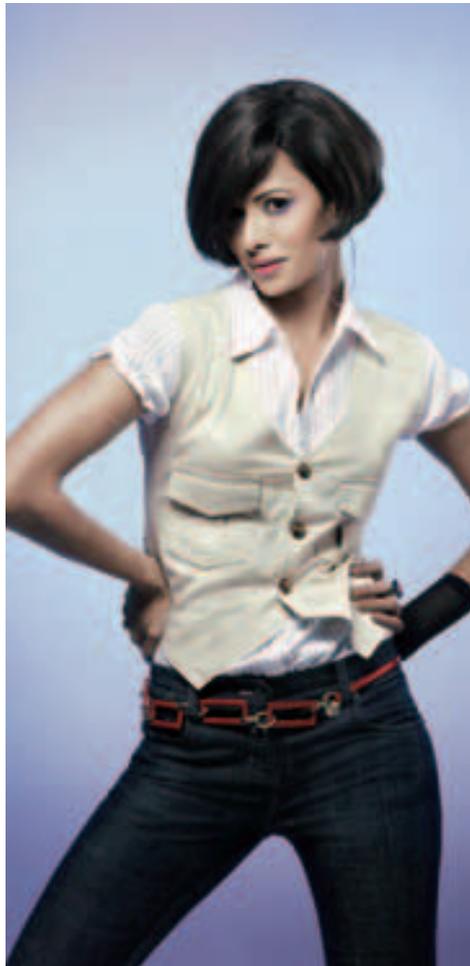


We grew in numbers.  
We grew in size.  
We grew in your hearts.





**Chairman Emeritus**

S.N. Tata

**Board of Directors**

F.K. Kavarana (Chairman)

N.A. Soonawala

B.S. Bhesania

A.D. Cooper

K.N. Suntook

N.N. Tata (Managing Director)

**Company Secretary**

Mrs. H.R. Wadia

**Registered Office**

Bombay House,

24, Homi Mody Street,

Mumbai 400 001

Tel: 022 6665 8282 Fax: 022 6750 9344

Visit us: [www.mywestside.com](http://www.mywestside.com)

**Registrar and Transfer Agents**

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

**Solicitors**

AZB and Partners, Mumbai

**Auditors**

M/s. N.M. Rajji & Co.,

Chartered Accountants

**Bankers**

Citibank N.A.

ICICI Bank Limited

HDFC Bank Limited

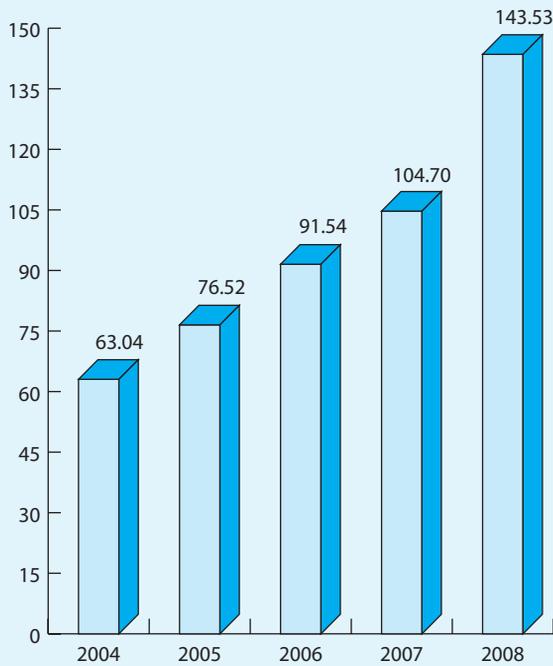
<b>Annual General Meeting</b>	: 27th August 2008
<b>Time</b>	: 3.30 p.m.
<b>Venue</b>	: Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001.

**BOOK CLOSURE DATES**  
**FRIDAY, 18TH JULY 2008 — TUESDAY, 29TH JULY 2008**

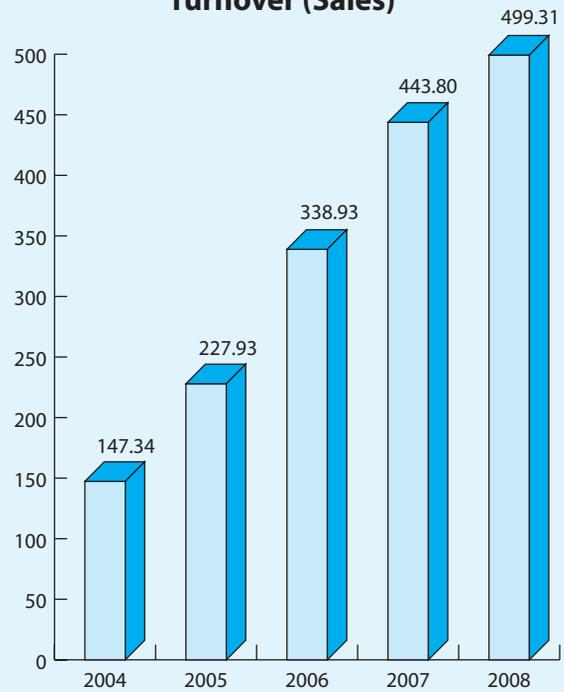
## Financial Highlights

Rs. in crores

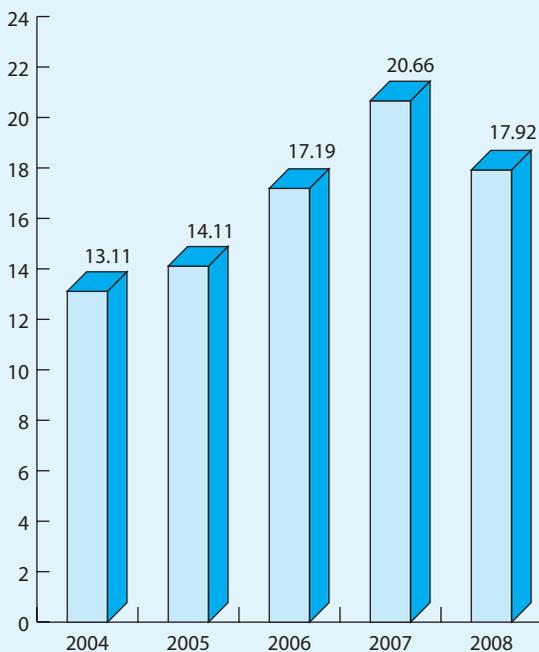
**Gross Fixed Assets**



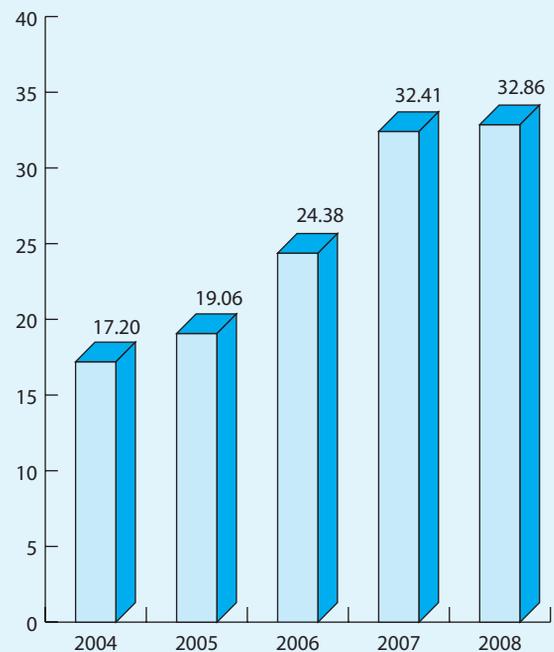
**Turnover (Sales)**



**EPS - Basic (Rs. per share)**



**Profit After Taxes**



## Notice

**NOTICE** is hereby given that the **FIFTY - SIXTH ANNUAL GENERAL MEETING of TRENT LIMITED** will be held at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001 on Wednesday, 27<sup>th</sup> August 2008 at 3.30 p.m. to transact the following business:

- 1] To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2008 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
- 2] To declare a dividend.
- 3] To appoint a Director in place of Mr. B. S. Bhesania, who retires by rotation and is eligible for re-appointment.
- 4] To appoint a Director in place of Mr. K. N. Suntook, who retires by rotation and is eligible for re-appointment.
- 5] To appoint Auditors and to fix their remuneration.

### Notes:

- [a] The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item Nos. 3 and 4 above are enclosed.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- [c] The Register of Members and the Transfer Books of the Company will be closed from Friday, 18<sup>th</sup> July 2008 to Tuesday, 29<sup>th</sup> July 2008, both days inclusive, for the purpose of payment of dividend to those Members whose names stand on the Register of Members as on 29<sup>th</sup> July 2008. The dividend in respect of Equity Shares held in electronic form will be payable to the beneficial owners of the Equity Shares as at the end of business hours on 17<sup>th</sup> July 2008 as per the details furnished by the Depositories for this purpose.
- [d] The dividend on Equity Shares as recommended by the Directors for the year ended 31<sup>st</sup> March 2008 will be payable on or after 28<sup>th</sup> August 2008 in accordance with the resolution to be passed by the Members of the Company.
- [e] The entitlement to discount coupons issued by the Company to the shareholders is related to their shareholding.
- [f] Pursuant to Section 205A and 205C of the Companies Act, 1956, all unclaimed/unpaid dividend, interest on deposits as well as principal amount of deposits as at March 31, 2008 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Share Transfer Agents, for payment in respect of unclaimed/unpaid dividends declared by the Company on or after 27<sup>th</sup> August 2001.

- [g] Having regard to the difficulties experienced by shareholders in disposing of the shares held by them in physical form, TSR Darashaw Limited, Registrars of the Company, has framed a Scheme for the purchase of such shares. Interested shareholders may contact TSR Darashaw Limited for further details.
- [h] No Hand bags/Parcels of any kind will be allowed inside the auditorium. The same will have to be deposited outside the Auditorium on the counter provided, at the shareholders'/proxies' own risks.

By Order of the Board of Directors,

**Mrs. H. R. WADIA**  
Company Secretary

**Registered Office:**

Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001.  
Mumbai, 30<sup>th</sup> June 2008

**Details of Directors Seeking Re-appointment at the Annual General Meeting**

<b>Particulars</b>	<b>Mr. B.S. Bhesania</b>	<b>Mr. K.N. Suntook</b>
Date of Birth	3 <sup>rd</sup> November 1933	22 <sup>nd</sup> May 1935
Date of Appointment	17 <sup>th</sup> May 1983	22 <sup>nd</sup> August 1995
Qualifications	B.Sc. LL.M., Advocate, High Court, Mumbai and Supreme Court of India, Solicitor, High Court, Mumbai, Supreme Court of England & Wales and Supreme Court of Hongkong.	B.A, LLB (Advocate), F.C.S.
Expertise in specific functional area	Shipping laws, corporate laws, property laws etc.	General and legal.
Directorships held in other public companies (excluding foreign, private and Section 25 companies)	Bhansali Engineering & Polymers Limited Bombay Rayon Fashions Limited	Tata Investment Corporation Limited National Peroxide Limited The Associated Building Company Limited.
Membership / Chairmanship of committees of other public companies (includes only Audit and Shareholders/ Investors Grievance Committee)	Bhansali Engineering & Polymers Ltd. – Audit Committee (Member), Bombay Rayon Fashions Limited – Audit Committee (Member).	Tata Investment Corporation Limited – Audit Committee (Chairman) National Peroxide Limited – Audit Committee (Member).
Number of shares held in the Company	Nil	360

## DIRECTORS' REPORT

### TO THE MEMBERS,

The Directors are pleased to present their Fifty-sixth Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2008.

### FINANCIAL RESULTS

	<b>2007-08</b> <b>[Rupees</b> <b>in Crores]</b>	2006-2007 [Rupees in Crores]
Total Income	<b>546.43</b>	472.42
Profit before taxes and exceptional items	<b>37.32</b>	40.99
Less: Provision for taxation	<b>4.74</b>	9.41
Profit for the year after tax	<b>32.58</b>	31.58
Add/Less: Excess/(Short) Tax Provision for prior years [Net]	<b>0.28</b>	0.83
Net Profit	<b>32.86</b>	32.41
Balance brought forward from previous years	<b>14.71</b>	13.46
Balance available for appropriation	<b>47.57</b>	45.87
– Interim Dividend		11.03
– Proposed Dividend	<b>13.67</b>	—
– Tax on dividend	<b>1.57</b>	1.88
– Transfer to Debenture Redemption Reserve	<b>5.00</b>	15.00
– Transfer to General Reserve	<b>3.30</b>	3.25
– Profit carried forward	<b>24.03</b>	14.71
	<b>47.57</b>	45.87

### DIVIDEND

On 30<sup>th</sup> June 2008, the Board of Directors recommended a final dividend of Rs. 7/- per share on 1,95,32,896 equity shares (70%) (Previous year interim dividend - 70% on 1,57,60,737 equity shares) involving a distribution of Rs. 13.67 crores (previous year Rs. 11.03 crores). The total outflow will be Rs. 15.24 crores including the tax on dividend of Rs.1.57 crores.

### ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the year under review, the Company allotted 31,48,264 equity shares of Rs 10/- each at a premium of Rs. 490/- each for an amount aggregating to Rs. 157.41 crores on Rights basis to the existing equity shareholders of the Company in the ratio of one fully paid equity share for every five equity shares held on the record date i.e. on 15<sup>th</sup> May 2007. The shares have been listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

### ISSUE OF SECURITIES TO THE PROMOTERS OF THE COMPANY ON PREFERENTIAL ALLOTMENT BASIS

In December 2006, the Company had issued and allotted equity shares and warrants on preferential allotment basis, to the main Promoter shareholders of the Company, Tata Sons Limited and Tata Investment Corporation Limited, in accordance with the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 [SEBI (DIP) Guidelines].

The said warrants were offered to the Promoters with an option to convert each warrant into equity share not earlier than 1<sup>st</sup> June 2007 and not later than 31<sup>st</sup> March 2008. Consequent to the exercise of the option by the Promoters on 21<sup>st</sup> August 2007, the Company allotted 3,75,000 equity shares of Rs. 10/- each to Tata Sons Limited and 2,10,000 equity shares of Rs. 10/- each to Tata Investment Corporation Limited at a price of Rs. 743.65 per share, aggregating to Rs. 43.50 crores.

### EMPLOYEES' STOCK OPTIONS

The Company had granted 45,850 stock options, under the Employees' Stock Option Scheme, to senior managers and selected officers of the Company. During the year under review, an additional 2,745 options were granted on account of the Rights Issue of the Company as per applicable SEBI Guidelines. Consequent to the exercise of the options, 38,895 equity shares of Rs. 10/- each were allotted at par. The unexercised Options have expired/forfeited in terms of the Scheme and no Options were outstanding as on 31<sup>st</sup> March 2008. The entire cost of Rs. 3.13 crores has been amortized as per SEBI Guidelines over the 24-month vesting period commencing 1<sup>st</sup> December 2005. The proportionate amortization cost for the year amounting to Rs. 0.94 crores has been debited to Profit & Loss Account.

### RETAILING OPERATIONS

The retailing business of the Company witnessed a moderate growth in sales of 13% during the year under review, as compared to 31% in the previous year. Three Westside and two Star Bazaar stores were commissioned during the year, all performing broadly in line with the Company's expectations. At the end of the financial year, the Company was operating twenty-nine Westside and three Star Bazaar stores.

With an objective of restructuring its business portfolio, the Company has proposed the sale of its hypermarket business (Star Bazaar) at book value to its wholly owned subsidiary. The Company has approached the shareholders for obtaining an approval for the proposed sale through a Postal Ballot process. Further, in order to capitalize on the growth opportunity in this space, the Company is exploring various alternatives including the possibility of tie-ups with other players in the hypermarket business, by way of franchise or other arrangements subject to prevailing regulations.

### TREASURY OPERATIONS

Compared to the previous year, the Company's treasury income increased by 66% to Rs. 30.06 crores. This was primarily on account of increase in income from mutual fund investments and the more favourable interest rate scenario from an investment perspective. The investment portfolio of the Company was augmented by the Rights and Preferential issues proceeds, pending their deployment for operations.

### SUBSIDIARIES

#### Landmark Limited and its Subsidiaries

Landmark Limited is engaged in the business of retailing of books, toys, stationery and music. In April 2008, Ms. Hemalatha Ramaiah, a former shareholder and CEO of Landmark Limited opted to exit from the Company and the residual shares held by her were acquired by Tata Investment Corporation Limited. The two nominees of Ms. Hemalatha Ramaiah have since resigned from the Board of Landmark Limited. Consequent to her exit, Trent Limited along with its subsidiaries, associates and Tata Investment Corporation Limited holds 99.99% in the capital of Landmark Limited.

At present, Landmark Limited has eighteen stores (including seven airport and hotel stores). The income from operations of Landmark Limited increased from Rs. 137 crores to Rs. 179 crores in 2007-08, hence registering an encouraging year to year growth of about 30%.

During the year, two of the subsidiaries of Landmark Limited namely Westland Books Private Limited and Eastwest Books (Madras) Private Limited merged to form Westland Limited, pursuant to a Scheme of Amalgamation dated 4<sup>th</sup> March 2008 sanctioned by the Hon'ble Madras High Court which is effective from 1<sup>st</sup> April 2007. Westland Limited performed satisfactorily during the year.

#### Trent Brands Limited

Trent Brands Limited, a 100% subsidiary of the Company posted a net profit of Rs. 2.51 crores for the

year under review. Trent Brands Limited has declared an interim dividend of Rs. 8/- per share (80%).

#### **Fiora Services Limited**

Fiora Services Limited continues to render various services to the Company in terms of sourcing activities, warehousing, distribution, clearing and forwarding. It posted a marginal profit of Rs. 1.2 lakhs for the year under review and did not declare any dividend for the year 2007-2008.

#### **Other Subsidiaries**

The other 100% subsidiaries of Trent Limited viz. Satnam Developers and Finance Private Limited, Nahar Theatres Private Limited and Fiora Link Road Properties Limited are all established to support the Company's real estate needs.

On an application made by the Company under Section 212(8) of the Companies Act, 1956, the Central Government vide letter dated 30<sup>th</sup> May 2008 has exempted the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account and other documents of the subsidiary companies to be attached under Section 212(1) of the Act to the Annual Report of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A summarized statement of the financial performance of the subsidiary companies is contained in this Report. The Annual Accounts of the subsidiary companies are open for inspection by any member / investor and the Company will make available these documents / details upon request by any member of the Company or to any Investor of its subsidiary companies who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the Registered Office of the Company and at the Head Office of the subsidiary company concerned.

#### **SOCIAL RESPONSIBILITY**

The Company is acutely aware of its social responsibility and its policy in this respect is

directed towards child welfare on a national basis and more particularly in the cities where it operates. A number of children organizations were financially assisted. The Company also extended its technical assistance and purchase of products to new NGOs and plans to further these activities in the future.

The Company strictly adheres to a number of human rights principles against discrimination and child labour, which also apply to its suppliers. Further, support has been given to environment protection organizations in the western region.

#### **PERSONNEL**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed and forms an integral part of this Report.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis, the Corporate Governance Report, together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down, form part of this Annual Report.

#### **DIRECTORS**

Due to pre-occupation Mr. Zubin Dubash has resigned from the board as a Director of the Company w.e.f. 18th December 2007.

The Board has recorded its appreciation of the contribution made by Mr. Zubin Dubash during his tenure with the Company as a Director.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. B.S. Bhesania and Mr. K.N. Suntook retire at the ensuing Annual General Meeting and are eligible for re-appointment.

#### **AUDITORS**

The Auditors of the Company, M/s. N. M. Raiji & Co., Chartered Accountants, retire at the ensuing Annual

General Meeting and offer themselves for re-appointment.

**ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information relating to energy conservation is not applicable to the Company as per Section 217(1) (e) of the Companies Act, 1956.

Foreign Exchange earnings and outgo are stated on page 47 on the Balance Sheet and Profit and Loss Accounts. The Company earned Rs. 15.45 crores in foreign currency from retail sales through international credit cards.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that: -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) They have prepared the annual accounts on a going concern basis.

