 11.0  | (3.7)  | (3.1) | (3.3) |



## Notes forming part of the Consolidated Financial Statements

(₹ million)

| Particulars   | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|---|-------------------------|-------------------------|
| <b>Note 32: DEFERRED TAXATION</b>                                   |                         |                         |
| Deferred Tax Liability (DTL) on account of accelerated depreciation | 1,231.2                 | 1,429.2                 |
| Less: Deferred Tax Asset (DTA) arising on                           |                         |                         |
| - expenses deductible on payment                                    | (148.9)                 | (128.1)                 |
| - unabsorbed depreciation and brought forward losses                | -                       | (231.0)                 |
| <b>Net deferred tax liability</b>                                   | <b>1,082.3</b>          | <b>1,070.1</b>          |

**Note 33: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

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 ₹41.1 million (Previous year ₹35.1 million). The amount of interest accrued during the year and remaining unpaid as at March 31, 2014 is ₹0.2 million (Previous year Nil).

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: EARNINGS PER SHARE**

The earnings per share (EPS) disclosed in the consolidated statement of profit and loss have been calculated as under:

| Particulars  | Current Year | Previous Year |
|--|--------------|---------------|
| Profit attributable to equity shareholders (₹in million) (A)                                       | 1,940.2      | 493.1         |
| Weighted average number of equity shares (number) (B)  | 311,086,712  | 308,001,496   |
| Potential dilutive equity shares (number) (C)  | 9,365,902    | Nil           |
| Weighted average number of equity shares in computing diluted earning per share (number) (D)=(B+C) | 320,452,614  | 308,001,496   |
| Basic earnings/(loss) per share (₹per share) (face value of ₹10 each) (A/B)                        | 6.24         | 1.60          |
| Diluted earnings/(loss) per share (₹per share) (face value of ₹10 each) (A/D)                      | 6.05         | 1.60          |

**Note 35: PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION**

Project and pre operative expenses pending allocation include:

| Particulars   | As at<br>March 31, 2014 | As at<br>March 31, 2013 |
|---|-------------------------|-------------------------|
| Opening balance:                                      | 20.7                    | 11.5                    |
| Add: Expenses incurred during the year:               |                         |                         |
| Finance cost  | 46.6                    | 9.0                     |
| Salary, wages and bonus etc.                          | 0.5                     | -                       |
| Legal and professional                                | 25.5                    | 10.3                    |
| Travelling and conveyance                             | 0.3                     | 1.7                     |
| Bank charges  | 0.3                     | 1.7                     |
| Stores and spares consumed                            | -                       | 2.4                     |
| Others  | 3.0                     | 0.9                     |
| <b>Total</b>  | <b>96.9</b>             | <b>37.5</b>             |
| Less: Allocated to fixed assets                       | 26.0                    | 16.8                    |
| Closing balance, included in capital work in progress | <b>70.9</b>             | <b>20.7</b>             |

**Note 36: RELATED PARTY DISCLOSURES**

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)

## Notes forming part of the Consolidated Financial Statements

**Note 36: RELATED PARTY DISCLOSURES (Contd.)****(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 Capital Limited
- Trident Industrial Corp Limited

**b) Enterprise on which Company exercises significant influence**

- Trident Corporation Limited (Also refer note 39)
- Lotus Integrated Texpark Limited (upto 31.03.2013)
- Trident Global, Inc.