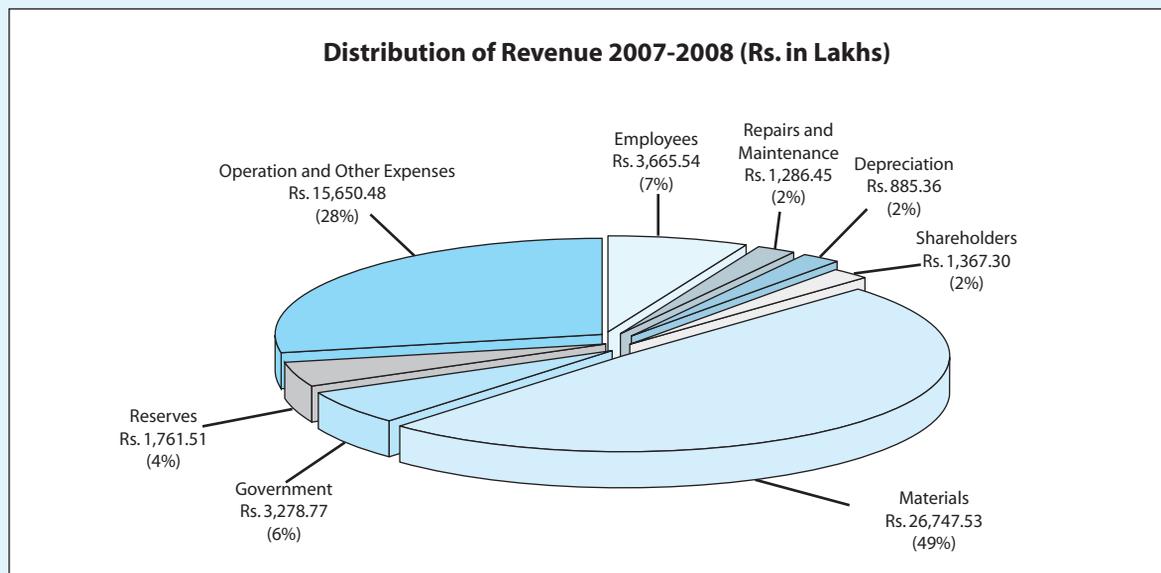
**ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation of the support which the Company has received from its promoters, bankers, suppliers and customers and most importantly, its employees.

**On behalf of the Board of Directors**

**F.K. Kavarana**  
Chairman

Mumbai, 30<sup>th</sup> June 2008



**ANNEXURE TO DIRECTORS' REPORT**
**Information as per Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2008.**

Name	Designation/ Nature of Duties	Remuner- ation Received Rs.	Net Remuner- ation Rs.	Qualifications	Experi- ence	Date of Commence- ment of Employment	Age	Last Employment before joining the Company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Anand P.K	Vice- President – Operations & HR	88,54,489	56,84,066	M.Com	33	17.08.1998	54	Vice President - Fiora Cosmetics Ltd.
Chopra Neeti	General Manager- Marketing	39,88,009	20,86,963	M.A. (International Studies)	17	04.10.2005	40	G.M. – Group Executive Officer, Tata Sons Ltd.
Damani Madhulika	Buying Manager- Ethnic Wear	26,32,485	18,17,590	Diploma in MM Textile Chemistry, Fibre Manufacturing and in Dress Making & Fashion Co-ordination	18	01.04.1999	45	Senior Designer- Shoppers Stop
Dasilva Bryan R.	Deputy General Manager- North & West	30,51,182	21,33,077	B.Com	16	03.03.1999	41	Department Manager-Chiragdin
Idnani Vikram	General Manager Information Technology	27,12,752	18,81,615	B.E Computer engineering	19	03.06.2006	40	Engagement Director Syntel
Jain S.K. *	Head - Human Resources	27,45,035	14,39,417	B.A. , M.S.W	38	01.01.2001	60	Sr. General Manager - HRD Jet Airlines (India) Ltd.
Kamat S.W.	General Manager- Finance & Accounts	41,65,015	26,49,375	B.Com, A.I.C.W.A,A.C.S	32	25.08.1998	54	Manager Finance – Merind Ltd.
Mahajan Gaurav	Head - Buying	41,35,298	27,04,892	B.Sc-Electronics, PGDMM(NIFT)	14	01.07.1996	35	Buyer- Littlewoods International (India) Pvt. Ltd.
Newman Gary	Head - Buying [Hypermarket]	95,36,295	44,10,226	B.A. (Eco)	37	19.12.2005	59	Trent Limited
Rastogi Sanjay	Head- Corporate HR	35,58,707	24,66,670	MMS, B.Sc	15	22.05.2006	41	GM-HR-Wockhardt Ltd
Seshasai K.V.S.	General Manager - Strategy & Business Head (MBO)	41,47,575	27,03,785	B.E. (Electronics), MBA	12	01.07.1999	37	TAS Officer – Tata Services Ltd.
Shah R.A	General Manager- Projects	49,13,106	31,20,526	B.E.(Electrical)	30	20.11.1981	54	Maint. Engineer U.S.Vitamins & Pharm. Corpn. (India) Ltd.
Solkar Shailesh	Head-Merchandising (Westside)	26,77,607	18,52,989	B.Sc(Physics)	12	15.11.1999	31	Officer-Customer Relations- Optimal Infotech
Tata N.N.	Managing Director	171,12,000	107,52,143	B.A. (Eco) Univ. of Sussex, IEP, INSEAD, France	25	03.02.1998	51	Managing Director Lakme Exports Ltd.
Wadia H.R.	Company Secretary	31,86,514	20,75,476	B.Com, A.C.A.,A.C.S	23	01.05.1998	48	Company Secretary-Lakme Lever Limited

**NOTES :-**

- 'Remuneration Received' includes salary, taxable value of perquisites and Company's contribution to Provident and Superannuation Funds.
- 'Net Remuneration' is arrived at by deducting from the Gross Remuneration, Income tax and Company's contribution to Provident and Superannuation Funds and the monetary value of non-cash perquisites, wherever applicable.
- The Company has made a provision for contribution to the Employees' Gratuity Fund based on actuarial valuation. This amount has not been included in 'Gross Remuneration' as no separate figures are available for individual employees.
- \* The employee was in service only for a part of the year.
- All the employees have adequate experience to discharge the responsibilities assigned to them.
- The nature of employment in all cases is contractual.

On behalf of the Board of Directors,

 Mumbai, 30<sup>th</sup> June 2008

**F.K.KAVARANA**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

**Disclosure pursuant to the provisions of Securities and Exchange Board of India  
(Employees' Stock Option Scheme) Guidelines, 1999**

Sr No	Particulars	ESOS 2005
a)	Options granted	48,595* equity shares of Rs.10/- each * Of above, 2,745 options granted to existing option holders consequent to issue of shares on rights basis in July 2007 in accordance with SEBI Guidelines on ESOP and letter of offer to employees
b)	Pricing Formula	Rs.10/- per share
c)	Options vested	38,895
d)	Options exercised	38,895
e)	Total number of shares arising as a result of exercise of option	38,895
f)	Options lapsed (as at 31st March 2008)	9,700
g)	Variation of terms of options	There has been no variations in terms of options
h)	Money realised by exercise of options	Rs. 3,88,950/-
i)	Total number of options in force (as at 31st March 2008)	NIL
j)	Employee-wise details of options granted to	
	i) Senior Management Personnel;	N N Tata - Managing Director - 5,378 Options P K Anand - V.P Operations - 1,614 Options
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year;	None
	iii) Identified employees who were granted option during any year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Diluted EPS: Rs.17.89
l)	i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued. The stock-based compensation cost as per the intrinsic value method for the year ended 31st March 2008 is Rs. 94.24 lakhs
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	Had the fair value method been used the employee compensation cost would have been lower by Rs.4.79 lakhs
	iii) The impact of this difference on profits and on EPS of the company	Had the fair value method been used, in respect of stock options granted, Profit after tax would have been higher by Rs.4.79 lakhs and the basic and diluted earnings per share would have been higher by Re.0.03 & Re.0.03 respectively.
m)	Weighted average exercise price and weighted average fair value	NA
n)	Fair value of options based on Black Scholes methodology	- Rs. 821.26 per share
	Assumptions	
	Risk-free rate	- 6.25%
	Expected life	- 2.13 years
	Expected volatility	- 47.98%
	Expected dividends	- Rs. 6/- per share
	Closing market price of share on date of grant of option	- Rs. 865.20 per share

**MANAGEMENT DISCUSSION AND ANALYSIS**

The organized retail industry in India has been in the midst of a substantial transformation in the 2000s aided by a range of macro factors including strong economic growth, favorable demographics and a pronounced trend towards increased consumption. The long-term growth drivers continue to point strongly towards growth of organized retail in the country going forward.

In the period under review, the performance of the nascent industry is broadly traceable to the following drivers – the near term consumption triggers, sourcing and cost factors, the state of the real estate market and the intensity of competition. With varying degrees of impact, retailers in India have been witnessing a deteriorating macro-environment in the recent quarters in respect of the above drivers –

- a) pronounced inflation and significantly higher interest rates have impacted the strong growth in near term consumption registered in prior periods;
- b) significant operating cost pressures seen with respect to wages, electricity and common area maintenance;
- c) the high, and in some markets unviable real estate rentals and underlying valuations for properties; though there has been some softening in the recent weeks;
- d) higher intensity of competition in certain markets mostly due to significant clustering of retailer presence with similar offerings.

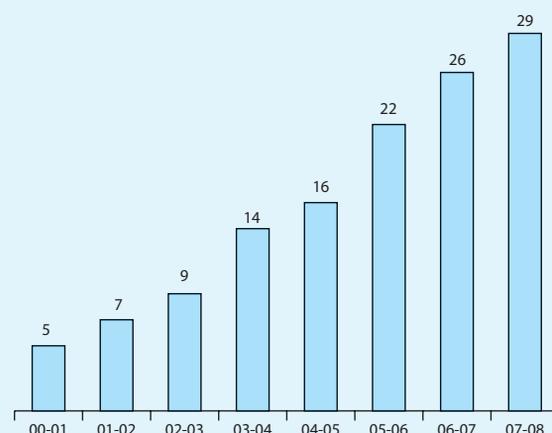
These macro observations have applied, though with varying emphasis, in respect of the predominant retailing formats [Westside, Landmark (through a subsidiary) and Star Bazaar] managed by the Company.

**OPERATIONS – WESTSIDE**

The Westside stores, the predominantly mid-end fashion apparel format, have been the mainstay of the retailing business of the Company. This format over the years has been rolled out across the country and currently covers 20 cities. In the year under review, three new stores were opened in

Ahmedabad, Ludhiana and Delhi. This coupled with the store opened in April '08 in Rajkot, takes the total count to thirty stores currently. The store opened in Delhi, was the first “women’s wear” Westside offering.

**Number of Westside Stores**



The median size of a Westside store is a carpet area of around twenty thousand square feet. Consistent with the strategy in previous years, the Company has desisted from shrinking the format unless the location on offer was seen to be highly attractive and only as an exception. The roll out plans, like in the previous year, continued to be impacted adversely due to the inability of the developers to hand over premises in the contracted time frame, and also the quantum & quality of the pipeline were impacted by viability considerations due to the level of rentals and underlying real estate valuations.

In the recent quarters, with encouraging results, the Company has attempted to generate incremental income by sharply targeting the sizeable Westside customer base, which is part of the ClubWest loyalty program, including through selective third party promotions. This coupled with other in-store initiatives to generate additional income like for promotional display, coffee shop fees etc. has in part helped to setoff the cost pressures discussed earlier.

**OPERATIONS – STAR BAZAAR**

Star Bazaar, the discount hypermarket format, has seen an augmented commitment of resources in the period of review. Consistent with the observations in the last years' report, the company opened two further stores in Mumbai (Dahisar) and in Bangalore during the year in review. This coupled with the Ahmedabad store and one more Mumbai (Andheri) store that is scheduled to open on 4<sup>th</sup> July 2008, there will be four Star Bazaar stores in operation by July 2008.

Though the new stores have been in operation for a limited period, the operations have broadly been in line with expectations and mostly encouraging – in many ways the smoother operations can be attributed to the learnings from the Ahmedabad store including with respect to processes, promotions and product range.

The Company continues to view food and grocery (F&G) retailing as a substantial opportunity, which is worthy of being seriously pursued in the medium term. F&G remains one of the largest categories and is estimated at around 60% of consumer spending. Also, within this category fresh groceries (vegetables, fruits & meat offerings) continue to be of interest. Nevertheless, given the single digit gross margins on F&G, store rollout with justifiable economics poses a significant challenge.

It is in this context that Star Bazaar business was sought to be transferred to the Company wholly owned subsidiary as part of the portfolio reorganization exercise. The independent status post the transfer, is expected to render this business a sharper management focus and allow various alternatives for profitably scaling up operations to be pursued. The key initiatives in this regard include:

- Emphasis on local sourcing and consumer catchment – establishing robust regional sourcing arrangements is seen to be inevitable, as national sourcing is unviable, especially in respect of fresh groceries, given the infrastructure bottlenecks, tax inefficiencies and high freight costs. Also, primarily from a traffic and consumer behavior perspective, the Company does not see 'outside city limits' stores being sustainable and hence the emphasis on a local catchment;

- Own label offerings – over time as the branding of the stores gets entrenched, increasing the contribution of 'own label' offerings in the F&G category, as the Company does not see undue resistance from customers in the case of commodity offerings;
- A geographically clustered approach to scaling up, in order to diffuse promotional expenditure and leverage local sourcing arrangements;
- Large box format – consistent with the existing store portfolio, it is seen desirable in near term to continue to focus on rollout of greater than fifty thousand square feet Star Bazaar stores, especially given the need to contain per square foot rentals;
- Exploring various tie-up possibilities including franchise arrangements, to enhance know-how, subject to prevailing regulations.

**OPERATIONS – LANDMARK**

Landmark stores – the books plus music, toys and furnishing format – are managed by a subsidiary of the Company, Landmark Limited. The performance of Landmark has been broadly in line with expectations with the number of stores in operation growing to eighteen as of date, including seven hotel and airport stores. As a retailer of books, Landmark has maintained its market leadership (in value terms) and continues to offer the largest collection of books in the country with over 100,000 titles. 'Teens' constitute the primary target segment of Landmark and this is expected to be of continued relevance as there would be an estimated half a billion people under the age of twenty in India, in a decade from now.

Landmark registered an encouraging 30% growth in operating income to Rs 179 crores (Rs 137 crores) during the period under review, however, the profit before tax was lower at Rs 3.61 crores (Rs 6.11 crores) primarily due to the negative contribution of newer stores mostly on expected lines. Like in the case of Westside, in-store initiatives to generate additional income like for promotional display, coffee shop fees etc. are being pursued by Landmark to setoff the cost pressures highlighted earlier, at least in part.

Recently Landmark re-launched its online presence with "[www.landmarkonthenet.com](http://www.landmarkonthenet.com)" and the performance to date has been on expected lines and encouraging. The intent is to build a material revenue stream over the next few years from this online offering, and partly hedge the risks posed by higher internet penetration to retailing of books.

It is the "small-box" book retailing formats that get most impacted by the challenge posed by internet offerings. The "larger box" book retailers, offering a substantial number of titles in a store for browsing at leisure and the proposition of a coupled coffee shop in many cases, tend to be far less impacted by the online retailing of books. The play out in developed markets like the United States is consistent with the above view.

In the context of the preceding commentary, it is relevant to note that Landmark operates only large format stores, mostly greater than twenty thousand square feet on an average per store, except for airport and hotel stores which are significantly smaller in size but that are nevertheless judged to be sustainable.

**TREASURY INCOME:**

The Company's treasury income improved over last year on account of favourable market conditions coupled with a prudent treasury policy. From an investment perspective, the increase in interest rates prompted by higher money supply and inflation, led to better returns for the Company's investments in debt instruments particularly FMPs (Fixed Maturity Plan). The parking of proceeds from the Rights and Preferential issues completed during the period under review mostly in mutual funds, prior to their deployment in operations, also in part explains the increase in treasury income.

**OUTLOOK**

A pronounced rate of inflation and significantly higher interest rates are the apparent dampeners to near term performance. In fact on a post tax basis, the yield on bank deposits currently is lower than the inflation rate, implying negative real interest rates. Soaring commodity prices are likely to reduce discretionary consumer spending headroom especially as F&G prices rise (and this increase is estimated in the region of 20% over the previous year). Hence, the consumption triggers are not positive at this time and there is limited visibility to improvement on this front in the near term. This coupled with the escalating costs (especially wages, electricity and common area maintenance) as discussed earlier imply significant challenges in maintaining margins.

Nevertheless, the deterioration in the above macro metrics is seen leading to a more favorable rentals and valuations scenario in the real estate space. In fact, the Company views this as an opportunity to improve the quantum and quality of its pipeline of new stores across the three formats.

The above observations notwithstanding, the Company continues to be very positive on the underlying case for growth of organized retailing in India over the coming decade. The intent going forward is to substantially scale up Company's presence and in doing so across the three formats:

- Emphasize sustainable store level profitability.
- Selectively commit direct investments in properties, leverage our healthy relationship with developers and the partnership with the Xander fund.
- Continue to be primarily "large box" and mall based.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2007-2008

(As required under Clause 49 of the Listing Agreements entered into with Stock Exchanges)

### 1] A brief statement on Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of the affairs of the Company and help the Company achieve its goal in maximizing value for all its stakeholders. The Company's philosophy is in line with the Tata Group's long standing tradition of fair and transparent governance.

The Company has adopted the Tata Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct for Prevention of Insider Trading and the Whistle Blower Policy. The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

### 2] Board of Directors

The Company has six Directors including a Non-Executive Chairman. Of the 6 Directors, 5 are Non-Executive and 3 are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

None of the Directors of the Company is a Member on more than ten Committees or a Chairman on more than five committees across all the Companies in which he is a Director.

Necessary disclosures regarding Committee positions in other public companies as on 31st March 2008 have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting held during the year and the number of directorships and committee chairmanships / memberships held by them in other companies is given below. Chairmanship / membership of Board Committees include only Audit and Shareholders / Investors' Grievance Committees.

Name	Category	No. of Board Meetings attended during 2007-2008		Whether attended last AGM held on Tuesday 28 <sup>th</sup> August 2007	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Companies	
		Held	Attended			Chairman	Member
Mr. F. K. Kavarana (Chairman) DIN: 00027689	Non-Independent Non-Executive	12	12	Yes	10	4	2
Mr. N. A. Soonawala DIN: 00005582	Non-Independent Non-Executive	12	11	Yes	5	3	-
Mr. B. S. Bhesania DIN: 00026222	Independent Non-Executive	12	10	Yes	2	-	2
Mr. A. D. Cooper DIN: 00026134	Independent Non-Executive	12	10	Yes	2	-	-
Mr. K. N. Suntook DIN: 00025818	Independent Non-Executive	12	9	Yes	3	1	1
Mr. N. N. Tata DIN: 00024713	Managing Director	12	12	Yes	8	1	-
Mr. Zubin S. Dubash* DIN: 00026206	Independent Non-Executive	12	8	Yes			

\* Resigned w.e.f. 18<sup>th</sup> December 2007.

Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 Companies and of companies incorporated outside India.

The Board of Directors of the Company met twelve times during the year 2007-2008 i.e. on 19<sup>th</sup> April 2007, 30<sup>th</sup> April 2007, 7<sup>th</sup> May 2007, 29<sup>th</sup> June 2007, 19<sup>th</sup> July 2007, 21<sup>st</sup> August 2007, 14<sup>th</sup> September 2007, 18<sup>th</sup> October 2007, 9<sup>th</sup> November 2007, 13<sup>th</sup> November 2007, 18<sup>th</sup> December 2007 and 18<sup>th</sup> January 2008.

The gap between two meetings did not exceed four months. The required information as enumerated in **Annexure IA** to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board meetings.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March 2008 except for payment of sitting fees and Commission.

**Code of Conduct:**

The Company has adopted the Tata Code of Conduct for its Managing Director, senior management personnel and other executives of the Company. The Company has received confirmations from the Managing Director as well as senior management personnel regarding compliance of the code for the year ended 31<sup>st</sup> March 2008. The Company has also adopted the Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding compliance of the code for the period ended 31<sup>st</sup> March 2008. A declaration to this effect duly signed by the Managing Director (CEO) is annexed thereto. Both the codes are posted on the website of the Company.

**3] Audit Committee**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee comprises of three Independent, Non-Executive Directors.

During the year under review, the Audit Committee of Directors held discussions with the Statutory Auditors and Internal Auditor of the Company concerning the accounts of the Company, internal control systems, scope of internal audit and reports of the Internal Auditor, compliance with Accounting Standards and Listing Agreement, reviewed quarterly, half-yearly and annual financial statements before they were submitted to the Board of Directors. The Audit Committee of Directors also reviewed the matters prescribed under Clause 49 II [D] of the Listing Agreement. At the Audit Committee Meetings, the Statutory Auditors of the Company were invited and their findings / observations were also discussed.

The Audit Committee meetings are usually held at the Registered Office of the Company and are usually attended by the Managing Director, General Manager – Finance & Accounts, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as Secretary of the Audit Committee.

Minutes of the Audit Committee Meetings are circulated to the members of the Board, discussed and taken note of.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Name of Members	Category	No. of Committee Meetings attended during the year 2007-2008	
		Held	Attended
Mr. A. D. Cooper, Chairman	Independent Non-Executive	5	5
Mr. B. S. Bhesania, Member	Independent Non-Executive	5	4
Mr. K. N. Suntook, Member	Independent Non-Executive	5	5

Members of the Audit Committee have requisite financial, legal and management expertise.

During the year 2007 - 08, five Audit Committee meetings were held on 28<sup>th</sup> June, 2007, 19<sup>th</sup> July 2007, 18<sup>th</sup> October 2007, 18<sup>th</sup> January 2008 and 4<sup>th</sup> March 2008.

The necessary quorum was present at all the meetings.

The Chairman of the Audit Committee, Mr. A. D. Cooper, was present at the Annual General Meeting held on 28<sup>th</sup> August 2007. The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.

**Whistle Blower Policy**

The Board of Directors on the recommendations of the Audit Committee has approved and adopted a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counselor/ Chairman of the Committee of the Company and make protective disclosure about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

**4] Remuneration Committee**

**a) Composition and Role**

The Remuneration Committee of the Company is empowered to review the remuneration and commission payable to the Managing Director and retirement benefits to be paid under the Retirement Benefit Guidelines adopted by the Board and to deal with matters pertaining to Employees' Stock Option Scheme.

The composition of the Remuneration Committee and the details of Meetings attended by the Directors are given below:

Name of Members	Category	No. of Committee Meetings attended during the year 2007-2008	
		Held	Attended
Mr. A. D. Cooper, Chairman	Independent Non-Executive	1	1
Mr. N. A. Soonawala, Member	Non Independent Non-Executive	1	1
Mr. B. S. Bhesania, Member	Independent Non-Executive	1	1
Mr. F.K. Kavarana, Member	Non Independent Non-Executive	1	1

For the year ended 31st March 2008, the Remuneration Committee met on 14<sup>th</sup> June 2007.

The Chairman of the Remuneration Committee, Mr. A. D. Cooper, was present at the Annual General Meeting held on 28<sup>th</sup> August 2007.

The non-mandatory requirement of Clause 49 regarding the Remuneration Committee has been complied with by the Company as stated above.

**b) Remuneration Policy**

The remuneration of the Managing Director is decided by the Board, based on the recommendation of the Remuneration Committee, within the ceilings fixed by the shareholders of the Company. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), and commission (variable component) to its Managing Director. Annual increments are decided by the Remuneration Committee with the salary scale approved by the members and are effective from 1<sup>st</sup> April annually. The Remuneration Committee decides on the commission payable to the Managing Director on determination of profits for the financial year, within the ceilings on net profits prescribed under sections 198 and 309 of the Companies Act, 1956 (the Act).

In the last few years, efforts have been made to link the annual variable pay of senior managers with the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are closely aligned, to the Company's objectives.

The remuneration by way of commission to the non-executive directors is distributed to them based on their attendance and contribution at the Board and certain Committee meetings, as well as time spent on operational matters other than at the meetings. The members had at the Annual General Meeting held on 28<sup>th</sup> August 2007 approved the payment of remuneration by way of commission to the non-whole time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of five years commencing 1<sup>st</sup> April 2007. The said commission is distributed amongst the said directors in accordance with the directives given by the Board.

A sitting fee of Rs. 5,000/- for attendance at each meeting of the Board (revised to Rs. 10,000/- with effect from 9<sup>th</sup> November 2007), Rs. 5,000/- for attendance at each meeting of Audit Committee, Investment Committee and Remuneration Committee of Directors and Rs. 3,000/- for attendance at each meeting of Shareholders'/Investors' Grievance Committee of Directors. The sitting fees paid / payable to the non-whole time directors is excluded whilst calculating the above limits of remunerations in accordance with Section 198 of the Act.

**c) Directors' Remuneration**

The Directors' remuneration and sitting fees paid / payable in the financial year 2007-08 is given below:

**Non-Executive Directors**

Name of the Director	Commission for the financial year 2006-2007 [Rs.]	Sitting fees for attending Board and Committee Meetings [Rs.]
Mr. F. K. Kavarana	5,00,000/-	60,000/-
Mr. N. A. Soonawala	6,00,000/-	80,000/-
Mr. A. D. Cooper	4,50,000/-	70,000/-
Mr. B. S. Bhesania	6,00,000/-	70,000/-
Mr. K. N. Suntook	4,50,000/-	60,000/-
Mr. Zubin Dubash*	3,50,000/-	55,000/-

\* Resigned w.e.f. 18<sup>th</sup> December 2007

Commission for the financial year 2007-2008 is payable in 2008-2009.

**Managing Director**

Name	Salary [Rs. Lakhs]	Perquisites & Allowances [Rs. Lakhs]	Commission [Rs. Lakhs]	Term of Contract
Mr. N. N. Tata	61.88	38.31	53.00 Payable in 2008-2009	5 years

**OPTIONS GRANTED TO MANAGING DIRECTOR**

Sr. No.	Particulars	Details
1.	Stock Options granted	5378
2.	Date of Grant	1 <sup>st</sup> December 2005
3.	Vesting Period	24 Months
4.	Exercise Price	10/-

The above Stock Options have been exercised in full, by the Managing Director.

**5] Investment Committee**

In order to monitor and optimize returns from investments of surplus funds of the Company, the Board of Directors had constituted an Investment Committee of Directors. The Investment Committee comprises of four Directors viz. Mr. N. A. Soonawala, Mr. F. K. Kavarana, Mr. K. N. Suntook and Mr. N. N. Tata. Mr. N. A. Soonawala is the Chairman of the Committee.

During the year under review the Committee met four times i. e. on 7<sup>th</sup> May 2007, 19<sup>th</sup> July 2007, 26<sup>th</sup> November 2007 and 15<sup>th</sup> February 2008 to review the investments made by the Company and its subsidiaries and to recommend to the Board any new investments to be made by the Company.

**6] Shareholders' / Investors' Grievance Committee**

For redressal of Shareholders' and Investors' complaints/grievances, the Board had constituted a Shareholders'/Investors' Grievance Committee. The present members of this Committee are Mr. F. K. Kavarana and Mr. B. S. Bhesania. There being no major complaint / grievance during the year, the Committee met only once on 27<sup>th</sup> August 2007. The Company Secretary is also the Secretary of the Shareholders'/Investors' Grievance Committee. The other details pertaining to this Committee Meeting are as under:

- [a] Name of the Non - Executive Director heading the Committee: Mr. F. K. Kavarana
- [b] Name and Designation of Compliance Officer: Mrs. H. R. Wadia, Company Secretary
- [c] Details of complaints received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	2	1	2

- [d] No. of pending share transfers / requests for dematerialisation of shares as on 31<sup>st</sup> March 2008:2

**7] Subsidiary Companies:**

Landmark Limited is the material non-listed Indian subsidiary company of the Company. Mr. A.D. Cooper, an Independent Non-Executive Director of the Company and Mr. N.N. Tata, the Managing Director of the Company are on the Board of Landmark Limited.

The Audit Committee reviews the financial statements, particularly, the investments made by the Company's non-listed subsidiary companies. Attention of the Directors of the Company is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

**8] General Body Meetings**

**Location and time, where last three Annual General Meetings were held:**

Annual General Meeting (AGM)	Date	Time	Venue
53 <sup>rd</sup> AGM	27 <sup>th</sup> September 2005	3.30 p.m.	Bombay House Auditorium,
54 <sup>th</sup> AGM	8 <sup>th</sup> September 2006	3.30 p.m.	Bombay House,
55 <sup>th</sup> AGM	28 <sup>th</sup> August 2007	3.30 p.m.	24, Homi Mody Street, Mumbai 400 001.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting.

The following are the special resolutions passed at the Annual General Meeting held in the last three years.

AGM Held on	Special Resolution Passed	Summary
27 <sup>th</sup> September 2005	Yes	(a) Grant of Stock Option Scheme (ESOS) for granting Stock Options under the ESOS to the employees of the Company (b) Granting of Stock Options under the ESOS to the employees of the Company's Subsidiaries
8 <sup>th</sup> September, 2006	Yes	Payment of commission to non-whole-time Directors of the Company.
28 <sup>th</sup> August 2007	Yes	Alteration in the Articles of Association of the Company under Section 31 of Companies Act, 1956.

**Issue of Securities to the Promoters of the Company on Preferential Allotment Basis**

In December 2006, the Company had issued and allotted equity shares and warrants on preferential allotment basis, to the main Promoter shareholders of the Company, Tata Sons Limited and Tata Investment Corporation Limited, in accordance with the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 SEBI (DIP) Guidelines.

The said warrants were offered to the Promoters with an option to convert each warrant into equity share not earlier than 1<sup>st</sup> June 2007 and not later than 31<sup>st</sup> March 2008. Consequent to the exercise of the option by the Promoters, on 21<sup>st</sup> August 2007, the Company allotted 3,75,000 equity shares of Rs. 10/- each to Tata Sons Limited and 2,10,000 equity shares of Rs. 10/- each to Tata Investment Corporation Limited at a price of Rs. 743.65 per share aggregating to Rs. 43.50 crores.

**Employees' Stock Options**

The Company had granted 45,850 stock options, under the Employees' Stock Option Scheme, to senior managers and selected officers of the Company. During the year under review, an additional 2745 options were granted on account of the Rights Issue of the Company as per applicable SEBI Guidelines. Consequent to the exercise of the above Options, 38,895 equity shares of Rs. 10/- each were allotted at par. The unexercised Options have expired/forfeited in terms of the Scheme and no Options were outstanding as on 31<sup>st</sup> March 2008. The entire cost of Rs. 3.13 crores has been amortized over the 24-month vesting period commencing 1<sup>st</sup> December 2005 as per SEBI Guidelines. The proportionate amortization cost for the year amounting to Rs. 0.94 crores has been debited to Profit & Loss Account.

**9] Disclosures**

- [a] Transactions with the related parties are disclosed on Page 49 in Note 22 of the Notes on the Balance Sheet and Profit and Loss Account in the Annual Report.
- [b] A statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- [c] The Company has no material individual transactions with related parties, which are not in the normal course of business.
- [d] Details of material individual transactions with related parties or others, which are not on arm's length basis are placed before the Audit Committee together with management's justification for the same.
- [e] There has been no instance of non-compliance by the Company on any matter related to capital markets, during the last three years. No penalties or strictures have been imposed by SEBI, the Stock Exchange or any statutory authority on the Company.
- [f] The Company has fulfilled the following non – mandatory requirements as prescribed in Annexure I D to Clause 49 of the listing agreement with the stock exchanges.
  - (i) The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.
  - (ii) The Company has adopted a Whistle Blower Policy and has established necessary mechanism in line with clause 7 of Annexure I D to Listing Agreement with the stock exchanges, for employees to report concerns about unethical behaviours. No person has been denied access to the Audit Committee.
- [g] The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- [h] The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of Company's financial and risk management policies.
- [i] The Company discloses to the Audit Committee the uses / applications of funds raised through the issue of equity shares allotted on a Preferential Basis and the issue of equity shares on a Rights Basis, on a quarterly and annual basis as a part of their declaration of financial results. This statement is certified by the Statutory Auditors of the Company.

### 10] Means of Communication

The annual, half-yearly and quarterly results are posted by the Company on the Tata website [www.tata.com](http://www.tata.com) and on SEBI website [www.sebidifar.nic.in](http://www.sebidifar.nic.in).

These are also submitted to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, in accordance with the Listing Agreement and published in leading newspapers like the Free Press Journal and Navshakti.

Whenever applicable, the Company also displays official news releases and meets the institutional investors/analysts.

Management Discussion and Analysis Report forms part of the Annual Report.

### 11] Secretarial Audit for Reconciliation of Capital

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

### 12] General Shareholder Information

Annual General Meeting:

Date and Time	Wednesday, 27 <sup>th</sup> Augut 2008, at 3.30 p. m.
Venue	Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001.
Date of book closure	Friday, 18 <sup>th</sup> July 2008 to Tuesday, 29 <sup>th</sup> July 2008.
Listing on Stock Exchanges	The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

As required under Clause 49VI [A] of the Listing Agreement, particulars of Directors seeking re-appointment are appended to the Notice of the Annual General Meeting to be held on 27<sup>th</sup> August 2008.

<b>Financial Calendar</b>	Year ending 31st March
	AGM 27 <sup>th</sup> August 2008

The Company has paid annual listing fees to the Bombay Stock Exchange Limited and to the National Stock Exchange of India Limited for the financial year 2007-2008.

#### Stock Code:

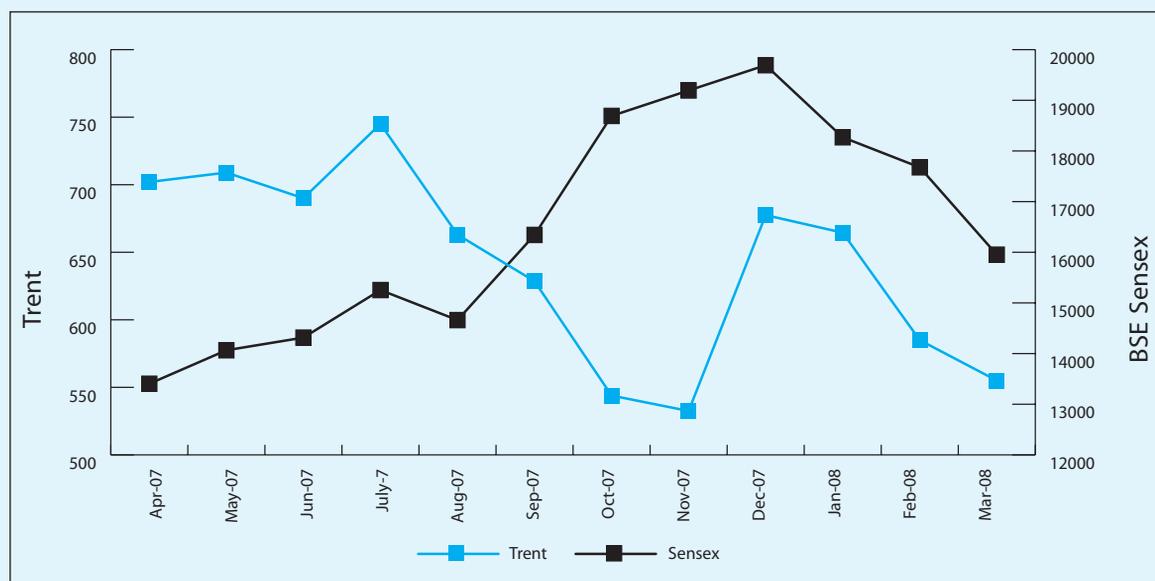
	<b>EQITY</b>	<b>NCDs</b>	<b>WARRANTS</b>
<b>BSE</b>	500251	934770	961675
<b>NSE</b>	TRENT EQ	TRENT N1	TRENT W1

**Market Information:**

Month	BSE			NSE		
	High [Rs.]	Low [Rs.]	No. of Shares Traded	High [Rs.]	Low [Rs.]	No. of Shares Traded
April 2007	733.00	671.05	96749	740.00	672.15	148674
May 2007	768.00	650.00	352757	800.00	690.00	101564
June 2007	730.00	650.00	63399	771.00	656.90	152464
July 2007	797.00	693.00	138537	790.00	690.00	180841
August 2007	708.00	618.10	541585	700.00	607.60	582148
September 2007	694.90	562.15	492147	705.00	562.50	443416
October 2007	614.85	473.00	1269562	615.00	475.00	1135400
November 2007	575.00	490.00	379128	586.70	486.60	407549
December 2007	829.00	526.00	779220	828.00	526.10	969243
January 2008	819.00	510.00	200337	820.00	525.00	449367
February 2008	659.70	510.20	97729	624.30	520.05	193695
March 2008	610.00	500.05	124164	598.95	491.00	139508

Source: BSE & NSE

**Performance of Share Price of the Company in comparison to the BSE Sensex**



**Registrar and Transfer Agents:**

TSR Darashaw Limited, (TSRDL)  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011  
**Tel:** 022-66568484 **Fax:** 022-66568494  
**E-mail:** [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
**Website:** [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

<b>Branches of (TSRDL):</b>	
TSR DARASHAW LTD. 503, Barton Centre (5 <sup>th</sup> Floor) 84, Mahatma Gandhi Road, Bangalore – 560 001 E-mail: <a href="mailto:tsrdlbg@tsrdarashaw.com">tsrdlbg@tsrdarashaw.com</a> Tel: 080 – 25320321 Fax: 080 – 25580019	TSR DARASHAW LTD. Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001 E-mail: <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a> Tel: 0657-2426616 Fax: 0657-2426937
TSR DARASHAW LTD.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002 E-mail: <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a> Tel: 011-23271805 Fax: 011-23271802	TSR DARASHAW LTD. Tata Centre, 1 <sup>st</sup> Floor, 43, Chowringhee Road, Kolkata – 700 071 E-mail: <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a> Tel: 033-22883087 Fax: 033-22883062

**Share Transfer System:** Share Transfers in physical form can be lodged with TSR Darashaw Limited at the above mentioned address or at its branch offices, addresses of which are available on its website.

The Transfers are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

**Distribution of Shareholding as on 31<sup>st</sup> March 2008:**

Sr. Nos.	Range (Value)	Holding	Amount (Rs.)	% to Capital	No. of Holders	% to total Holders
1	1 to 500	3362409	33624090.00	17.21	34951	92.87
2	501 to 1000	1379150	13791500.00	7.06	2048	5.44
3	1001 to 2000	569048	5690480.00	2.91	406	1.08
4	2001 to 3000	203763	2037630.00	1.04	82	0.22
5	3001 to 4000	96824	968240.00	0.50	27	0.07
6	4001 to 5000	88207	882070.00	0.45	19	0.05
7	5001 to 10000	268794	2687940.00	1.38	37	0.10
8	Greater than 100001	13564701	135647010.00	69.45	64	0.17
	<b>TOTAL</b>	<b>19532896</b>	<b>195328960.00</b>	<b>100.00</b>	<b>37634</b>	<b>100.00</b>

**Categories of Shareholders:**

Category	As on 31 <sup>st</sup> March 2008		As on 31 <sup>st</sup> March 2007		% Variance 08 v/s 07
	Number of Equity Shares Held	% to Paid-up Capital	Number of Equity Shares Held	% to Paid-up Capital	
Promoters	6281192	32.16	4697512	29.81	2.35
Individuals	5707141	29.21	5484321	34.79	- 5.58
Unit Trust of India	2889	0.01	2889	0.02	- 0.01
Government & Other Public Financial Institutions	39719	0.20	32461	0.21	- 0.01
Companies	1176122	6.02	812820	5.16	0.86
Banks, Mutual Funds and Trusts	4470692	22.90	2674280	16.96	5.94
Foreign Institutional Investors & Foreign Companies	1855141	9.50	2056454	13.05	- 3.55
<b>TOTAL</b>	<b>19532896</b>	<b>100.00</b>	<b>15760737</b>	<b>100.00</b>	

**Top shareholders (holding in excess of 1% of the capital) as on 31<sup>st</sup> March 2008:**

Name of Shareholder	No. of Shares held	% to Paid-up Capital
Tata Sons Limited	5060969	25.91
Franklin India Smaller Companies Fund	917145	4.70
UTI - Equity Fund	344701	1.76
Tata Investment Corporation Limited	732714	3.75
HDFC Trustee Company Limited A/c HDFC Long Term Equity Fund	370096	1.89
Af-Taab Investment Company Limited	327266	1.68
Templeton Mutual Fund A/c Franklin India Flexi Cap Fund	739945	3.79
Sundaram BNP Paribas Mutual Fund A/c Sundaram BNP Paribas Select Midcap	736577	3.77
Reliance Capital Trustee Co. Limited A/c Reliance Equity Opportunities Fund	733187	3.75
Swiss Finance Corporation (Mauritius) Limited	828363	4.24

**Dematerialization of shares:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares representing 93.86% (Previous Year 90.66%) of the Company's Share Capital are dematerialized as on 31<sup>st</sup> March 2008.