**c) Key management personnel and other relatives**

- Mr. Deepak Nanda

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2014.**

(₹ 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 |
| <b>Purchase of Goods/Services</b>        |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Group Limited                  |                                      |               | 28.4   | 8.7           |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited            |                                      |               |  |               | 6.8                   | -             |                          |               |                                      |               |
| - Trident Global Inc.                    |                                      |               |  |               | -                     | 0.3           |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 13.0          |                          |               |                                      |               |
| <b>Sale of Goods/Services</b>            |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited            |                                      |               |  |               | 287.6                 | 125.7         |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 1.4           |                          |               |                                      |               |
| <b>Rent received</b>                     |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 0.5           |                          |               |                                      |               |
| - Mr. Rajinder Gupta                     |                                      |               |  |               |                       |               | -                        | 0.9           |                                      |               |
| - Mr. Abhishek Gupta                     |                                      |               |  |               |                       |               | -                        | 1.5           |                                      |               |
| <b>Rent paid</b>                         |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                    | 2.8                                  | 1.3           |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 25.9          |                          |               |                                      |               |
| <b>Interest received</b>                 |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Abhishek Ventures and Projects Limited |                                      |               | -  | 5.0           |                       |               |                          |               |                                      |               |
| <b>Security Deposit paid</b>             |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                    | -                                    | 60.0          |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 17.4          |                          |               |                                      |               |
| <b>Security Deposit written back</b>     |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #     |                                      |               |  |               | -                     | 15.0          |                          |               |                                      |               |
| <b>Advance Given for land purchase</b>   |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                    | 200.0                                | -             |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited            |                                      |               |  |               | 370.0                 | -             |                          |               |                                      |               |
| <b>Remuneration paid</b>                 |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Mr. Rajinder Gupta *                   |                                      |               |  |               |                       |               | -                        | 1.8           |                                      |               |
| - Mr. Deepak Nanda                       |                                      |               |  |               |                       |               | 8.2                      | 6.4           |                                      |               |
| - Mrs Madhu Gupta                        |                                      |               |  |               |                       |               |                          |               | -                                    | 2.3           |

## Notes forming part of the Consolidated Financial Statements

## Note 36: RELATED PARTY DISCLOSURES (Contd.)

**B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2014.** (₹ 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 |
| - Ms Neha Gupta                               |                                      |               |  |               |                       |               |                          |               | -                                    | 2.0           |
| - Mr. Abhishek Gupta **                       |                                      |               |  |               |                       |               | -                        | 15.5          |                                      |               |
| <b>Investments made:</b>                      |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited                 |                                      |               |  |               | 415.0                 | 55.0          |                          |               |                                      |               |
| <b>Equity shares allotted to</b>              |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Capital Limited                     |                                      |               | -  | 85.3          |                       |               |                          |               |                                      |               |
| <b>Money received against share warrants:</b> |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Industrial Corp Limited             |                                      |               | 135.0  | -             |                       |               |                          |               |                                      |               |
| <b>Expenses incurred on behalf of:</b>        |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #          |                                      |               |  |               | -                     | 15.6          |                          |               |                                      |               |
| <b>Loans and advances given:</b>              |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #          |                                      |               |  |               | -                     | -             |                          |               |                                      |               |
| <b>Balances as at March 31, 2014:</b>         |                                      |               |  |               |                       |               |                          |               |                                      |               |
| <b>Security Deposit receivable:</b>           |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                         | 162.5                                | 162.5         |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #          |                                      |               |  |               | -                     | 17.4          |                          |               |                                      |               |
| <b>Amounts receivable</b>                     |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                         | 199.9                                | -             |  |               |                       |               |                          |               |                                      |               |
| - Abhishek Ventures and Projects Limited      |                                      |               | -  | 23.2          |                       |               |                          |               |                                      |               |
| - Trident Corporation Limited                 |                                      |               |  |               | 370.0                 | 125.7         |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #          |                                      |               |  |               | -                     | 20.1          |                          |               | -                                    |               |
| <b>Security Deposit payable:</b>              |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Lotus Integrated Texpark Limited #          |                                      |               |  |               | -                     | 25.0          |                          |               |                                      |               |
| <b>Amounts payable</b>                        |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Madhuraj Foundation                         |                                      |               |  |               |                       |               |                          |               |                                      |               |
| - Trident Group Limited                       |                                      |               | 0.1  | 1.2           |                       |               |                          |               |                                      |               |

# Ceased w.e.f. April 01, 2013

\* Ceased w.e.f. April 23, 2012

\*\* Ceased w.e.f. October 25, 2012.

## Note 37: SEGMENT INFORMATION

**I Segment Accounting Policies:**

- 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)       |
| Others             | : Sale of software and related services                      |
- 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.
- The geographical segments considered for disclosure are based on markets, broadly as under:
 

|                           |
|---------------------------|
| Sale in the USA           |
| Sale in rest of the world |