The Company's shares are regularly traded on the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), in the electronic form.

**Action required regarding non-receipt of dividends and interest on Non-Convertible Debentures (NCDs):**

In case of non receipt/non encashment of the dividend warrants or interest warrants, the investors are requested to correspond with the Company's Registrars/the Registrar of Companies, as mentioned hereunder:

2000-01 to 2006-07	TSR Darashaw Limited	Letter on plain paper.
1995-96 to 1999-00	TSR Darashaw Limited	Already transferred to IEPF.
Upto 1994-95	Office of the Registrar of Companies CGO Complex, 'A' Wing, 2 <sup>nd</sup> Floor, Next to RBI, CBD – Belapur, New Mumbai – 400 614, Maharashtra Tel.: 2757 6802	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978

Given below are indicative due dates for transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund (IEPF) by the Company:

Financial Year	Dividend/Payment Date	Proposed Date for transfer to IEPF*
2000-01	27 <sup>th</sup> August 2001	03 <sup>rd</sup> October 2008
2001-02 (Interim)	05 <sup>th</sup> June 2002	12 <sup>th</sup> July 2008
2002-03	27 <sup>th</sup> August 2003	03 <sup>rd</sup> October 2010
2003-04	03 <sup>rd</sup> September 2004	10 <sup>th</sup> October 2011
2004-05 (Interim)	19 <sup>th</sup> May 2005	25 <sup>th</sup> June 2012
2005-06	08 <sup>th</sup> September 2006	15 <sup>th</sup> October 2013
2006-07 (Interim)	25 <sup>th</sup> May 2007	2 <sup>nd</sup> July 2014
2007-08	28 <sup>th</sup> August 2008	5 <sup>th</sup> October 2015

*\*Indicative dates and actual dates may vary.*

No claim of the shareholders/debenture-holders shall lie against the Company or the IEPF in respect of the said amounts transferred to the IEPF. Investors of the Company who have not yet encashed their unclaimed/unpaid amounts are requested to do so at the earliest.

Other facilities of interest to shareholders holding share in physical form

- **Nomination facility:** Shareholders who hold shares in single name and wish to make/change the nomination in respect of their shares as permitted under Section 109A of the Act, may submit to the Registrar and Transfer Agents, the prescribed Form 2B.
- **Bank Details:** Shareholders are requested to notify/send the following to the Company's Registrar and Transfer Agents to facilitate better services:-
  - (i) Any change in their address/mandate/bank details, and
  - (ii) Particulars of the bank account in which they wish their dividend to be credited, in case they have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**Store Locations:**

**WESTSIDE:**

1. 39, Hughes Road, **Mumbai** - 400 007.
2. Army & Navy Building, 148, M. G. Road, Fort, **Mumbai** - 400 001.
3. R-Mall, L. B. S. Marg, Mulund (W), **Mumbai** - 400 080.
4. Infinity Mall, Oshiwara, Andheri Link Road, Andheri (West), **Mumbai** - 400 058.
5. "Landmark", Ramdas Peth, Wardha Road, **Nagpur** - 440 012.
6. 15A, 34/35, Ajmal Khan Road, Karol Bagh, **New Delhi** - 110 008.
7. A-15, Feroze Gandhi Marg, Alankar Cinema Building, **New Delhi** - 110 024.
8. TDI Mall, Shivaji Place, Rajouri Garden, **New Delhi** - 110 027.
9. Pacific Mall, Sahiabad Industrial Area, **Ghaziabad (U.P.)** - 201 010.
10. DLF Grand Mall, **Gurgaon** - 122 002.
11. No.77, Commercial Street, **Bangalore** - 560 001.
12. The Forum, 21, Hosur Road, Koramangala, **Bangalore** - 560 029.
13. Garuda Mall, Magarath Road, **Bangalore** - 560 025.
14. 769, Spencer Plaza, Anna Salai, **Chennai** - 600 002.
15. Khan Lateef Khan Estate, Fateh Maidan Road, **Hyderabad** - 500 001.
16. 22, Camac Street, **Kolkata** - 700 017.
17. The Gariahat Mall, 13, Jamir Lane, **Kolkata** - 700 019.
18. Abhijeet -V, Ellisbridge, Near Law Gardens, **Ahmedabad** - 380 006.
19. Monalisa, Jatalpur, Race Course Road, **Vadodara** - 390 007.
20. Centrestage Mall, L-1, Sector-18, **Noida (U.P.)** - 201 301.
21. 17, Racecourse Road, **Indore** - 452 003.
22. City Pulse Mall, Plot No 21, Narain Singh Circle, **Jaipur** - 302 005.
23. East End Mall, TC 54, Vibhuti Khand, Gomati Nagar, **Lucknow** - 226 010.
24. ISCON Mall, Dummas Road, Opp. Rajhans Theatre, **Surat** - 395 007.
25. No 508, Vishwamanava Double Road, Kuvempunagar, **Mysore** - 570 023. (Franchisee Store).
26. ISCON Mega Mall, Sarkhej Gandhi Nagar Highway, Near Rajpath Club, **Ahmedabad**.
27. West End Mall, Plot No. 2 & 3, Opp. Forest Department Office, Near Puda Office, Ferozpur Road, **Ludhiana, Punjab**.
28. SGS Magnum Mall, 231, Moledina Road, **Pune** - 411 001.
29. "Shop in Park" (North), Plot No. 2, Block B, Community Centre, Shalimar Bagh, **New Delhi**.

**STAR BAZAAR:**

1. ISCON Mall, Near Jodhpur Char Rasta, Opp. Bidiwala Park, Satellite Road **Ahmedabad** - 380 015.
2. Thakur Mall and Multiplex, Western Express Highway, Near Dahisar Ckeck Naka, Mira Bhayandar (East), **Mumbai**.
3. HM Vibha Towers, Municipal No. 66/5-25, Luskar Hosur Road, Ward No. 63, Koramangala, **Bangalore** - 560 029.

**LANDMARK:**

1. The Forum, 21, Hosur Road, Koramangala, **Bangalore** - 560 029.
2. Apex Plaza, 3, Nungambakkam High Road, Nungambakkam, **Chennai** - 600 034.
3. 769, Spencer Plaza, Anna Salai, **Chennai** - 600 002.
4. Citi Centre, No. 10 & 11, Dr. Radhakrishnan Salai, **Chennai** - 600 004.
5. Infinity Mall, Oshiwara, Andheri Link Road, Andheri (West), **Mumbai** - 400 058.
6. Monalisa, Jatalpur, Race Course Road, **Vadodara** - 390 007.
7. DLF Grand Mall, **Gurgaon** - 122 002.
8. Dorabjee, 1-B, Moledina Road, **Pune** - 411 001.
9. East End Mall, TC 54, Vibhuti Khand, Gomati Nagar, **Lucknow**.
10. "Star Bazaar", HM Vibha Tower, 25 Hosur Road, Koramangala, **Bangalore** - 560 029.
11. ISCON Mega Mall, Sarkhej Gandhi Nagar Highway, Near Rajpath Club, **Ahmedabad** - 380 015.
12. The Residency Towers, 115 Sir Thygaraya Road, T. Nagar, **Chennai** - 17.
13. The Residency No. 66, Residency Road, **Bangalore** - 560 025.
14. Taj Residency Ummeed International, Airport Circle, Hansol, **Ahmedabad** - 380015.
15. Taj Residency, Gomati Nagar, **Lucknow** - 26010.
16. Saram Avenue, Oulgar, **Pondichery** - 605 003.
17. Taj Blue Diamond, 11, Koregaon Park, **Pune** - 411 001.
18. GMR Hyderabad International Airport, Shamhabad Ranga Reddy District, **Hyderabad** - 501 218.

**Address for correspondence**

: Trent Limited  
 Taj Building, 2<sup>nd</sup> Floor, 210, Dr. D. N. Road,  
 Fort, Mumbai 400 001.  
**Tel: 22077205 / 22071464 Fax: 22070216**  
 E-mail: [hr.wadia@trent-tata.com](mailto:hr.wadia@trent-tata.com);  
[investorrelations@trent-tata.com](mailto:investorrelations@trent-tata.com)

## CERTIFICATE

To The Members of

Trent Limited

We have examined the compliance of the conditions of Corporate Governance by Trent Limited, for the year ended 31<sup>st</sup> March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report issued by the Registrars of the Company to the Investors' Grievance Committee, as on 31<sup>st</sup> March 2008 there were no investor grievance matters against the Company remaining unattended / pending for more than 30 days.

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

For **N. M. RAIJI & Co.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner  
Membership No. 33329

Mumbai, 30<sup>th</sup> June 2008

## DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I(D), of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended 31<sup>st</sup> March 2008.

For **TRENT LIMITED**  
**N.N. TATA**  
**MANAGING DIRECTOR**

Mumbai, 30<sup>th</sup> June 2008

## AUDITORS' REPORT

### TO THE MEMBERS OF TRENT LIMITED

1. We have audited the attached Balance Sheet of **TRENT LIMITED**, as at 31<sup>st</sup> March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
  - (v) on the basis of written representations received from the directors, as on 31<sup>st</sup> March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **N. M. RAIJI & CO.,**  
Chartered Accountants

**Y.N. THAKKAR**  
Partner  
Membership No. 33329

Mumbai, 30<sup>th</sup> June 2008

**ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 3 of our report of even date)**

- |   |   |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, physical verification of major items of fixed assets was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size and operations of the Company and the nature of its assets. On the basis of explanations received, in our opinion, the discrepancies found on physical verification were not significant.</p> <p>(c) The Company has not disposed off substantial part of fixed assets during the year.</p>    | <p>under section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.</p> <p>(v) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956.</p> |
| <p>(ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year.</p> <p>(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.</p> | <p>(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. In respect of unclaimed deposits matured in earlier years that are outstanding during the year, the Company has complied with the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.</p>                     |
| <p>(iii) (a) The Company has not granted any loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.</p> <p>(b) The Company has not taken any loans, secured or unsecured, during the year from companies, firms or other parties covered in the register maintained</p>  | <p>(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the products of the Company.</p> <p>(ix) (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection</p>   |

Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31<sup>st</sup> March 2008 for a period of more than six months from the date they became payable.

- (b) According to the records made available to us and the information and explanations given by the management, the details of the dues of sales tax / income tax / custom duty / wealth tax/ Service Tax / excise duty / cess, which have not been deposited on account of any dispute, are given below :

Particulars	Financial year to which the matter pertains	Forum where the dispute is pending	Amount (Rs. in lakhs)
Excise Duty	1984-85,1985-86	Appellate Tribunal	88.63
Sales Tax	1994-95, 1995-96, 2000-01, 2001-02, 2002-03, 2004-05	Deputy Commissioner (Appeals)	16.30
Sales Tax	2002-03	Assistant Commissioner (Appeals)	1.02
Luxury Tax	2002-03	Deputy Commissioner (Appeals)	0.86

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company has not taken any loans from any banks or financial institutions. There has been no repayment of any dues to debenture holders during the year.
- (xii) Based on our examination of the records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit / nidhi / mutual benefit fund / society.
- (xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that in respect of the investment activity of the Company, proper

records have been maintained of the transactions and contracts and timely entries have been made in those records. All the investments of the Company are held in its own name except as permissible under section 49 of the Companies Act, 1956.

- (xv) On the basis of the information and explanations given to us, the Company has given guarantee for loans taken by its wholly owned subsidiary from Bank. The terms and conditions of the guarantee are not prejudicial to the interest of the Company.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) As per the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) As per the information and explanations given to us, the Company has created security or charge in respect of debentures issued.
- (xx) We have verified that the end use of the money raised by public issues is as disclosed in the notes to the financial statements.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **N. M. RAIJI & CO.,**  
Chartered Accountants

**Y.N. THAKKAR**  
Partner  
Membership No. 33329

Mumbai, 30<sup>th</sup> June 2008

**Balance Sheet as at 31<sup>st</sup> March 2008**

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	As at 31.03.2007 Rupees in lakhs
<b>SOURCES OF FUNDS :</b>					
1. SHAREHOLDERS' FUNDS :					
(a) Capital	A	34	<b>1,953.29</b>		1,576.07
(b) Warrant Application Money (Refer Note 3, Schedule 'A', Page 34)			—		501.26
(c) Reserves and Surplus	B	35	<b>58,630.47</b>		37,172.87
				<b>60,583.76</b>	39,250.20
2. LOAN FUNDS :	C	36			
(a) Secured Loans			<b>6,550.24</b>		6,550.24
(b) Unsecured Loans			<b>10.39</b>		16.80
				<b>6,560.63</b>	6,567.04
				<b>532.89</b>	506.62
3. Deferred Tax Liability (Net) (Refer Note 4, Page 45)					
4. TOTAL FUNDS EMPLOYED				<b>67,677.28</b>	46,323.86
<b>APPLICATION OF FUNDS :</b>					
5. FIXED ASSETS :	D	36			
(a) Gross Block			<b>14,352.91</b>		10,470.40
(b) Less : Depreciation			<b>4,095.49</b>		3,219.13
(c) Net Block			<b>10,257.42</b>		7,251.27
(d) Capital Work-in-Progress			<b>2,271.10</b>		1,250.96
				<b>12,528.52</b>	8,502.23
6. INVESTMENTS	E	37 to 39		<b>46,933.75</b>	30,821.59
7. CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	F	40	<b>7,862.13</b>		7,253.14
(b) Sundry Debtors	G	40	<b>302.60</b>		216.30
(c) Cash and Bank Balances	H	40	<b>1,335.10</b>		1,850.40
(d) Loans and Advances	I	41	<b>12,384.92</b>		8,010.78
			<b>21,884.75</b>		17,330.62
8. Less: CURRENT LIABILITIES AND PROVISIONS :					
(a) Liabilities	J	41	<b>10,228.15</b>		7,209.07
(b) Provisions	K	41	<b>3,441.59</b>		3,121.51
			<b>13,669.74</b>		10,330.58
9. NET CURRENT ASSETS				<b>8,215.01</b>	7,000.04
10. TOTAL ASSETS (NET)				<b>67,677.28</b>	46,323.86

(For Schedule 'L' and notes see Pages 42 to 53)

As per our report attached.

**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner

Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R.WADIA**  
Company Secretary

For and on behalf of the Board,

**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

**Profit And Loss Account for the year ended 31<sup>st</sup> March 2008**

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
<b>INCOME :</b>					
1. INCOME FROM OPERATIONS	2	33	<b>51,415.88</b>		45,199.55
2. OTHER INCOME	3	33	<b>3,227.06</b>		2,041.98
3. TOTAL INCOME				<b>54,642.94</b>	47,241.53
<b>EXPENDITURE :</b>					
4. OPERATING AND OTHER EXPENSES	1	32	<b>49,893.73</b>		42,210.59
5. DEPRECIATION			<b>885.36</b>		790.93
			<b>50,779.09</b>		43,001.52
6. INTEREST					
(a) DEBENTURES			<b>131.00</b>		131.00
(b) OTHERS			<b>0.47</b>		10.22
			<b>131.47</b>		141.22
7. TOTAL EXPENDITURE				<b>50,910.56</b>	43,142.74
<b>PROFIT BEFORE TAXES</b>					
8. PROVISION FOR TAXATION				<b>3,732.38</b>	4,098.79
CURRENT TAX			<b>371.00</b>		912.00
FRINGE BENEFIT TAX			<b>77.13</b>		67.65
DEFERRED TAX			<b>26.27</b>		(38.78)
				<b>474.40</b>	940.87
<b>PROFIT FOR THE YEAR AFTER TAXES</b>					
				<b>3,257.98</b>	3,157.92
9. EXCESS TAX PROVISION FOR PRIOR YEARS (NET)				<b>28.42</b>	82.97
<b>NET PROFIT</b>					
				<b>3,286.40</b>	3,240.89
10. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				<b>1,471.12</b>	1,345.98
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>					
				<b>4,757.52</b>	4,586.87
<b>11. APPROPRIATIONS :</b>					
(i) GENERAL RESERVE				<b>330.00</b>	325.00
(ii) DEBENTURE REDEMPTION RESERVE				<b>500.00</b>	1,500.00
(iii) INTERIM DIVIDEND				<b>—</b>	1,103.25
(iv) PROPOSED DIVIDEND				<b>1,367.30</b>	—
(v) TAX ON DIVIDEND				<b>157.59</b>	187.50
(vi) BALANCE CARRIED TO BALANCE SHEET				<b>2,402.63</b>	1,471.12
				<b>4,757.52</b>	4,586.87
<b>12. Earnings Per Share (Rs.) (Note 24, Page 52/53)</b>					
Basic				<b>17.92</b>	20.66
Diluted				<b>17.89</b>	20.37

(For Schedule 'L' and notes see Pages 42 to 53)

As per our report attached.

**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner

 Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R.WADIA**  
Company Secretary

For and on behalf of the Board,

**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

**Schedule forming part of the Profit and Loss Account**

**Schedule '1' (Item No. 4, page 31)  
OPERATING AND OTHER EXPENSES**

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) RAW MATERIALS CONSUMED		<b>239.86</b>	216.55
(2) PURCHASE OF FINISHED PRODUCTS		<b>27,270.89</b>	25,473.91
(3) PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
(a) Salaries, Wages, Bonus, etc. (Refer Note 'a' of schedule 'B', Page 35)	<b>3,243.87</b>		2,581.79
(b) Contribution to Provident, Superannuation and Gratuity Funds	<b>211.37</b>		133.45
(c) Workmen and Staff Welfare Expenses	<b>210.30</b>		129.91
		<b>3,665.54</b>	2,845.15
(4) OTHER EXPENSES			
(a) Processing Charges	<b>174.61</b>		179.24
(b) Packing Materials Consumed	<b>315.30</b>		301.56
(c) Power and Fuel	<b>1,741.68</b>		1,282.51
(d) Repairs to Building	<b>919.91</b>		681.05
(e) Repairs to Machinery	<b>193.07</b>		130.34
(f) Repairs Others	<b>173.47</b>		122.56
(g) Rent	<b>1,649.94</b>		1,005.03
(h) Rates and Taxes	<b>495.18</b>		439.45
(i) Insurance	<b>71.06</b>		75.41
(j) Advertisement and Sales Promotion	<b>4,137.92</b>		3,806.18
(k) Travelling Expenses	<b>335.32</b>		257.78
(l) Professional and Legal Charges	<b>528.12</b>		349.12
(m) Printing and Stationery	<b>88.05</b>		84.94
(n) Bank Charges	<b>297.49</b>		256.47
(o) Postage, Telegrams and Telephones	<b>217.41</b>		191.43
(p) General Expenses (Note 5(i), Page 45)	<b>1,819.16</b>		1,324.97
(q) Retail Business Fees	<b>2,999.95</b>		2,393.94
(r) Sales tax paid	<b>2,514.07</b>		2,210.68
(s) Directors' Fees	<b>5.78</b>		4.69
(t) Commission to Non Whole-time Directors	<b>30.60</b>		35.00
(u) Excess of Cost over Fair Value of Current Investments	<b>2.39</b>		5.86
(v) Loss on Sale of Fixed Assets Sold/Discarded (Net)	<b>7.53</b>		55.29
		<b>18,718.01</b>	15,193.50
(5) FREIGHT AND FORWARDING CHARGES		<b>575.26</b>	432.43
(6) CHANGES IN FINISHED PRODUCTS Accretion to stocks deducted		<b>575.83</b>	1,950.95
		<b>49,893.73</b>	42,210.59

## Schedules forming part of the Profit and Loss Account

### Schedule '2' (Item No.1, page 31)

#### INCOME FROM OPERATIONS

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Sales		<b>49,930.70</b>	44,380.45
(2) Other Operating Income			
(a) Display and Sponsorship Income	<b>406.63</b>		125.63
(b) Commission on Sales	<b>452.16</b>		322.05
(c) Discounts and Fees	<b>212.51</b>		147.91
(d) Others	<b>413.88</b>		223.51
		<b>1,485.18</b>	819.10
		<b>51,415.88</b>	45,199.55

### Schedule '3' (Item No. 2, Page 31)

#### OTHER INCOME

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Rent received		<b>11.36</b>	18.77
(2) Miscellaneous Income		<b>150.49</b>	169.78
(3) Interest on Loans and Advances - Gross [Tax deducted at source : Rs. 38.03 lakhs (2006-2007 : Rs. 34.20 lakhs)]		<b>228.24</b>	189.83
(4) Interest on Deposits with Banks - Gross [Tax deducted at source : Rs. 8.04 lakhs (2006-2007 : Rs. 19.45 lakhs)]		<b>39.67</b>	91.97
(5) Income from Current Investments - Non trade			
(a) Dividend on Current Investments	<b>1,133.08</b>		280.08
(b) Profit on sale of Current Investments (Net)	<b>108.56</b>		98.56
		<b>1,241.64</b>	378.64
(6) Interest on Long Term Investments -Gross		<b>2.98</b>	2.98
(7) Dividend on Long Term Investments -Gross			
(a) Trade	<b>2.00</b>		2.00
(b) Subsidiaries	<b>440.03</b>		430.71
(c) Others	<b>352.91</b>		245.32
		<b>794.94</b>	678.03
(8) Profit on Sale of Long Term Investments (Net)		<b>757.24</b>	511.48
(9) Excess provision no longer required written back		<b>0.50</b>	0.50
		<b>3,227.06</b>	2,041.98

## Schedule forming part of the Balance Sheet

### Schedule 'A'(Item No. 1(a), Page 30)

#### CAPITAL

	<b>Rupees in lakhs</b>	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
AUTHORISED :			
2,00,00,000 Equity Shares of Rs.10/- each (2006-2007 : 2,00,00,000 Equity Shares of Rs.10/- each)	<b>2,000.00</b>		2,000.00
50,00,000 Unclassified Shares of Rs.10/- each (2006-2007 : 50,00,000 Unclassified Shares of Rs.10/- each)	<b>500.00</b>		500.00
	<hr/>	<b>2,500.00</b>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>
ISSUED, SUBSCRIBED AND PAID UP :			
1,95,32,896 Equity Shares of Rs. 10/- each fully paid-up (2006-2007 : 1,57,60,737 Equity Shares of Rs. 10/- each fully paid-up)		<b>1,953.29</b>	1,576.07
		<hr/>	<hr/>
		<b>1,953.29</b>	1,576.07
		<hr/> <hr/>	<hr/> <hr/>

#### Notes :

1. Of the above -
  - (a) 1,08,81,021 Equity Shares were allotted as fully paid Bonus Shares by capitalisation of Share Premium and Reserves.
  - (b) 1,12,616 Equity Shares were allotted as fully paid pursuant to Schemes of Amalgamation without payment being received in cash.
2. During the current year, the Company has issued 31,48,264 Equity Shares of Rs.10/-each @ Rs.500/- per share to the Equity Shareholders on Rights basis in the ratio of 1:5.
3. During the year 2006-2007, the Company had issued 5,85,000 Equity shares of Rs.10/- each @ Rs.856.86 per share and 5,85,000 warrants on preferential basis to Tata Sons Ltd. and Tata Investment Corporation Ltd., Promoters of the Company. Each of these Warrants entitled them to apply for one Equity Share of Rs.10/- each at a premium to be determined in accordance with the SEBI (DIP) Guidelines, which would be exercisable after 1st June 2007 but not later than 31st March 2008. The Company had received Rs.501.26 lakhs towards Warrant application money during 2006-2007. During the current year, the Company has issued 5,85,000 Equity Shares of Rs 10/- each @Rs. 743.65 per share against these warrants.
4. During the year 2005-2006, the Company had issued 13,10,047 Warrants to the shareholders along with partly Convertible Debentures of which 5,62,121 Warrants are outstanding as on 31st March 2008. Each Warrant holder is entitled to apply for one Equity Share of Rs.10/- each at a premium of Rs. 640/- each within 30 days after the expiry of 54 months from 7th July 2005 being the date of allotment.
5. During the year 2005-2006, the Company had granted 45,850 Stock Options under the Employee Stock Options Scheme. During the current year, additional 2,745 Options were granted on account of Rights Issue of the Company as per SEBI guidelines. During the current year, 38,895 Equity Shares of Rs. 10/- each were issued at par pursuant to the Stock Options exercised. During the year, 9,700 Employee Stock Options lapsed. No employee Stock Options are outstanding as on 31st March 2008.

**Schedule forming part of the Balance Sheet**
**Schedule 'B' (Item No. 1(c), Page 30)  
RESERVES AND SURPLUS**

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
<b>(1) SECURITIES PREMIUM ACCOUNT</b>			
(a) Balance as per last account	13,406.61		3,682.41
(b) Add: Premium on issue of Equity Shares on Rights basis (Refer schedule 'A' Note 2)	15,426.49		—
(c) Add: Premium on issue of Equity Shares on preferential basis (Refer schedule 'A' Note 3)	—		4,954.13
(d) Add: Premium on issue of Equity Shares on Conversion of Warrants on preferential basis (Refer schedule 'A' Note 3)	4,291.85		—
(e) Add: Transfer from Employee Stock Options on issue of Equity Shares (Refer Note 'a' and schedule 'A' Note 5)	312.86		—
(f) Add: Premium on issue of Equity Shares on Conversion of Warrants (Refer schedule 'A' Note 4)	—		4,786.73
(g) Less: Write off of securities / warrant issue expenses (Refer Note 'b')	116.49		16.66
		<b>33,321.32</b>	13,406.61
<b>(2) DEBENTURE REDEMPTION RESERVE</b>			
(a) Balance as per last account	2,800.00		1,300.00
(b) Add : Transferred from Profit and Loss Account	500.00		1,500.00
		<b>3,300.00</b>	2,800.00
<b>(3) EMPLOYEE STOCK OPTIONS</b>			
(a) Employee Stock Options Outstanding	327.93		388.50
Balance as per last account	15.07		60.57
Lapsed	312.86		—
Transferred to Security Premium Account on issue of Equity Shares	—		327.93
Outstanding			
(b) Less: Deferred Employee Compensation	109.31		323.75
Balance as per last account	109.31		214.44
Amortised/Lapsed	—		109.31
Balance			
Net Employee Stock Options		—	218.62
<b>(4) GENERAL RESERVE</b>			
(a) Balance as per last account	17,783.57		17,631.12
(b) Add : Transferred from Profit and Loss Account	330.00		325.00
(c) Less: Adjustment for employee benefits provision	—		172.55
		<b>18,113.57</b>	17,783.57
<b>(5) AMALGAMATION RESERVE</b>			
Arising out of Amalgamation	1,492.95		1,492.95
<b>(6) PROFIT AND LOSS ACCOUNT</b>			
		<b>2,402.63</b>	1,471.12
		<b>58,630.47</b>	37,172.87

**Notes :**

- (a) In respect of Options granted under the Company's Employee Stock Options Scheme 2005 (ESOPS), in accordance with guidelines issued by SEBI, the accounting value of options is accounted as Deferred Employee Compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages, bonus etc., includes Rs. 94.24 lakhs (2006-2007: Rs.153.87 lakhs), being the amortisation of Deferred Employee Compensation after adjusting for reversals on account of options lapsed. During the year, on exercise of the options the balance in the Employee Stock Options account has been transferred to Securities Premium Account in accordance with SEBI Guidelines.

- (b) The expenditure incurred on issue of securities and warrants have been debited to Securities Premium Account.

## Schedules forming part of the Balance Sheet

### Schedule 'C' (Item No. 2, Page 30)

#### LOAN FUNDS

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
(1) SECURED LOANS :		
Non Convertible Debentures	<b>6,550.24</b>	6,550.24
(2) UNSECURED LOANS :		
Sales Tax loan from Government of Maharashtra	<b>10.39</b>	16.80
	<b>6,560.63</b>	6,567.04

#### Notes :

- (a) During the year 2005-2006, the Company issued 13,10,047 Partly Convertible Debentures of Rs. 900/- each. Of the above, Convertible Debenture of the face value of Rs. 400/- has been converted into one Equity Share of Rs. 10/- each at a premium of Rs. 390/- per share on the date of allotment. The Non Convertible Debenture of face value of Rs. 500/- are redeemable at a premium of Rs. 98/- each on 7th July 2010. The Premium payable on redemption of Debentures amounting to Rs. 1,283.85 lakhs has been fully provided and debited to Securities Premium Account during 2005-2006.
- (b) The Non Convertible Debentures are secured by way of charge on assets of the Company costing at least 1.33 times of the value of the Debentures in favour of the Debenture Trustees.
- (c) Of the above unsecured loans, amount repayable within a year Rs. 5.15 lakhs (2006-2007 : Rs. 6.41 lakhs)

### Schedule 'D' (Item No.5, Page 30)

#### FIXED ASSETS

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1.4.2007	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2008	As at 1.4.2007	Deductions/ Adjustments	For the year	As at 31.3.2008	As at 31.3.2008	
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	
Freehold Land	<b>400.08</b> (400.08)	— (—)	— (—)	<b>400.08</b> (400.08)	— (—)	— (—)	— (—)	— (—)	<b>400.08</b> (400.08)	
Buildings	<b>2,711.74</b> (2,391.20)	<b>597.65</b> (351.52)	— (30.98)	<b>3,309.39</b> (2,711.74)	<b>645.89</b> (571.23)	— (20.56)	<b>114.07</b> (95.22)	<b>759.96</b> (645.89)	<b>2,549.43</b> (2,065.85)	
Plant and Machinery	<b>2,735.41</b> (2,491.84)	<b>1,525.91</b> (335.90)	— (92.33)	<b>4,261.32</b> (2,735.41)	<b>844.35</b> (628.50)	— (26.33)	<b>199.53</b> (242.18)	<b>1,043.88</b> (844.35)	<b>3,217.44</b> (1,891.06)	
Furniture, Fixtures, Office and Other Equipment	<b>4,534.87</b> (3,773.64)	<b>1,747.39</b> (817.34)	<b>7.95</b> (56.11)	<b>6,274.31</b> (4,534.87)	<b>1,707.89</b> (1,287.96)	<b>5.04</b> (21.49)	<b>542.74</b> (441.42)	<b>2,245.59</b> (1,707.89)	<b>4,028.72</b> (2,826.98)	
Vehicles	<b>65.26</b> (75.05)	<b>13.32</b> (4.49)	<b>12.61</b> (14.28)	<b>65.97</b> (65.26)	<b>11.63</b> (9.19)	<b>3.96</b> (4.62)	<b>6.22</b> (7.06)	<b>13.89</b> (11.63)	<b>52.08</b> (53.63)	
Intangible Assets	<b>23.04</b> (22.22)	<b>18.80</b> (0.82)	— (—)	<b>41.84</b> (23.04)	<b>9.37</b> (4.32)	— (—)	<b>22.80</b> (5.05)	<b>32.17</b> (9.37)	<b>9.67</b> (13.67)	
Total	<b>10,470.40</b> (9,154.03)	<b>3,903.07</b> (1,510.07)	<b>20.56</b> (193.70)	<b>14,352.91</b> (10,470.40)	<b>3,219.13</b> (2,501.20)	<b>9.00</b> (73.00)	<b>885.36</b> (790.93)	<b>4,095.49</b> (3,219.13)	<b>10,257.42</b> (7,251.27)	
Capital Work-in-Progress									<b>2,271.10</b> (1,250.96)	
Total									<b>12,528.52</b> (8,502.23)	

#### Notes :

- (1) Figures in brackets are in respect of previous year.
- (2) Buildings include improvements to leasehold premises and an amount of Rs. 1,050 (2006-2007: Rs.1,050) representing value of Shares in Co-operative Housing Societies/Condominium .

## Schedule Forming Part of the Balance Sheet

### Schedule 'E' (Item No.6, Page 30)

#### INVESTMENTS

	Balance as on 1.4.2007		Purchased during the year		Sold during the year		Balance as on 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long Term Investment</b> (at Cost less provision for diminution in value) <b>Face Value of Rs 10 each, Unquoted and fully paid-up unless otherwise stated</b>								
<b>Trade Investments at Cost (unquoted and fully paid unless otherwise stated)</b>								
The Associated Building Company Ltd. (Equity shares of Rs. 900/- each)	50	0.45	—	—	—	—	50	0.45
Tata International Ltd. (Equity shares of Rs. 1000/- each)	1,000	2.00	—	—	—	—	1,000	2.00
Tata Services Ltd. (Equity shares of Rs. 1000/- each)	45	0.45	—	—	—	—	45	0.45
Retailers Association of India	10,000	1.00	—	—	—	—	10,000	1.00
<b>Total Trade Investment</b>		<b>3.90</b>						<b>3.90</b>
<b>Other Investments at Cost (unquoted and fully paid unless otherwise stated)</b>								
<b>(a) In Subsidiary Companies</b>								
Nahar Theatres Pvt Ltd. (Equity shares of Rs. 1000/- each)	1,996	2,832.13	—	—	—	—	1,996	2,832.13
Nahar Theatres Pvt Ltd.- Preference Shares (9.5% Cumulative Redeemable Preference Shares of Rs 1000/- each)	100	1.00	—	—	—	—	100	1.00
Satnam Developers & Finance Pvt. Ltd.	50,000	906.25	—	—	—	—	50,000	906.25
Trent Brands Ltd.	32,50,000	325.00	—	—	—	—	32,50,000	325.00
Flora Link Road Properties Pvt Ltd.	50,000	5.00	—	—	—	—	50,000	5.00
Landmark Ltd.	39,00,000	9,197.52	2,00,000 *	1,050.00	—	—	41,00,000	10,247.52
Landmark Ltd. (1% Cumulative Convertible Preference Shares of Rs 100/-)	16,02,500	1,602.50	—	—	—	—	16,02,500	1,602.50
Flora Services Ltd. (Equity shares of Rs. 100/- each)	39,000	76.58	—	—	—	—	39,000	76.58
<b>Total Investment in Subsidiary Companies</b>		<b>14,945.98</b>						<b>15,995.98</b>
* In the process of transfer in the name of the Company								
<b>(b) In Joint Venture &amp; Associates</b>								
TREXA ADMC Pvt Ltd	—	—	20,32,500	203.25	—	—	20,32,500	203.25
Virtuous Trustee Pvt Ltd.	—	—	4,900	0.49	—	—	4,900	0.49
<b>Total Investment in Joint Venture &amp; Associates</b>								<b>203.74</b>
<b>(c) In Other Companies</b>								
ACC Ltd. (Quoted)	3,000	13.93	9,000	88.43	3,000	26.55	9,000	75.81
Bharat Electronics Ltd. (Quoted)	—	—	3,102	43.54	—	—	3,102	43.54
Bharat Heavy Electricals Ltd. (Quoted)	—	—	4,000	99.97	—	—	4,000	99.97
Gail (India) Ltd. (Quoted)	17,000	40.88	15,000	69.30	32,000	110.18	—	—
ICICI Bank Ltd. (Quoted)	—	—	8,000	90.49	—	—	8,000	90.49
IDBI Ltd. (Quoted)	—	—	30,000	50.68	—	—	30,000	50.68
ITC Ltd. (Quoted) (Equity shares of Rs. 1/- each)	10,000	12.18	—	—	10,000	12.18	—	—
Larsen & Toubro Ltd (Quoted) (Equity shares of Rs. 2/- each)	2,000	13.27	1,500	59.79	2,000	13.27	1,500	59.79
Maruti Suzuki India Ltd. (Quoted) (Equity shares of Rs. 5/- each)	—	—	10,000	102.19	—	—	10,000	102.19
NTPC Limited (Quoted)	15,000	14.59	45,000	108.30	15,000	30.72	45,000	92.17
Oil & Natural Gas Corporation Ltd. (Quoted)	6,000	38.52	8,000	91.41	6,000	38.52	8,000	91.41
Power Grid Corporation of India Ltd. (Quoted)	—	—	90,000	134.48	—	—	90,000	134.48
Punjab National Bank Ltd (Quoted)	5,000	20.96	9,000	62.27	5,000	20.96	9,000	62.27
Punjab National Bank Ltd (Quoted) (Equity shares of Rs. 2/- each)	—	—	12,500	50.44	—	—	12,500	50.44
Reliance Communication Ltd. (Quoted) (Equity shares of Rs. 5/- each)	3,000	8.11	14,500	103.83	3,000	17.57	14,500	94.37
Reliance Industries Ltd. (Quoted)	2,000	7.26	3,200	86.42	2,000	7.26	3,200	86.42
Reliance Petroleum Ltd. (Quoted)	—	—	45,000	92.55	—	—	45,000	92.55
State Bank of India Ltd. (Quoted)	—	—	4,000	94.01	—	—	4,000	94.01
Sterlite Industries (India) Ltd. (Quoted) (Equity shares of Rs. 2/- each)	—	—	6,500	67.46	—	—	6,500	67.46
Tata Investment Corporation Limited(Quoted)	64,248	49.99	—	—	—	—	64,248	49.99
Unitech Ltd. (Quoted) (Equity shares of Rs. 2/- each)	—	—	23,000	115.39	—	—	23,000	115.39
Tata Sons Limited 6% Cumulative Redeemable Preference Shares of Rs. 1,000/- each	20,000	200.00	—	—	20,000	200.00	—	—