## Notes forming part of the Consolidated Financial Statements

## Note 37: SEGMENT INFORMATION (Contd.)

- 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 & Chemicals |                | 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   |
| <b>1. Segment revenue</b>                                   |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  |                    |                 |
| - External Sales  | 15,960.2        | 13,477.6        | 14,385.8        | 12,644.8        | 8,327.4           | 7,218.5        | 16.2         | 11.7           |                 |                 |                  |                  | 38,689.6           | 33,352.6        |
| - Inter segment Sales                                       | 3,765.7         | 3,256.2         | 30.3            | 11.7            | 1.2               | 1.4            | -            | -              |                 |                 | (3,797.2)        | (3,269.3)        | -                  | -               |
| - Other income  | 58.9            | 103.6           | 52.8            | 37.9            | 28.9              | 28.4           | 0.2          | 3.6            | 22.0            | 50.9            |                  |                  | 162.8              | 224.4           |
| <b>Total revenue</b>  | <b>19,784.8</b> | <b>16,837.4</b> | <b>14,468.9</b> | <b>12,694.4</b> | <b>8,357.5</b>    | <b>7,248.3</b> | <b>16.4</b>  | <b>15.3</b>    | <b>22.0</b>     | <b>50.9</b>     | <b>(3,797.2)</b> | <b>(3,269.3)</b> | <b>38,852.4</b>    | <b>33,577.0</b> |
| <b>2. Segment results</b>                                   | 2,331.0         | 1,340.4         | 1,613.0         | 1,194.8         | 1,325.7           | 1,049.8        | (1.3)        | (0.1)          |                 |                 |                  |                  | 5,268.4            | 3,584.9         |
| Unallocated corporate expenses (net off unallocated income) |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (513.4)            | (421.2)         |
| Profit before interest and tax                              |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | 4,755.0            | 3,163.7         |
| Interest expense  |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (2,103.3)          | (2,352.8)       |
| Provision for taxation                                      |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | (681.2)            | (317.6)         |
| <b>Profit/(Loss) after tax</b>                              |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  | <b>1,970.5</b>     | <b>493.3</b>    |
| <b>4. Other information</b>                                 |                 |                 |                 |                 |                   |                |              |                |                 |                 |                  |                  |                    |                 |
| a. Segment assets   | 16,467.1        | 16,714.7        | 7,143.4         | 6,996.2         | 8,977.5           | 8,747.2        | 979.9        | 1,015.1        |                 |                 | (4,156.4)        | (2,606.1)        | 29,411.5           | 30,867.1        |
| Unallocated corporate assets                                |                 |                 |                 |                 |                   |                |              |                | 2,403.4         | 2,000.4         |                  |                  | 2,403.4            | 2,000.4         |
| <b>Total assets</b>   | <b>16,467.1</b> | <b>16,714.7</b> | <b>7,143.4</b>  | <b>6,996.2</b>  | <b>8,977.5</b>    | <b>8,747.2</b> | <b>979.9</b> | <b>1,015.1</b> | <b>2,403.4</b>  | <b>2,000.4</b>  | <b>(4,156.4)</b> | <b>(2,606.1)</b> | <b>31,814.9</b>    | <b>32,867.5</b> |
| b. Segment liabilities                                      | 1,639.8         | 1,218.3         | 868.6           | 807.6           | 3,981.0           | 2,706.4        | 2.4          | 2.0            |                 |                 | (4,156.4)        | (2,606.1)        | 2,335.4            | 2,128.2         |
| Unallocated corporate liabilities                           |                 |                 |                 |                 |                   |                |              |                | 29,479.5        | 30,739.3        |                  |                  | 29,479.5           | 30,739.3        |
| <b>Total liabilities</b>                                    | <b>1,639.8</b>  | <b>1,218.3</b>  | <b>868.6</b>    | <b>807.6</b>    | <b>3,981.0</b>    | <b>2,706.4</b> | <b>2.4</b>   | <b>2.0</b>     | <b>29,479.5</b> | <b>30,739.3</b> | <b>(4,156.4)</b> | <b>(2,606.1)</b> | <b>31,814.9</b>    | <b>32,867.5</b> |
| Capital expenditure   | 420.9           | 249.9           | 234.5           | 178.8           | 144.4             | 456.5          | -            | (8.1)          | 83.9            | 73.1            |                  |                  | 883.7              | 950.2           |
| Depreciation  | 1,129.6         | 1,104.0         | 530.8           | 567.0           | 976.1             | 893.8          | 7.8          | 7.8            | 39.8            | 41.8            |                  |                  | 2,684.1            | 2,614.4         |
| Non-Cash expenses other than depreciation                   | 185.0           | 0.2             | 13.4            | 0.8             | 13.4              | 5.8            | 0.5          | 1.8            | 1.1             | -               |                  |                  | 213.4              | 8.6             |