**Schedule Forming Part of the Balance Sheet**
**Schedule 'E' (Item No.6, Page 30)**
**INVESTMENTS**

	Balance as on 1.4.2007		Purchased during the year		Sold during the year		Balance as on 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
Tata Sons Limited (7% Cumulative Redeemable Preference Shares of Rs. 1,000/- each)	—	—	20,000	200.00	—	—	20,000	200.00
Tata Auto Comp System Limited (7% Cumulative Redeemable Preference Shares US-64 Bonds(Quoted) (6.75% Tax Free Bonds of Rs. 100/- each)	50,00,000	500.00	—	—	—	—	50,00,000	500.00
	44,103	44.10	—	—	—	—	44,103	44.10
<b>Total Investment in Other Companies</b>		<b>963.79</b>						<b>2,297.53</b>
<b>(d) In Mutual Funds</b>								
Birla Bond Plus-Instt.-Dividend	35,64,318	375.00	20,967	2.18	35,85,285	377.18	—	—
DSP Merrill Lynch Short Term-Dividend	41,99,928	438.08	—	—	41,99,928	438.08	—	—
HDFC Arbitrage Fund-Wholesale Plan-Dividend	—	—	51,29,857	513.00	51,29,857	513.00	—	—
JM Equity & Derivative Fund Dividend	36,157	3.62	—	—	36,157	3.62	—	—
JM Arbitrage Advange Fund-Dividend	—	—	80,45,734	827.86	80,45,734	827.86	—	—
OptiMix Dynamic Multi-Manager FoF Scheme-Series 3-Dividend	—	—	20,00,000	200.00	—	—	20,00,000	200.00
ABN AMRO FTP Series 5 - 14 Months Plan Instt-Growth	1,52,69,577	1,526.96	—	—	—	—	1,52,69,577	1,526.96
ABN AMRO FTP Series 8 - Yly Plan A-Instt-Dividend	—	—	42,33,482	423.43	—	—	42,33,482	423.43
ABN AMRO FTP Series 8 - Yly Plan C-Instt-Dividend	—	—	1,05,46,720	1,054.76	—	—	1,05,46,720	1,054.76
HSBC Fixed Term Series-25-Instt-Growth	1,00,00,000	1,000.00	—	—	—	—	1,00,00,000	1,000.00
ING Fixed Maturity Fund-XXVIII-Dividend	—	—	1,50,43,484	1,504.35	—	—	1,50,43,484	1,504.35
Pru ICICI FMP Series 37 - 14 Months Plan Instt-Growth	1,10,84,280	1,108.43	—	—	—	—	1,10,84,280	1,108.43
Tata Fixed Horizon Fund-Series 13 Scheme C - IM- Dividend	—	—	1,03,97,449	1,039.86	—	—	1,03,97,449	1,039.86
Tata Fixed Horizon Fund-Series 14 Scheme A - IM- Dividend	—	—	51,89,616	519.06	—	—	51,89,616	519.06
UTI Fixed Maturity Plan Yearly Series YFMP/0307-Growth	1,30,00,000	1,300.00	—	—	—	—	1,30,00,000	1,300.00
ICICI Pru Instt Income Plan- Quarterly Dividend	—	—	92,88,575	1,007.51	—	—	92,88,575	1,007.51
Kotak Bond Regular Plan-Quarterly Dividend.	—	—	92,54,391	1,016.32	—	—	92,54,391	1,016.32
Templeton India Income Builder Account Plan A-Dividend	—	—	78,85,689	1,000.00	—	—	78,85,689	1,000.00
Birla Dividend Yield Plus Plan-A-Dividend	26,20,694	317.10	4,41,378	49.19	30,62,072	366.29	—	—
DWS Global Thematic Offshore Fund-Dividend	—	—	19,46,472	200.00	19,46,472	200.00	—	—
ING Global Real Estate Fund - Dividend	—	—	10,00,000	100.00	—	—	10,00,000	100.00
JM Emerging Leaders Fund-Dividend	—	—	14,58,440	300.75	—	—	14,58,440	300.75
Tata Dividend Yield Fund-Dividend	30,00,000	300.00	—	—	30,00,000	300.00	—	—
Tata Pure Equity Fund-Dividend	—	—	16,57,155	564.08	—	—	16,57,155	564.08
Tata Infrastructure Fund-Dividend	—	—	15,51,170	340.08	—	—	15,51,170	340.08
Tata Infrastructure Fund-Growth	19,19,485	323.23	—	—	19,19,485	323.23	—	—
<b>Total investment in Mutual Fund</b>		<b>6,692.42</b>						<b>14,005.59</b>
<b>Total Investment in Long Term</b>		<b>22,606.09</b>						<b>32,506.74</b>
<b>Other Investments at Cost (unquoted and fully paid unless otherwise stated)</b>								
ABN AMRO Money Plus Instt-Dividend.	—	—	1,89,20,475	1,893.07	1,89,20,475	1,893.07	—	—
AIG India Treasury Plus-Super Instt. Dividend.	—	—	1,53,49,175	1,534.96	1,53,49,175	1,534.96	—	—
Birla Sunlife Liquid Plus-Instt-Fortnightly Dividend	—	—	1,83,94,722	1,935.39	1,38,04,498	1,452.02	45,90,224	482.51
Birla Sunlife Liquid Plus-Instt-Weekly Dividend	—	—	1,53,79,088	1,540.31	1,53,79,088	1,540.31	—	—
DWS Credit Opportunities Cash Fund - Fortnightly Dividend	—	—	2,00,78,079	2,022.38	2,00,78,079	2,022.38	—	—
Grindlays Floating Rate Fund-LT-Instt Plan-B Weekly Dividend.	—	—	1,00,50,882	1,006.11	1,00,50,882	1,006.11	—	—
HDFC Cash Mgmt Fund-Savings Plus Plan-Wholesale-Weekly Dividend	—	—	4,81,71,648	4,826.27	4,81,71,648	4,826.27	—	—
HSBC Cash Fund - Institutional Plus - Monthly Dividend	—	—	1,01,46,559	1,019.49	1,01,46,559	1,019.49	—	—
HSBC Liquid Plus-Instt. Plus-Weekly Dividend.	—	—	2,42,46,446	2,434.51	2,42,46,446	2,434.51	—	—
ICICI Prudential Flexible Income Plan-Dividend	—	—	2,71,55,696	2,863.49	2,71,55,696	2,863.49	—	—
ICICI Prudential Instt Liquid-Super Instt-Dividend	—	—	14,96,993	150.98	14,96,993	150.98	—	—
ING Liquid Plus Fund- Institutional Weekly Dividend	—	—	2,25,78,576	2,267.38	2,25,78,576	2,267.38	—	—
JM High Liquidity Fund-Instt. Plan-Dividend.	—	—	29,32,165	300.32	29,32,165	300.32	—	—
JM High Liquidity Fund-Super Instt Plan Weekly Dividend	—	—	83,22,025	832.20	83,22,025	832.20	—	—
Kotak Liquid Institutional Premium-Dividend Weekly	—	—	2,12,74,612	2,135.94	1,64,21,938	1,648.78	48,52,674	487.15
Kotak Liquid Institutional Premium-Growth	—	—	66,84,558	1,018.68	66,84,558	1,018.68	—	—
Kotak Flexi Debt Scheme-Quarterly Dividend	—	—	2,00,64,708	2,040.27	2,00,64,708	2,040.27	—	—
Lotus India Liquid Fund-Super Instt-Weekly Dividend	—	—	2,58,87,933	2,590.00	2,58,87,933	2,590.00	—	—
Lotus India Liquid Plus Fund-Instt Weekly Dividend	—	—	1,51,12,792	1,512.32	1,51,12,792	1,512.32	—	—
Mirae Asset Liquid Plus Fund-Super Instt-Weekly Dividend (Units of Rs 1000/- each)	—	—	100,000	1,000.00	—	—	1,00,000	1,000.00

**Schedule Forming Part of the Balance Sheet**

**Schedule 'E' (Item No.6, Page 30)**

**INVESTMENTS**

	Balance as on 1.4.2007		Purchased during the year		Sold during the year		Balance as on 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
Principal Cash Mgmt Fund LO- Instt Prem. Plan - Monthly Dividend	49,94,763	499.65	20,68,016	208.00	70,62,779	707.65	—	—
Principal Floating Rate Fund FMP Instt-Dividend.	—	—	1,96,65,716	1,966.71	1,96,65,716	1,966.71	—	—
Reliance Liquid Plus Fund-Instt-Weekly Dividend. (Units of Rs 1000/- each)	—	—	3,10,612	3,110.93	3,10,612	3,110.93	—	—
Standard Chartered Liquidity Manager Fund - Growth	1,41,99,832	1,527.06	—	—	1,41,99,832	1,527.06	—	—
Tata Liquid SHIP-Monthly Dividend	46,185	530.71	1,79,204	2,067.12	2,25,388	2,597.83	—	—
Tata Floater Fund-Weekly Dividend (Units of Rs 1000/- each)	—	—	4,90,46,328	4,946.86	4,90,46,328	4,946.86	—	—
Templeton FRIF-LTP-Super Instt-Weekly Dividend	—	—	1,34,06,914	1,353.72	89,02,077	898.86	45,04,837	454.86
UTI Liquid Plus Fund - IP-Dividend (Units of Rs 1000/- each)	—	—	84,319	846.05	84,319	846.05	—	—
UTI Liquid Plus Fund - IP - Weekly Dividend (Units of Rs 1000/- each)	—	—	3,95,917	3,963.65	3,95,917	3,963.65	—	—
AIIG Short Term Fund-Instt-Weekly Dividend. (Units of Rs 1000/- each)	—	—	1,50,743	1,507.44	—	—	1,50,743	1,507.44
Birla Sunlife Short Term Fund - Dividend	—	—	86,32,572	866.03	86,32,572	866.03	—	—
Reliance Short Term Fund-Retail - Monthly Dividend	—	—	95,00,129	1,004.30	—	—	95,00,129	1,002.78
ABN AMRO Flexible Short Term Plan-Series B-Dividend	—	—	60,82,388	608.27	60,82,388	608.27	—	—
ABN AMRO Flexible Short Term Plan-Series C-Dividend	—	—	2,48,55,995	2,485.67	2,48,55,995	2,485.67	—	—
Birla Interval Income Fund-INSTL-Quarterly-Series-I-Dividend	—	—	1,57,78,308	1,577.83	1,57,78,308	1,577.83	—	—
Birla Quarterly Interval Fund-Series-III-Dividend.	—	—	76,40,264	764.03	76,40,264	764.03	—	—
HDFC FMP 90D Feb-08 (VII)-Wholesale Dividend.	—	—	1,00,00,000	1,000.00	—	—	1,00,00,000	1,000.00
HDFC FMP 90D Aug-07 Wholesale Dividend.	—	—	1,00,00,000	1,000.00	1,00,00,000	1,000.00	—	—
HDFC FMP 90D Nov-07 (6) II- Wholesale Dividend.	—	—	1,00,00,000	1,000.00	1,00,00,000	1,000.00	—	—
ICICI Pru. Interval Fund Quartely Plan I- Retail Dividend	—	—	1,04,18,935	1,041.89	1,04,18,935	1,041.89	—	—
ICICI Pru. Interval Fund II Quartely Plan C- Retail Dividend	—	—	1,02,59,157	1,025.92	—	—	1,02,59,157	1,025.92
ING Fixed Maturity Fund-XXX-Dividend	—	—	1,00,00,000	1,000.00	1,00,00,000	1,000.00	—	—
JM Interval Fund-Quarterly Plan 6-Instt-Dividend.	—	—	1,00,63,590	1,006.36	—	—	1,00,63,590	1,006.36
Kotak FMP 3M Series 9 -Dividend	1,01,23,043	1,012.31	63,754	6.38	1,01,86,798	1,018.69	—	—
Kotak FMP 3M Series 16 -Dividend	—	—	1,04,02,680	1,040.27	1,04,02,680	1,040.27	—	—
Kotak FMP 3M Series 24 -Dividend	—	—	1,01,64,551	1,016.46	1,01,64,551	1,016.46	—	—
Kotak FMP 3M Series 25 -Dividend	—	—	1,07,56,988	1,075.70	1,07,56,988	1,075.70	—	—
Kotak Quarterly Interval Plan Series 3-Dividend	—	—	1,03,45,177	1,034.52	1,03,45,177	1,034.52	—	—
Kotak Quarterly Interval Plan Series 4-Dividend	—	—	1,09,53,148	1,095.32	1,09,53,148	1,095.32	—	—
Lotus India FMP 1 Month Series VIII-Dividend.	—	—	1,00,00,000	1,000.00	—	—	1,00,00,000	1,000.00
Lotus India FMP-3 Mths-Series XV-Dividend	—	—	1,53,76,369	1,537.64	1,53,76,369	1,537.64	—	—
Lotus India FMP-3 Mths-Series XXI-Dividend	—	—	1,56,55,205	1,565.52	1,56,55,205	1,565.52	—	—
Lotus India Quarterly Interval Fund Plan B-Dividend	—	—	1,01,85,068	1,018.51	1,01,85,068	1,018.51	—	—
Principal PNB FMP-34 (91 Days) Series VII-Feb 07-Dividend	92,84,541	928.45	—	—	92,84,541	928.45	—	—
Pru ICICI FMP 35 - 3 Month Plan A-Dividend	1,01,94,780	1,019.48	53,421	5.34	1,02,48,200	1,024.82	—	—
Pru ICICI FMP 37 - 3 Month Plus Plan B-Dividend	—	—	1,02,48,200	1,024.82	1,02,48,200	1,024.82	—	—
Reliance Quarterly Interval Fund-Series III Instt Dividend	—	—	1,56,92,859	1,569.35	1,56,92,859	1,569.35	—	—
Tata Fixed Horizon Fund-Series 8 Plan F - IP- Dividend	2,01,80,904	2,018.10	194,103	19.42	2,03,75,007	2,037.52	—	—
Tata Fixed Horizon Fund-Series 10 Scheme F - IM- Dividend	—	—	1,01,85,486	1,018.55	1,01,85,486	1,018.55	—	—
Tata Fixed Income Portfolio Fund Scheme A2 Instt - Dividend	—	—	1,00,38,763	1,004.91	—	—	1,00,38,763	1,004.91
Tata Floating Rate Fund long Term- Income/Bonus	—	—	1,48,58,759	1,503.14	—	—	1,48,58,759	1,503.14
UTI Fixed Income Interval Fund-Qtrly Interval Plan Sr-I-Instt Dividend.	—	—	1,00,00,000	1,000.00	—	—	1,00,00,000	1,000.00
UTI Fixed Income Interval Fund-Qtrly Plan-Series III-Instt-Dividend	—	—	87,67,124	876.71	87,67,124	876.71	—	—
UTI Fixed Maturity Plan-QFMP (11/07) II- Instt-Dividend	—	—	1,56,52,478	1,565.25	1,56,52,478	1,565.25	—	—
UTI Fixed Maturity Plan-QFMP (08/07) II- Instt-Dividend	—	—	1,53,78,753	1,537.88	1,53,78,753	1,537.88	—	—
UTI Fixed Maturity Plan-QFMP (1/07)-Dividend	67,28,892	672.89	39,882	3.99	67,68,773	676.88	—	—
UTI Fixed Maturity Plan-QFMP (4/07)-Dividend	—	—	69,06,332	690.63	69,06,332	690.63	—	—
UTI Fixed Maturity Plan-HFMP 03/08-II- Instt-Dividend	—	—	1,95,19,446	1,951.94	—	—	1,95,19,446	1,951.94
Tata Chemicals Limited	17,775	6.84	—	—	17,775	6.84	—	—
<b>Total Current Investment</b>		<b>8,215.50</b>						<b>14,427.01</b>
<b>Total Investment</b>		<b>30,821.59</b>						<b>46,933.75</b>
<b>Aggregate book value of Investments</b>								
Unquoted		<b>30,550.96</b>						<b>45,336.22</b>
Quoted [Market value Rs.1497.17 Lakh (2006-2007: 800.29 lakh)]		<b>270.63</b>						<b>1,597.53</b>
<b>Total</b>		<b>30,821.59</b>						<b>46,933.75</b>

## Schedules forming part of the Balance Sheet

### Schedule 'F'(Item No.7 (a), Page 30)

#### INVENTORIES

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
<b>Stocks</b>		
(1) Raw Materials	<b>64.57</b>	78.89
(2) Packing Materials	<b>55.59</b>	38.78
(3) Finished Products	<b>7,711.02</b>	7,135.19
(4) Stocks-in-Transit	<b>30.95</b>	0.28
	<b>7,862.13</b>	7,253.14

### Schedule 'G'(Item No.7 (b), Page 30)

#### SUNDRY DEBTORS

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
(1) Debts outstanding for a period exceeding six months	<b>90.45</b>	99.71
(2) Other Debts	<b>212.77</b>	117.21
	<b>303.22</b>	216.92
(3) Less : Provision for Doubtful Debts	<b>0.62</b>	0.62
	<b>302.60</b>	216.30
Considered Good - Unsecured	<b>302.60</b>	216.30
Considered Doubtful - Unsecured	<b>0.62</b>	0.62
	<b>303.22</b>	216.92

### Schedule 'H'(Item No.7 (c), Page 30)

#### CASH AND BANK BALANCES

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
(1) Cash on hand (including cheques on hand Rs.Nil ) (2006-2007: Rs 3.76 lakhs)	<b>237.71</b>	292.95
(2) Balances with Scheduled Banks		
(a) Current Accounts	<b>842.53</b>	1,110.97
(b) Fixed Deposit Accounts	<b>183.43</b>	376.97
(c) Unpaid Dividend/Interest Accounts	<b>71.43</b>	69.51
	<b>1,097.39</b>	1,557.45
	<b>1,335.10</b>	1,850.40

## Schedules forming part of the Balance Sheet

### Schedule 'I' (Item No. 7 (d), Page 30) LOANS AND ADVANCES

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Security Deposits			
Deposits for premises - Subsidiaries	412.50		412.50
Deposits for premises - Others	4,668.78		3,532.01
Other Deposits	121.09		180.30
		<b>5,202.37</b>	4,124.81
(2) Loans			
Loan to Subsidiaries	4,708.47		2,471.47
Other Loans	182.89		129.65
		<b>4,891.36</b>	2,601.12
(3) Other Loans and Advances recoverable in cash or in kind or for value to be received		232.80	379.01
(4) Balances with Customs/Port Trust etc.		90.29	40.31
(5) Other Receivables		353.86	43.29
(6) Receivables from subsidiary		498.29	—
(7) Bills of Exchange		114.20	114.20
(8) Advances on Capital Account		382.33	208.45
(9) Advance payment of taxes - net of provision		796.22	663.88
		<b>12,561.72</b>	8,175.07
(10) Less : Provision for Doubtful Advances		176.80	164.29
		<b>12,384.92</b>	8,010.78
Considered Good - Secured		—	—
Considered Good - Unsecured		12,384.92	8,010.78
Considered Doubtful - Unsecured		176.80	164.29
		<b>12,561.72</b>	8,175.07

### Schedule 'J' (Item No. 8 (a), Page 30) LIABILITIES

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Acceptances		1,100.56	593.41
(2) Sundry Creditors (Note 7, Page 45)		8,676.81	6,404.40
(3) Subsidiaries		146.93	44.30
(4) Security Deposits Received		221.63	95.52
(5) Investor Education and Protection Fund [Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due (Note 8, Page 45)]			
(a) Unclaimed Dividend	70.58		69.13
(b) Unclaimed Matured Deposits	—		0.10
(c) Unclaimed application money received by the Company for allotment of Rights Issue and due for refund	10.79		1.84
(d) Unclaimed Debenture Interest	0.85		0.37
		<b>82.22</b>	71.44
		<b>10,228.15</b>	7,209.07

### Schedule 'K' (Item No.8 (b), Page 30) PROVISIONS

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Interim Dividend		—	1,103.25
(2) Proposed Dividend		1,367.30	—
(3) Tax on Dividend		157.59	187.50
(4) Contingencies (Note 2(e), Page 43)		205.00	205.00
(5) Retirement Benefits		427.86	341.92
(6) Redemption Premium of Debentures		1,283.84	1,283.84
		<b>3,441.59</b>	3,121.51

## Schedule Forming Part of the Balance Sheet and Profit and Loss Account

### Schedule 'L'

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1.0 Basis of preparation of accounts

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

##### 2.0 Fixed Assets and Depreciation

2.1 Fixed Assets are stated at cost less depreciation. Costs comprise of cost of acquisition and any attributable cost of bringing the asset to condition for its intended use.

2.2 Depreciation on tangible assets is provided in accordance with the provisions of Schedule XIV to the Companies Act, 1956 as under: -

(a) In respect of the assets of the Retail Business on "Straight Line" method.

(b) In respect of all other assets on "Written Down Value" method.

2.3 Improvement to leasehold premises are depreciated over the period of lease remaining as at the date of their capitalisation.

2.4 Intangible Assets are amortised over their useful life not exceeding ten years.

##### 3.0 Investments

Long Term Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of Long Term Investments. Current Investments are stated at lower of cost or fair value.

##### 4.0 Inventories

Inventories are valued as under :

Raw materials and packing materials : at cost.

Finished Products : at lower of cost or net realisable value.

##### 5.0 Income

5.1 Sale of goods is recognised on delivery to customers and include amounts recovered towards sales tax.

5.2 Interest income is accounted on accrual basis.

5.3 Dividend income is accounted when right to receive payment is established.

##### 6.0 Retirement Benefits

###### 6.1 Defined Contribution Plans

(a) Company's contributions during the year towards government administered Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are charged to the Profit and Loss Account as incurred.

(b) Company's contributions during the year towards Superannuation to the Superannuation Trust administered by the Company are recognized in the Profit and Loss Account, as incurred.

###### 6.2 Defined Benefit Plans

(a) Company's Contribution towards Gratuity made under the Group Gratuity Scheme with Life Insurance Corporation (LIC) is determined based on the amount recommended by LIC as per actuarial valuation. In respect of certain employees, contribution in respect of Gratuity are made to an approved trust administered by the Company on the basis of actuarial valuation by an independent Actuary.

(b) In the case of certain employees, contribution towards Provident Fund is made to an approved trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

(c) Provision for other retirement / post retirement benefits in the form of pensions, medical benefits and long term compensated absences (leave encashment) has been made on the basis of actuarial valuation by an independent Actuary.

## Schedule Forming Part of the Balance Sheet and Profit and Loss Account (Contd.)

### 7.0 Foreign Currency Transactions

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction.

Year end current assets and liabilities are translated at the exchange rate ruling on the date of the Balance Sheet.

Exchange differences on settlement/conversion are adjusted to :

- (i) Profit and Loss Account ,
- (ii) Wherever forward contracts are entered into, the exchange differences are dealt with in the Profit and Loss Account over the period of the contracts.

### 8.0 Employee Stock Option Scheme (ESOS)

In respect of Options granted under the Company's Employee Stock Options Scheme (ESOS), in accordance with guidelines issued by SEBI, the accounting value of options is accounted as Deferred Employee Compensation, which is amortised on a straight line basis over the vesting period.

### 9.0 Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 10.0 Taxation

10.1 Current Tax comprises of provision for Income Tax and Wealth Tax determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957.

10.2 Deferred tax is recognised on timing difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

10.3 Fringe Benefit Tax provision is made in accordance with the provisions of the Income Tax Act, 1961.

### 11.0 Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the Profit and Loss account on accrual basis.

## Notes on the Balance Sheet and Profit and Loss Account

1. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 526.81 lakhs (2006-2007 : Rs.126.67 lakhs)

### 2 Contingent Liabilities :

(a) Sales tax, Excise and Customs demands against which the Company has filed appeals : Rs.133.04 lakhs (2006-2007: Rs.129.71 lakhs) - net of tax Rs. 87.82 lakhs (2006-2007 : Rs.86.05 lakhs).

(b) Claims made against the Company not acknowledged as debts : Rs.617.83 lakhs (2006-2007 : Rs. 580.93 lakhs)

(c) Income-tax demands against which the Company has filed appeals : Rs. 419.44 lakhs (2006-2007 : Rs. 442.61 lakhs).

(d) Corporate Guarantee given on behalf of Subsidiary : Rs.10,000.00 lakhs. (2006-2007 : Rs.11,000.00 lakhs)

(e) As a matter of abundant caution, a general provision for contingencies of Rs. 205.00 lakhs (2006-2007: Rs.205.00 lakhs) has been made against items (a), (b) and (c) above, which are disputed by the Company.

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

**3. Managerial Remuneration :**

Managerial remuneration for Managing Director and Non- Whole time Directors

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
(a) Salaries (including Company's Contribution to Provident Fund and Superannuation Fund)	<b>61.88</b>	47.44
(b) Commission	<b>83.85</b>	110.00
(c) Perquisites	<b>38.31</b>	30.12
(d) Directors' sitting fees	<b>5.78</b>	4.69
	<b>189.82</b>	192.25

Note : The above figures do not include contribution to Gratuity Fund as separate figure is not available for the Managing Director, the amortised cost of 5,378 Employee Stock Options granted to the Managing Director, which have been vested and exercised during the year and retirement benefits of Rs.13.73 lakhs (2006-2007: Rs. 11.70 lakhs) paid to a former Managing Director.

Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956 :

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
Profit before taxes as per Profit and Loss Account	<b>3,732.38</b>	4,098.79
Add :		
(i) Depreciation as per accounts	<b>885.36</b>	790.93
(ii) Managerial Remuneration	<b>189.82</b>	192.25
(iii) Provision for doubtful debts/advances	<b>12.51</b>	8.45
	<b>1,087.69</b>	991.63
	<b>4,820.07</b>	5,090.42
Less :		
(i) Depreciation as per Section 350	<b>885.36</b>	790.93
(ii) Capital Profit	<b>865.80</b>	511.48
(iii) Pro- rata Premium on Redemption of Debentures *	—	256.77
(iv) Pro-rata Amortisation of Securities/Warrant Issue Expenses *	—	29.41
	<b>1,751.16</b>	1,588.59
Net Profit as per Section 309 (5)	<b>3,068.91</b>	3,501.83
Commission:		
(a) Managing Director	<b>53.25</b>	75.00
(b) Non-Wholetime Directors- 1% of Net Profit Rs. 3,068.91 lakhs (2006-07: Rs.3,501.83 lakhs) restricted to Rs.30.60 lakhs (2006-2007: Rs.35.00 lakhs)	<b>30.60</b>	35.00
	<b>83.85</b>	110.00

Note:

\* Represents the prorata of the amount which has been debited to Securities Premium Account. Based on legal opinion, for the current year, these amounts have not been considered.

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

<p>4. Major components of deferred tax assets and liabilities are:</p> <p><b>Deferred Tax Liability</b></p> <p>Depreciation</p> <p><b>Less: Deferred Tax Assets</b></p> <p>Retirement Benefits</p> <p>Other Provisions</p> <p><b>Net Deferred Tax Liability</b></p>	<table border="1"> <thead> <tr> <th style="text-align: center;">2007-2008 Rupees in lakhs</th> <th style="text-align: center;">2006-2007 Rupees in lakhs</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><b>692.84</b></td> <td style="text-align: right;">654.33</td> </tr> <tr> <td style="text-align: right;"><b>129.28</b></td> <td style="text-align: right;">114.83</td> </tr> <tr> <td style="text-align: right;"><b>30.67</b></td> <td style="text-align: right;">32.88</td> </tr> <tr> <td style="text-align: right;"><b>159.95</b></td> <td style="text-align: right;">147.71</td> </tr> <tr> <td style="text-align: right;"><b>532.89</b></td> <td style="text-align: right;">506.62</td> </tr> </tbody> </table>	2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs	<b>692.84</b>	654.33	<b>129.28</b>	114.83	<b>30.67</b>	32.88	<b>159.95</b>	147.71	<b>532.89</b>	506.62		
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<b>532.89</b>	506.62														
<p>5. (i) Schedule 1 Item 4 (p) General Expenses include :</p> <p>(a) Auditors' Remuneration -</p> <p style="padding-left: 20px;">Audit Fees</p> <p style="padding-left: 20px;">Fees for Taxation matters</p> <p style="padding-left: 20px;">Other Services</p> <p style="padding-left: 20px;">Reimbursement of out-of-pocket expenses</p> <p>(b) Provision for doubtful debts/advances (net)</p> <p>(ii) Securities / Warrant Issue Expenses include :</p> <p style="padding-left: 20px;">Auditors' Remuneration - Other Services</p>	<table border="1"> <thead> <tr> <th style="text-align: center;">2007-2008 Rupees in lakhs</th> <th style="text-align: center;">2006-2007 Rupees in lakhs</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><b>6.18</b></td> <td style="text-align: right;">6.18</td> </tr> <tr> <td style="text-align: right;"><b>1.85</b></td> <td style="text-align: right;">3.38</td> </tr> <tr> <td style="text-align: right;"><b>6.40</b></td> <td style="text-align: right;">8.61</td> </tr> <tr> <td style="text-align: right;"><b>0.38</b></td> <td style="text-align: right;">0.45</td> </tr> <tr> <td style="text-align: right;"><b>12.51</b></td> <td style="text-align: right;">8.45</td> </tr> <tr> <td style="text-align: right;"><b>5.71</b></td> <td style="text-align: right;">0.79</td> </tr> </tbody> </table>	2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs	<b>6.18</b>	6.18	<b>1.85</b>	3.38	<b>6.40</b>	8.61	<b>0.38</b>	0.45	<b>12.51</b>	8.45	<b>5.71</b>	0.79
2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs														
<b>6.18</b>	6.18														
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<b>0.38</b>	0.45														
<b>12.51</b>	8.45														
<b>5.71</b>	0.79														
<p>6. Loss on foreign exchange fluctuation (net) debited to the profit and loss account amounted to Rs. 4.29 lakhs. (2006-2007 : Rs. 6.68 lakhs).</p>															
<p>7. There are no Micro, Small and Medium Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.</p>															
<p>8. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2008 except Rs. 3.25 lakhs (2006-2007 : Rs. 2.96 lakhs) which is held in abeyance due to legal cases pending.</p>															
<p>9. (a) Proceeds of Rights Issue - July 2005 amounting to Rs.118.10 crores has been fully utilised towards objects of the issue.</p> <p>(b) Out of Rs. 93.62 crores received from Preferential Issue of equity shares to Tata Sons Limited and Tata Investment Corporation Limited in December 2006 , Rs. 46.89 crores have been utilised towards objects of the issue and the balance unutilised amount is invested mainly in Mutual Funds.</p> <p>(c) Out of the Right Issue (July 2007) proceeds of Rs. 157.41 crores, Rs. 41.47 crores have been utilised towards object of the issue and pending utilisation, the balance unutilised amount is invested mainly in Mutual Funds.</p>															
<p>10. Provision for taxation is inclusive of the tax impact on account of the securities / warrant issue expenses and premium on redemption of debentures debited to the Securities Premium Account.</p>															

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

11. The future minimum lease payments under non-cancellable operating leases are as under :

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
i) Not later than one year	<b>1,293.78</b>	378.80
ii) Later than one year and not later than five years	<b>1,731.72</b>	604.27
iii) Later than five years	<b>Nil</b>	Nil

12. In accordance with the amendments to Clause 32 of Listing Agreement, advances in the nature of Loan to subsidiaries are as under:

(a) Loans and Advances in the nature of Loans

Name of Company		Balance as at 31.3.2008 Rs.in lakhs	Maximum Amount Outstanding during the year Rs.in lakhs
Satnam Developers and Finance Private Limited	Subsidiary	3,799.50	3,799.50
Flora Link Road Properties Limited	Subsidiary	2.50	2.50
Nahar Theatres Private Limited	Subsidiary	742.50	742.50
Landmark Limited	Subsidiary	163.97	563.97

(b) None of the loanees have made investment in the shares of the Company.

Notes:

- 1) There is no repayment schedule in respect of loan to Landmark Limited.
- 2) Loan to Flora Link Road Properties Limited and Loan to Satnam Developers and Finance Private Limited (to the extent of Rs. 3,499.50 lakhs) are free of interest.

**13. LICENSED/INSTALLED ANNUAL CAPACITIES AND PRODUCTION :**

Class of Goods	Unit of Measure	Licensed Capacity		Installed Capacity		Actual Production	
		<b>As at 31.3.2008</b>	As at 31.3.2007	<b>As at 31.3.2008</b>	As at 31.3.2007	<b>As at 31.3.2008</b>	As at 31.3.2007
Apparels Others * *	Nos. in lakhs	<b>N.A</b>	N.A	<b>Nil</b>	Nil	<b>* 1.33</b>	* 1.62

\* Production represents goods manufactured by third parties .

\* \* Refer Note 14 (i), Page 46.

**14. SALES, PURCHASES, OPENING AND CLOSING STOCKS (1.4.2007 to 31.3.2008)**

Class of Goods	SALES	PURCHASES	OPENING STOCKS	CLOSING STOCKS
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Apparels/ Household items etc.	<b>49,850.13</b> (44,302.93)	<b>27,218.51</b> (25,423.52)	<b>7,135.19</b> (5,184.24)	<b>7,711.02</b> (7,135.19)
Others	<b>80.57</b> (77.52)	<b>52.38</b> (50.39)	— —	— —
Total	<b>49,930.70</b> (44,380.45)	<b>27,270.89</b> (25,473.91)	<b>7,135.19</b> (5,184.24)	<b>7,711.02</b> (7,135.19)

Notes :

- (i) Given the nature of the retailing operations of the Company and having dealt with a large variety of products, it is not practical to ascertain the quantitative information in respect of each product and hence the same is not furnished.
- (ii) Closing stock is after adjusting samples, free gifts, damaged goods and shortages.
- (iii) Figures in brackets are in respect of previous year.

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**
**15. RAW MATERIALS CONSUMED :**

	Unit of Measure	2007-2008		2006-2007	
		Quantity	Rupees in lakhs	Quantity	Rupees in lakhs
(a) Fabrics	Lakh Metres	1.588	195.32	1.951	216.55
(b) Others (Refer Note 14 (i), Page 46)		—	44.54	—	—
<b>TOTAL</b>			<b>239.86</b>		216.55

**16. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED :**

	2007-2008		2006-2007	
	Rupees in lakhs	% of Total Consumption	Rupees in lakhs	% of Total Consumption
(a) RAW MATERIALS :				
(i) Imported	14.72	6	—	—
(ii) Indigenous	225.14	94	216.55	100
<b>TOTAL</b>	<b>239.86</b>	<b>100</b>	216.55	100
(b) PACKING MATERIALS, CONSUMABLE STORES AND SPARES :				
(i) Imported	—	—	—	—
(ii) Indigenous	315.30	100	301.56	100
<b>TOTAL</b>	<b>315.30</b>	<b>100</b>	301.56	100

**17. VALUE OF IMPORTS ON C.I.F. BASIS :**

	2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs
(a) Finished Products (including in -transit)	177.83	131.60
(b) Capital Goods	317.09	145.47
<b>TOTAL</b>	<b>494.92</b>	277.07

**18. EXPENDITURE IN FOREIGN CURRENCY :**

	2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs
(a) Travelling Expenses	57.24	37.82
(b) Consultancy Fees (Net of Tax deducted at source)	235.18	169.58
(c) Payments on other accounts	32.90	0.98
<b>TOTAL</b>	<b>325.32</b>	208.38

**19. EARNINGS IN FOREIGN CURRENCY :**

	2007-2008 Rupees in lakhs	2006-2007 Rupees in lakhs
Sales of goods* / services	1,545.42	1,264.28
<b>TOTAL</b>	<b>1,545.42</b>	1,264.28

\* Represents sale of goods which are collected in Foreign Currency through International Credit Cards, as certified by the collecting bankers.

## Notes on the Balance Sheet and Profit and Loss Account (Contd.)

### 20. SEGMENT REPORTING

The Company has reorganised its business. The main business of the Company continues to be retailing. All other activities of the Company are incidental to the main business. Accordingly, there are no separate reportable segments in terms of the Accounting Standard 17 on "Segment Reporting" issued by ICAI.

### 21. EMPLOYEE BENEFITS

#### (a) Defined Benefit Plans - Gratuity, Pension and Medical Benefits (As per actuarial valuation as on 31st March 2008)

Rupees in lakhs

	GRATUITY (Fully funded)		Pension and Medical Benefits (non funded)
	LIC Administered Trust	Company Administered Trust	
<b>I Change in Obligation during the year ended 31st March 2008</b>			
1 Present value of obligations as at beginning of the year	55.64	56.39	136.75
2 Interest cost	4.17	3.94	10.56
3 Current Service Cost	14.67	4.61	N.A.
4 Actuarial (gain)/Loss on obligations	10.97	13.18	53.58
5 Benefits Paid	(13.01)	(5.99)	(19.27)
6 Present value of Defined Benefit Obligation at the end of the year	72.44	72.13	181.62
<b>II Change in Assets during the Year ended 31st March 2008</b>			
1 Plan assets at the beginning of the year	50.69	63.75	N.A.
2 Expected return on plan assets	4.80	4.52	N.A.
3 Contributions by Employer	28.92	10.00	19.27
4 Actual benefits paid	(13.01)	(5.99)	(19.27)
5 Actuarial Gains/ (Losses)	1.39	0.74	N.A.
6 Plan Assets at the end of the year	72.79	73.02	—
<b>III Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2008</b>			
1 Present Value of Defined Benefit Obligation as at 31st March 2008	72.44	72.13	181.62
2 Fair value of plan assets as at 31st March 2008	72.79	73.02	N.A.
3 Fund status (Surplus/(Deficit))	0.35	0.89	(181.62)
4 Net Assets /(Liability) as at 31st March 2008	0.35	0.89	(181.62)
<b>IV Expenses recognized in the statement of Profit and Loss for the year ended 31st March 2008</b>			
1 Current Service cost	14.67	4.61	N.A.
2 Interest Cost	4.17	3.94	10.56
3 Expected return on plan assets	(4.80)	(4.52)	N.A.
4 Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment)	11.18	5.08	53.58
5 Expenses recognised in statement of Profit and Loss	25.22	9.11	64.14
<b>V The major categories of plan assets as a percentage of total plan</b>			
1 Government of India Securities	N.A.	32%	N.A.
2 Corporate Bonds	N.A.	6%	N.A.
3 Special Deposit Scheme	N.A.	43%	N.A.
4 Equity Shares of Listed Companies	N.A.	0%	N.A.
5 Property	N.A.	0%	N.A.
6 Insurer Managed Funds	100%	N.A.	N.A.
7 Others	N.A.	19%	N.A.
Total	100%	100%	N.A.

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

**VI Method of valuation**

**VII Actuarial Assumptions**

- 1 Discount Rate
- 2 Expected rate of return on plan assets
- 3 Mortality Table
- 4 Retirement Age

GRATUITY (Fully funded)			Pension and Medical Benefits (non funded)
LIC administered Trust	Company Administered Trust		
<b>Projected Unit Credit Method</b>			
8.00%	8.15%		8.15%
9.15%	7.50%		N.A.
LIC (1994-96) Ultimate			N.A.
58 Years	60 Years		N.A.

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(b) Defined Benefit Plans - Provident Fund Contribution to Trust administered by the Company**

The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15, Employee benefits (revised 2005) states that provident fund set up by employers which requires interest short fall to be met by the employer, needs to be treated as defined benefit plan. The Company's provident fund contribution to the Company administered trust during the year is Rs.10.90 lakhs. The fund does not have any existing deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e.Government interest to be paid on provident fund scheme exceeds rate of interest earned on investment) and pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the same.

**(c)** Leave Encashment (Long term compensated absences) recognised as expense for the year is Rs. 40.02 lakhs.

**(d) Defined Contribution Plans**

Company's Contributions to defined Contribution Plans recognised as expense for the year as under:

	<b>2007-2008</b>
	<b>Rs. in lakhs</b>
1 Towards Superannuation Fund	14.36
2 Towards Government Administered Provident Fund / Family Pension Fund	104.74
3 Towards Employees State Insurance / Labour Welfare Fund	44.52

**22. RELATED PARTY TRANSACTIONS :**

Related parties are as certified by the management

**22.1 Parties where control exists**

- Trent Brands Limited - Subsidiary Company.  
(100% Equity Share Capital is held by Trent Limited as at 31st March 2008)
- Fiora Services Limited - Subsidiary Company.  
(25.67% Equity Share Capital is held by Trent Limited as at 31st March 2008)  
(64.20% Equity Share Capital is held by Trent Brands Limited as at 31st March 2008)
- Satnam Developers and Finance Private Limited - Subsidiary Company  
(100% Equity Share Capital is held by Trent Limited as at 31st March 2008)
- Nahar Theatres Private Limited - Subsidiary Company  
(100% Equity Share Capital is held by Trent Limited as at 31st March 2008)
- Fiora Link Road Properties Limited - Subsidiary Company  
(100% Equity Share Capital is held by Trent Limited as at 31st March 2008)
- Landmark Limited - Subsidiary Company  
(82% Equity Share Capital is held by Trent Limited as at 31st March 2008)
- Westland Limited - Subsidiary Company  
(96.64% Equity Share Capital is held by Landmark Limited as at 31st March 2008)

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

Regent Management Private Limited - Subsidiary Company  
(100% Equity Share Capital is held by Landmark Limited as at 31st March 2008)  
Landmark E-Tail Private Limited - Subsidiary Company  
(100% Equity Share Capital is held by Landmark Limited as at 31st March 2008)

**22.2 Other Related Parties with whom transactions have taken place during the year:**

**Associates:**

Tata Sons Ltd.  
(Holds more than 20% of the Share Capital of the Company)

Satnam Realtors Private Limited  
(50% Equity Share Capital is held by Satnam Developers and Finance Private Limited as at 31st March 2008)

**Joint Venture**

Trexia ADMC Private Limited  
(50% Equity Share Capital is held by Trent Limited as at 31st March 2008)

Virtuous Trustees Private Limited  
(49% Equity Share Capital is held by Trent Limited as at 31st March 2008)

**22.3 Directors of the Company**

Managing Director	Mr.N.N.Tata
Non Executive Directors	Mr. F.K. Kavarana
	Mr.N.A.Soonawala
	Mr.B.S.Bhesania
	Mr.A.D.Cooper
	Mr.K.N.Suntook
	Mr. Zubin Dubash (resigned w.e.f. 18th December 2007)

Details of remuneration to Directors is disclosed in Note 3 on Balance Sheet and Profit and Loss account.