## Notes forming part of the Consolidated Financial Statements

## Note 37: SEGMENT INFORMATION (Contd.)

| III Secondary Segment – Geographical: (₹ million) |                 |                 |
|---|-----------------|-----------------|
| Particulars                                       | Current Year    | Previous Year   |
| <b>Segment sales in:</b>                          |                 |                 |
| USA   | 9,200.6         | 8,796.5         |
| India and other countries                         | 29,489.0        | 24,556.1        |
| <b>Total Sales</b>                                | <b>38,689.6</b> | <b>33,352.6</b> |
| <b>Segment assets in:</b>                         |                 |                 |
| USA   | 565.0           | 456.0           |
| India and other countries                         | 33,002.9        | 33,017.2        |
| <b>Capital expenditure:</b>                       |                 |                 |
| USA   | -               | -               |
| India and other countries                         | 883.7           | 950.2           |

## Note 38: FOREIGN CURRENCY EXPOSURE

The foreign currency exposure of the Company as on March 31, 2014 is as under:

## a) Category wise quantitative data

| Type of contract                                 | Number       |               | Amount             |                    |
|--|--------------|---------------|--------------------|--------------------|
|  | Current Year | Previous Year | Current Year       | Previous Year      |
| Forward contracts against exports                | 173          | 135           | USD 75.07 million  | USD 45.98 million  |
|  | -            | 2             | -                  | GBP 0.12 million   |
|  | 4            | -             | Euro 0.37 million  | -                  |
| Forward contracts against imports                | 1            | 39            | USD 0.55 million   | USD 19.01 million  |
|  | 8            | 16            | Euro 10.10 million | Euro 14.86 million |
|  | -            | 2             | -                  | CHF 1.80 million   |
| Forward contracts against foreign currency loans | -            | 6             | -                  | USD 13.5 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 0.2 million (Previous year Euro 0.5 million)   |
|  | - USD 0.9 million (Previous year USD 1.0 million)     |
|  | - CHF 0.1 million (Previous year CHF Nil )            |
| Against imports (advance to creditors) | - Euro Nil (Previous year Euro 1.0 million)           |
|  | - USD 0.6 million (Previous year USD Nil million)     |
|  | - CHF Nil (Previous year CHF 0.1 million)             |
|  | - JPY 1.9 million (Previous year JPY 1.2 million)     |
|  | - SEK Nil (Previous year SEK 0.1 million )            |
| Foreign currency loans                 | - USD 28.36 million (Previous year USD 44.48 million) |

## Note 39: AMALGAMATION OF TRIDENT CORPORATION LIMITED WITH THE COMPANY

Subsequent to year end, Trident Corporation Limited has been amalgamated with the Company w.e.f. the appointed date i.e. April 1, 2014 in terms of Scheme of Amalgamation sanctioned by Hon'ble Punjab and Haryana High Court at Chandigarh vide its Order dated March 14, 2014. In terms of the sanctioned scheme, the undertaking of Trident Corporation Limited stands transferred and vests in the Company. The Company has allotted 136,352,000 equity shares of ₹10 each at a premium of ₹18.61 per share on

## Notes forming part of the Consolidated Financial Statements

## Note 39: AMALGAMATION OF TRIDENT CORPORATION LIMITED WITH THE COMPANY (Contd.)

May 15, 2014 to the shareholders of erstwhile Trident Corporation Limited in terms of the sanctioned scheme of Amalgamation. Consequent to this allotment, the paid up equity share capital of the Company has increased to ₹4,474.39 million. The investments and capital advances inter-se between the Amalgamating company (Trident Corporation Limited) and Amalgamated company (Trident Limited) shall stand cancelled on the Appointed date i.e. April 1, 2014.

## Note 40: LEASE AGREEMENTS

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 ₹47.2 million (Previous year ₹45.3 millions) have been charged under "Rent" in note 27.

## Note 41: MONEY RECEIVED AGAINST SHARE WARRANTS

The Company on September 30, 2013, had issued 60,000,000 warrants carrying an option to the holder of such warrants to subscribe to one equity share of ₹10 each at par for every warrant held, within 18 months from the date of allotment of warrants.

Number of warrants outstanding as on March 31, 2014 are 60,000,000, which can be converted into equity shares within 18 months from the date of allotment i.e. anytime before March 31, 2015. Against these outstanding warrants as on March 31, 2014, an amount of ₹430 million has been received by the Company and which shall be utilized towards capital expenditure for its composite textile project.

## Note 42: SECURED LOANS

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

(₹ million)

| Sr. No. | Outstanding balance  |                      | Repayment Terms   |
|---------|----------------------|----------------------|---|
|         | As at March 31, 2014 | As at March 31, 2013 | Presently payable in:   |
| 1       | 443.6                | 518.1                | 25 quarterly installments of ₹17.28 million and 1 quarterly installment of ₹11.73 million.  |
| 2       | 451.7                | 530.3                | 22 quarterly installments of ₹19.65 million and 1 quarterly installment of ₹19.45 million.  |
| 3       | 563.7                | 736.8                | 11 quarterly installments of ₹43.26 million and 1 quarterly installment of ₹87.97 million.  |
| 4       | 843.4                | 1,176.9              | 6 quarterly installments of ₹101.70 million and 1 quarterly installment of ₹81.60 million.  |
| 5       | 349.9                | 440.0                | 5 quarterly installments of ₹60.00 million and 1 quarterly installment of ₹50.00 million.   |
| 6       | 165.0                | 357.7                | 8 monthly installments of ₹20.00 million and 1 monthly installment of ₹5.00 million.        |
| 7       | 278.6                | 664.8                | 2 quarterly installments of ₹95.20 million and 1 quarterly installment of ₹88.19 million.   |
| 8       | 182.9                | 254.9                | 10 quarterly installments of ₹18.00 million and 1 quarterly installment of ₹2.9 million.    |
| 9       | 78.1                 | 235.7                | 1 quarterly installment of ₹39.40 million and 1 quarterly installment of ₹38.74 million.    |
| 10      | 242.5                | 389.1                | 13 monthly installments of ₹17.5 million and 1 monthly installment of ₹15.0 million.        |
| 11      | 1,000.0              | 0.0                  | 1 quarterly installment of ₹107.70 million and 13 quarterly installments of ₹107.1 million. |
| 12      | 333.2                | 500.0                | 7 quarterly installments of ₹41.70 million and 1 quarterly installment of ₹41.30 million.   |
| 13      | 151.0                | 0.0                  | 32 quarterly installments of ₹390.63 million.   |
| 14      | 235.1                | 736.7                | 14 quarterly installments of ₹16.07 million.  |
| 15      | 414.2                | 552.3                | 12 quarterly installments of ₹34.52 million.  |
| 16      | 451.8                | 518.8                | 27 quarterly installments of ₹16.73 million.  |
| 17      | 1,910.5              | 2,380.9              | 26 quarterly installments of ₹102.19 million.   |
| 18      | 196.3                | 267.8                | 11 quarterly installment of ₹17.86 million.   |

## Notes forming part of the Consolidated Financial Statements

## Note 42: SECURED LOANS (Contd.) (₹ million)

| Sr. No. | Outstanding balance  |                      | Repayment Terms  |
|---------|----------------------|----------------------|--|
|         | As at March 31, 2014 | As at March 31, 2013 | Presently payable in:  |
| 19      | 283.4                | 335.1                | 22 quarterly installments of ₹12.89 million.                                   |
| 20      | 183.2                | 140.4                | 15 quarterly installments of ₹12.50 million.                                   |
| 21      | 133.6                | 174.7                | 13 quarterly installments of ₹10.28 million.                                   |
| 22      | 53.5                 | 125.0                | 3 quarterly installments of ₹17.86 million.                                    |
| 23      | 135.3                | 150.0                | 18 quarterly installments of ₹7.75 million.                                    |
| 24      | 66.6                 | 0.0                  | 20 quarterly installments of ₹5.63 million.                                    |
| 25      | 281.9                | 377.8                | 9 quarterly installments of ₹31.33 million.                                    |
| 26      | 250.0                | 0.0                  | 1 monthly instalment of ₹50 million and 5 monthly installments of ₹40 million. |
|         | <b>9,679.0</b>       | <b>11,563.8</b>      |  |

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% per annum.

**B. Vehicle loans from banks**

Vehicle loans are secured by hypothecation of vehicles acquired against such loans, repayable in equal monthly installments, amount due in a year is ₹14.5 million (Previous year ₹10.8 million).

## Note 43: EQUITY HELD BY TAL 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, 2014, 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 (previous year ₹145.5 million) which is shown as Investment.

## Note 44: EMPLOYEES' STOCK OPTION PLANS

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 Plan') 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 on the statement of profit and loss due to Employee Share-based options as the Company is following intrinsic value method.

The Company has allotted 249,600 equity shares (Previous year Nil) to employees during the year under the Trident Employees Stock Options Plan, 2007.

The Company has also introduced Trident Employees Option Scheme, 2009 after the approval of shareholders in their meeting held on August 27, 2009. No grant has been given under the said scheme.

In respect of options granted under the Employees' Stock Option Plan, 2007 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                            |

## Notes forming part of the Consolidated Financial Statements

## Note 44: EMPLOYEES' STOCK OPTION PLANS (Contd.)

| Particulars   | Detail    |           |
|---|-----------|-----------|
| <b>Vesting period under the ESOP</b>                |           |           |
| 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 number of options granted                     | 7,901,462 | 3,993,000 |
| Total number of options accepted                    | 7,421,712 | 3,828,000 |
| Options lapsed because of resignations              | 4,456,768 | 2,113,239 |
| Options exercised                                   | -         | 388,610   |
| Options lapsed because of ending of exercise period | 296,494   | -         |
| Balance   | 2,668,450 | 1,326,151 |

## Note 45: INVESTMENT IN PREFERENCE SHARES

7% Non-Cumulative Redeemable Preference Shares of IOL Chemicals and Pharmaceuticals Limited held by the Company were due for redemption on March 20, 2014. However, the date of redemption of the said preference shares has been extended by the Board of Directors of the Company vide its resolution dated February 9, 2014 from March 20, 2014 to June 30, 2015, with an option to convert these preference shares into equity shares at a price calculated in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or ₹10/-, whichever is higher. The equity shares so issued shall rank pari passu with existing equity shares of IOL Chemicals and Pharmaceuticals Limited. Further, the Board of Directors of the Company, in their meeting held on May 15, 2014, requested IOL Chemicals and Pharmaceuticals Limited for pre-poning the right of conversion of 7% Non-Cumulative Redeemable Preference Shares into equity shares at the price of ₹28/- per share or as calculated in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, whichever is higher.

## Note 46: ASSOCIATE COMPANIES

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, 2014 | Share of associates profit/ (loss) included in Consolidated Statement of Profit and Loss as at March 31, 2014 # (₹ million) | Share of associates profit/ (loss) included in Consolidated Statement of Profit and Loss as at March 31, 2013 (₹ million) |
|--|--------------------------|--|---|---|
| Lotus Integrated Texpark Limited ^                                   | India                    | 18.56%   | NA  | 0.2   |
| Trident Corporation Limited  | India                    | 25.42%   | (30.3)  | NA  |
| Trident Infotech Inc. @  | USA                      | 49.00%   | - *   | - *   |
| Trident Global Inc. (Investment fully written off in earlier year) @ | USA                      | 49.00%   | -   | -   |

# Also refer note 2B

^ Ceased w.e.f. April 01, 2013

\* share of loss of ₹2,963 (Previous year ₹2,668)

@ Based on unaudited financial statement

## Note 47: ADDITIONAL INFORMATION

| a) CIF value of imports | (₹ million)  |               |
|-------------------------|--------------|---------------|
| Particulars             | Current Year | Previous Year |
| Capital goods           | 4.5          | 122.1         |
| Store and spares        | 138.3        | 207.3         |
| Raw materials           | 517.6        | 555.3         |



Notes forming part of the Consolidated Financial Statements

Note 47: ADDITIONAL INFORMATION (Contd.)

|   |              |            |               |            |             |
|---|--------------|------------|---------------|------------|-------------|
| b) Expenditure in foreign currency                    |              |            |               |            | (₹ million) |
| Particulars   | Current Year |            | Previous Year |            |             |
| Travelling  | 4.1          |            | 4.4           |            |             |
| Others  | 285.9        |            | 213.7         |            |             |
| c) Value of raw material / stores and spares consumed |              |            |               |            |             |
| Particulars   | Current Year |            | Previous Year |            |             |
|   | Imported     | Indigenous | Imported      | Indigenous |             |
| Raw materials   | 517.6        | 18,897.8   | 555.3         | 17,642.9   |             |
| Percentage %  | 2.7          | 97.3       | 3.1           | 96.9       |             |
| Components, store and spares and packing material     | 138.3        | 1,688.2    | 207.3         | 1,304.8    |             |
| Percentage %  | 7.6          | 92.4       | 13.7          | 86.3       |             |
| d) Earnings in foreign exchange                       |              |            |               |            |             |
| Particulars   | Current Year |            | Previous Year |            |             |
| Export of goods calculated on FOB value               | 18,536.4     |            | 16,081.7      |            |             |

**Note 48:**

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 |   |  |
|   | <b>S K TUTEJA</b><br>Chairman             | <b>DEEPAK NANDA</b><br>Managing Director     |
| Place : Ludhiana<br>Date : May 15, 2014     | <b>SHAKTI JINDAL</b><br>Company Secretary | <b>ARUN GOYAL</b><br>Chief Financial Officer |

Information Related to Subsidiaries  
for the year ended March 31, 2014

|  |                                   |
|--|-----------------------------------|
| (Amount in ₹)                                      |                                   |
| Name of Subsidiary Company                         | Trident Global Corp Limited       |
| Country of Incorporation                           | India                             |
| Financial Year ended on                            | March 31, 2014                    |
| 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  | (231,454)                         |
| c) Total Assets                                    | 4,909,671                         |
| d) Total Liabilities (excludes capital & reserves) | 141,125                           |
| e) Details of Investments                          | NIL                               |
| f) Turnover  | 1,288,338                         |
| g) Profit/(Loss) before taxation                   | 258,143                           |
| h) Provision For Taxation                          | 80,000                            |
| i) Profit/(Loss) after taxation                    | 178,143                           |
| j) Proposed dividend                               | NIL                               |

Corporate information

|  |   |
|--|---|
| <b>Board of Directors</b><br>Mr. S K Tuteja<br>Mr. Rajinder Gupta<br>Ms. Pallavi Shroff<br>Mr. Rajiv Dewan<br>Mr. Deepak Nanda   | <b>Registered Office</b><br>Trident Group, Raikot Road<br>Sanghera – 148 101<br>Toll free: 1800 180 2999<br>Fax: +91-161-5039900, 5038800<br>email: corp@tridentindia.com   |
| <b>Chief Financial Officer</b><br>Mr. Gunjan Shroff  | <b>Corporate Office</b><br>E-212, Kitchlu Nagar<br>Ludhiana – 141 001   |
| <b>Company Secretary</b><br>Mr. Pawan Babbar   | <b>US Office</b><br>295 Fifth Avenue<br>Room 1112<br>New York, NY 10016, USA  |
| <b>Statutory Auditors</b><br>Deloitte Haskins & Sells  | <b>Bankers</b><br>State Bank of India<br>Punjab National Bank<br>Canara Bank<br>State Bank of Patiala<br>Corporation Bank<br>Oriental Bank of Commerce<br>State Bank of Travancore<br>State Bank of Mysore<br>Syndicate Bank<br>Allahabad Bank<br>Indian Bank<br>Bank of India<br>Exim Bank<br>Indian Overseas Bank<br>State Bank of Bikaner & Jaipur<br>State Bank of Hyderabad<br>Bank of Baroda<br>Central Bank of India<br>IFCI Limited |
| <b>Cost Auditors</b><br>Ramanath Iyer & Co.  |   |
| <b>Tax Auditors</b><br>S C Vasudeva & Co.  |   |
| <b>Investor Relations</b><br>Citigate Dewe Rogerson  |   |
| <b>Registrar &amp; Transfer Agent</b><br>Alankit Assignments Limited<br>(Unit: Trident Limited)<br>2E/21 Jhandewalan Extension<br>New Delhi – 110 055<br>Tel : +91-11-23541234, 42541234<br>Fax: +91-11-42541967<br>email: rta@alankit.com |   |
| <b>CIN</b><br>L99999PB1990PLC010307  |   |



TRIDENT LIMITED

Sanghera - 148101, India

corp@tridentindia.com | www.tridentindia.com