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
<b>22.4 Sales to and Other recoveries from related parties</b>		
(a) Subsidiaries	<b>222.79</b>	120.67
(b) Associates	<b>0.50</b>	2.00
(c) Joint Venture	<b>44.94</b>	—
<b>22.5 Purchase/other services from related parties</b>		
(a) Subsidiaries	<b>932.64</b>	700.35
(b) Associates	<b>440.35</b>	308.57
<b>22.6 Sale of Fixed Assets to related parties</b>		
Subsidiaries	—	66.63
<b>22.7 Interest/Dividend received from related parties</b>		
(a) Subsidiaries	<b>541.15</b>	540.85
(b) Associates	<b>14.99</b>	42.11
<b>22.8 Interest/Dividend paid to related parties</b>		
(a) Subsidiaries	<b>11.20</b>	15.87
(b) Associates	<b>268.53</b>	206.32
(c) Directors	<b>2.19</b>	2.01

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
22.9 <b>Purchase of Equity Shares of</b> Subsidiaries	—	9,151.57
22.10 <b>Purchase of Preference Shares of</b> (a) Subsidiaries	—	1,602.50
(b) Associates	<b>200.00</b>	—
22.11 <b>Redemption of Preference Shares of</b> Associates	<b>200.00</b>	430.00
22.12 <b>Loan Given to</b> Subsidiaries	<b>3,075.00</b>	2,285.00
22.13 <b>Loan Repaid by</b> Subsidiaries	<b>838.00</b>	2,666.49
22.14 <b>Advance Given To</b> Subsidiaries	—	509.89
22.15 <b>Advance Re-paid by</b> Subsidiaries	—	509.89
22.16 <b>Advance Paid</b> Subsidiaries	<b>1,084.00</b>	—
22.17 <b>Advance Re-Paid</b> Subsidiaries	<b>1,084.00</b>	—
22.18 <b>Security deposit given during the year</b> Associates	<b>226.00</b>	212.00
22.19 <b>Security deposit receivable as on 31.3.2008</b> (a) Subsidiaries	<b>412.50</b>	412.50
(b) Associates	<b>468.00</b>	242.00
22.20 <b>Security deposit received during the year</b> Subsidiaries	<b>115.10</b>	—
22.21 <b>Security deposit payable as on 31.3.2008</b> Subsidiaries	<b>115.10</b>	—
22.22 <b>Guarantee given during the year</b> Subsidiary	—	1,000.00
22.23 <b>Guarantee given as on 31.3.2008</b> Subsidiary	<b>10,000.00</b>	11,000.00
22.24 <b>Loan outstanding as on 31.3.2008</b> Subsidiaries	<b>4,708.47</b>	2,471.47
22.25 <b>Outstanding balance as on 31.3.2008</b> <b>due to company</b> (a) Subsidiaries	<b>508.01</b>	107.78
(b) Associates	<b>0.01</b>	—
22.26 <b>Outstanding balance as on 31.3.2008</b> <b>payable by Company</b> (a) Subsidiaries	<b>140.49</b>	44.30
(b) Associates	<b>92.49</b>	83.27

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
22.27 <b>Issue of Equity Shares</b>		
(a) Associates	<b>6,709.03</b>	5,088.82
(b) Directors	<b>35.59</b>	—
22.28 <b>Warrant Application Money</b>		
(a) Associates	—	321.32

**23. Interests in Joint Venture:**

The Company's interest, as a venture, in jointly controlled entities are:

Name	Country of Incorporation	% of ownership interest as at 31st March 2008
Trexa ADMC Private Limited	India	50%
Virtuous Trustees Private Limited	India	49%

	For the year ended 31st March 2008 Rupees in lakhs
<b>I Income</b>	
1. Income From Operations	81.74
2. Other Income	5.91
<b>II Expenditure</b>	
1. Expenses	37.71
2. Depreciation	0.10
<b>III Assets:</b>	
1. Fixed Assets	1.17
2. Investments	172.50
3. Deferred tax Asset (Net)	0.57
4. Current Assets Loans and Advances	
- Cash and Bank balances	69.18
- Loans and Advances	4.91
- Miscellaneous Expenditure (to the extent not written off or adjusted)	0.33
<b>IV Liabilities:</b>	
Sundry Creditors	11.11

**24. EARNINGS PER SHARE (EPS) :**

	<b>2007-2008</b>	2006-2007
(a) Weighted Average Number of shares outstanding during the year.		
i) For Basic Earnings Per Share	<b>1,83,35,262</b>	1,56,89,265
ii) For Diluted Earnings Per Share		
No. of shares for Basic EPS as per a(i)	<b>1,83,35,262</b>	1,56,89,265
Add: Weighted average outstanding warrants/options deemed to be issued for no consideration	<b>32,266</b>	2,23,946
No. of shares for Diluted Earnings Per Share	<b>1,83,67,528</b>	1,59,13,211

**Notes on the Balance Sheet and Profit and Loss Account (Contd.)**

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
(b) Net Profit/(loss) after Tax available for Equity Share Holders (Rupees in lakhs)	<b>3,286.40</b>	3240.89
(c) Earnings Per Share (Rs.) Face value of Rs.10/-		
Basic	<b>17.92</b>	20.66*
Diluted	<b>17.89</b>	20.37*
* Restated on account of Rights issue		

- 25.** The Board of Directors has approved, subject to approval of the shareholders, to sell its Hypermarket business as a going concern to its wholly owned subsidiary with effect from opening of business on 1st July 2008 or such other date as may be decided or agreed by the Board for a consideration to be based on the book value of the business as at 30th June 2008 or such other date as may be decided or agreed by the Board. The approval of the shareholders of the Company is being obtained by way of Postal Ballot.
- 26.** Previous year's figures have been regrouped wherever necessary.
- 27.** Balance Sheet Abstract and Company's General Business Profile as required in terms of Part IV of Schedule VI of the Companies Act, 1956 is attached herewith.

Signatures to Schedules '1' to '4' and 'A' to 'L' and Notes.

As per our report attached.

**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner  
Mumbai, 30th June 2008

**Mrs.H.R.WADIA**  
Company Secretary

For and on behalf of the Board,

**F.K. KAVARANA** Chairman

**N.A.SOONAWALA**  
**B.S.BHESANIA**  
**A.D.COOPER**  
**K.N.SUNTOOK** } Directors

**N.N.TATA** Managing Director

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details:

CIN No.	:	L24240MH1952PLC008951
State Code	:	11
Balance Sheet Date	:	31.3.2008

### II. Capital raised during the year (Amount in Rupees Thousands):

Public Issue	:	Nil
Rights Issue	:	1574132
Bonus Issue	:	Nil
Private Placement	:	435424

### III. Position of mobilisation and deployment of funds (Amount in Rupees Thousands):

Total Liabilities	:	6767728
Total Assets	:	6767728

#### Sources of Funds:

Paid-up Capital	:	195329
Warrant Application Money	:	
Reserves and Surplus	:	5863047
Secured Loans	:	655024
Unsecured Loans	:	1039

#### Application of Funds:

Net Fixed Assets	:	1252852
Investments	:	4693375
Net Current Assets	:	821501
Net Deferred Tax	:	(-53289)
Miscellaneous Expenditure	:	—
Accumulated Losses	:	Nil

### IV. Performance of Company (Amount in Rupees Thousands):

Turnover*	:	5464294
Total Expenditure	:	5091056
Profit before Tax	:	373238
Profit after Tax	:	325798
Earnings per share (in Rupees)	:	
Basic	:	17.92
Diluted	:	17.89
Dividend Rate (%)	:	70

### V. Generic Names of three principal products/ services of the Company:

Item Code No. (ITC CODE)	Product Description
1. 62 07	: Menswear
2. 62 08	: Ladieswear
3. 62 09	: Childrenswear

\*Represents Income from Operations and other income

**Cash Flow for the year ended 31st March, 2008**

	Rupees in lakhs	1.4.2007 to 31.3.2008 Rupees in lakhs	1.4.2006 to 31.3.2007 Rupees in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Taxes and Exceptional Items		<b>3,732.38</b>	4,098.79
Adjustments for :			
Depreciation	<b>885.36</b>		790.93
Interest (Net)	<b>(139.42)</b>		(143.55)
Employee Stock Option	<b>94.24</b>		153.87
(Profit)/Loss on Fixed Assets sold/discarded (Net)	<b>7.53</b>		55.29
(Profit)/Loss on sale of Investments	<b>(865.80)</b>		(610.04)
Excess of Cost over Fair Value of Investments	<b>2.38</b>		5.86
Dividend from Investments	<b>(1,928.02)</b>		(958.11)
Excess provision no longer required written back	<b>(0.50)</b>		(0.50)
		<b>(1,944.23)</b>	(706.25)
Operating Profit Before Working Capital Changes		<b>1,788.15</b>	3,392.54
Adjustments for :			
(Increase)/Decrease in Inventories	<b>(608.99)</b>		(1,916.85)
(Increase)/Decrease in Trade & Other Receivables	<b>(1,427.17)</b>		(1,096.82)
Increase/(Decrease) in Trade & Other Payables	<b>3,030.92</b>		(391.00)
		<b>994.76</b>	(3,404.67)
Cash generated from operations		<b>2,782.91</b>	(12.13)
Direct Taxes Paid		<b>(552.05)</b>	(982.66)
Net Cash from Operating Activities		<b>2,230.86</b>	(994.79)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	<b>(5,033.24)</b>		(2,584.75)
Sale of Fixed Assets	<b>4.04</b>		65.40
Purchase of Investments	<b>(1,07,164.19)</b>		(47,542.02)
Sale of Investments	<b>91,915.43</b>		40,621.24
Loans given	<b>(4,159.00)</b>		(885.00)
Repayment of Loans given	<b>1,922.00</b>		1,453.99
Interest received	<b>219.54</b>		273.24
Dividend from Investments	<b>1,489.31</b>		956.79
Net cash used in Investing Activities		<b>(20,806.11)</b>	(7,641.11)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of securities (Net of issue expenses)	<b>19,477.80</b>		10,358.75
Unclaimed Securities application money	<b>8.95</b>		(0.21)
Repayment of Long Term & Other borrowings	<b>(6.51)</b>		(5.54)
Interest Paid	<b>(131.50)</b>		(141.23)
Dividend Paid	<b>(1,288.79)</b>		(1,068.24)
Net cash from Financing Activities		<b>18,059.95</b>	9,143.53
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(515.30)</b>	507.63
CASH AND CASH EQUIVALENTS AS AT 1.4.2007		<b>1,850.40</b>	1,342.77
<b>CASH AND CASH EQUIVALENTS AS AT 31.3.2008</b>		<b>1,335.10</b>	1,850.40

- Notes: i) All figures in brackets are outflows.  
ii) Of the above cash and cash equivalent balance the amount of Rs.79.52 lakhs (2006-07: Rs.75.08 lakhs) is not available for use by the Company as it is under dispute.  
iii) Previous year's figures have been regrouped wherever necessary.

As per our report attached.

**For N. M. RAJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner  
Mumbai, 30th June 2008

**Mrs.H.R.WADIA**  
Company Secretary

For and on behalf of the Board,

**F.K. KAVARANA** Chairman

**N.A.SOONAWALA**  
**B.S.BHESANIA**  
**A.D.COOPER**  
**K.N.SUNTOOK** } Directors

**N.N.TATA** Managing Director

**PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES BELOW :**

Trent Brands Limited	Flora Services Limited	Satnam Developers and Finance Private Limited	Nahar Theatres Private Limited	Flora Link Road Properties Limited	Landmark Limited	Westland Limited	Regent Management Private Limited	Landmark E-Tail Private Limited
31st March 2008	31st March 2008	31st March 2008	31st March 2008	31st March 2008	31st March 2008	31st March 2008	31st March 2008	31st March 2008
32,50,000 100 %	39,000 89.88%	50,000 100 %	1,996 100 %	50,000 100 %	4,100,000 82%	2,739,805* 96.64%	1000* 100%	1000* 100%
224.81	Nil	Nil	Nil	Nil	180.03	Nil	Nil	Nil
26.00	1.08	50.08	5.36	(0.19)	0.92	19.40	(0.10)	(0.85)
35.19	Nil	Nil	Nil	Nil	0.00	Nil	Nil	Nil
1032.10	422.00	20.36	286.05	(0.26)	99.06	Nil	9.00	—
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

- The financial period of the Subsidiary Company ended on
- Fully paid Shares of the Subsidiary Company held by the Company on the above date :  
(a) Number of Equity Shares  
(b) Extent of holding
- The net aggregate of profit of the Subsidiary Company's financial year, so far as they concern the members of the Company were :-  
(a) Dealt with in the accounts of the company for the year ended 31st March 2008 (Rs. in lakhs)  
(b) Not dealt with in the accounts of the company for the year ended 31st March 2008 (Rs. in lakhs)
- The net aggregate of profits of the Subsidiary Company for the previous financial years, so far they concern the members of the company were :-  
(a) Dealt with in the accounts of the Company for the year ended 31st March 2008 (Rs. in lakhs)  
(b) Not dealt with in the accounts of the Company for the year ended 31st March 2008 (Rs. in lakhs)
- Changes in the interest of the Company between the end of the Subsidiary's financial year and 31st March 2008 :-  
Number of Shares acquired
- Material changes between the end of the Subsidiary's financial year and 31st March 2008 (Rs. in lakhs)  
(i) Fixed Assets (net additions)  
(ii) Investments made  
(iii) Investments sold  
(iv) Moneys lent by the Subsidiary Company  
(v) Moneys borrowed by the Subsidiary Company other than for meeting current liabilities

\* All shares are held by Landmark Limited

For and on behalf of the Board,

**F. K. KAVARANA**

Chairman

**N. A. SOONAWALA  
B. S. BHESANIA  
A. D. COOPER  
K. N. SUNTOOK**

Directors

**Mrs. H.R.WADIA**  
Company Secretary

Mumbai, 30<sup>th</sup> June 2008

**N. N. TATA**

Managing Director

**Auditors' Report on the Consolidated Financial Statements to the Board of Directors of Trent Limited**

1. We have audited the attached Consolidated Balance Sheet of **TRENT LIMITED** ("the Company") and its subsidiaries, collectively referred to as "the Group", as at 31<sup>st</sup> March 2008, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiary Landmark Limited and its subsidiaries namely Westland Limited, Landmark E-Tail Private Limited and Regent Management Private Limited. The consolidated financial statements of Landmark Limited and its subsidiaries reflect total net assets of Rs. 5880.17 lakhs as at 31<sup>st</sup> March 2008 and total revenue of Rs. 20403.93 lakhs and the net cash inflow amounting to Rs. 93.61 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other information of the subsidiaries have been audited by other firms of Chartered Accountants, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on their audit reports
4. We did not audit the financial statements of the joint ventures Trexa Admc Private Limited, whose financial statements reflect total net assets of Rs. 474.12 lakhs as at 31<sup>st</sup> March 2008 and total revenue of Rs. 175.30 lakhs and the net cash inflow amounting to Rs.137.38 lakhs for the period ended on that date, as considered in the consolidated financial statements. These financial statements and other information of the joint venture have been audited by other firm of Chartered Accountants, and our opinion, in so far as it relates to the amounts included in respect of the joint ventures are based solely on their audit reports.
5. We have relied on the Unaudited financial statements of the joint venture Virtuous Trustees Private Limited, whose financial statements reflect net assets of Rs. 0.33 lakhs as at 31<sup>st</sup> March 2008 and total revenue of Rs. Nil lakhs and the net cash inflow amounting to Rs.1.00 lakhs for the period ended on that date, as considered in the consolidated financial statements.
6. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 - Financial Reporting of Interest in Joint Ventures issued by The Institute of Chartered Accountants of India and on the basis of the separate audited / certified financial statements of the Company and its subsidiaries included in the Consolidated Financial Statements.
7. Based on the audit and on consideration of the reports of the other auditors on the separate financial statements and on the other financial information of the components and the accounts as explained in paragraph 5 above; in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements read together with Notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March 2008;
  - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **N. M. RAIJI & CO.,**  
Chartered Accountants  
**Y. N. THAKKAR**  
Partner  
Membership No. 33329

Mumbai, 30<sup>th</sup> June 2008

## Consolidated Balance Sheet as at 31<sup>st</sup> March 2008

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	As at 31.03.2007 Rupees in lakhs
<b>SOURCES OF FUNDS :</b>					
1. SHAREHOLDERS' FUNDS :					
(a) Capital	A	62	1,953.29		1,576.07
(b) Warrant Application Money (Refer Note 3, Schedule 'A', Page 62)			-		501.27
(c) Reserves and Surplus	B	63	60,397.43		38,939.62
				62,350.72	41,016.96
				261.31	336.06
2. MINORITY INTEREST					
3. LOAN FUNDS :	C	64			
(a) Secured Loans			9,728.47		8,683.75
(b) UnSecured Loans			13,497.83		13,097.46
				23,226.30	21,781.21
4. Deferred Tax Liability (Net) (Refer Note 5, Page 71)				584.22	538.30
5. TOTAL FUNDS EMPLOYED				86,422.55	63,672.53
<b>APPLICATION OF FUNDS :</b>					
6. FIXED ASSETS :	D	65			
(a) Gross Block			33,431.65		27,841.51
(b) Less : Depreciation			4,873.37		3,742.85
(c) Net Block			28,558.28		24,098.66
(d) Capital Work-in-Progress			2,372.28		1,321.93
				30,930.56	25,420.59
7. INVESTMENTS	E	66		38,070.60	21,871.45
8. CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	F	66	15,102.76		13,241.93
(b) Sundry Debtors	G	66	1,217.07		1,020.57
(c) Cash and Bank Balances	H	67	1,885.76		2,332.43
(d) Loans and Advances	I	67	21,557.64		17,302.33
			39,763.23		33,897.26
9. Less: CURRENT LIABILITIES AND PROVISIONS :					
(a) Liabilities	J	68	18,766.17		14,334.65
(b) Provisions	K	68	3,576.07		3,182.19
			22,342.24		17,516.84
10. NET CURRENT ASSETS				17,420.99	16,380.42
11. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	L	69		0.40	0.07
12. TOTAL ASSETS (NET)				86,422.55	63,672.53

(For Schedule 'M' and notes see Pages 69 to 75)

As per our report attached.

**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner

Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R. WADIA**  
Company Secretary

For and on behalf of the Board,

**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

**Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2008**

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
<b>INCOME :</b>					
1. INCOME FROM OPERATIONS	2	61	<b>71,621.00</b>		60,936.47
2. OTHER INCOME	3	61	<b>3,896.64</b>		2,250.41
3. TOTAL INCOME				<b>75,517.64</b>	63,186.88
<b>EXPENDITURE :</b>					
4. OPERATING AND OTHER EXPENSES	1	60	<b>69,087.64</b>		56,763.97
5. DEPRECIATION			<b>1,251.29</b>		1,070.59
			<b>70,338.93</b>		57,834.56
6. INTEREST					
(a) DEBENTURES			<b>131.00</b>		131.00
(b) OTHERS			<b>920.15</b>		584.43
			<b>1,051.15</b>		715.43
7. TOTAL EXPENDITURE				<b>71,390.08</b>	58,549.99
				<b>4,127.56</b>	4,636.89
<b>PROFIT BEFORE TAXES</b>					
8. PROVISION FOR TAXATION					
CURRENT TAX			<b>603.88</b>		1,227.98
FRINGE BENEFIT TAX			<b>103.23</b>		90.38
DEFERRED TAX			<b>45.92</b>		(1.74)
				<b>753.03</b>	1,316.62
<b>PROFIT FOR THE YEAR AFTER TAXES</b>					
9. EXCESS TAX PROVISION FOR PRIOR YEARS (NET)				<b>3,374.53</b>	3,320.27
10. WRITE BACK OF EXCESS DEPRECIATION (Refer Note 1.2 (a) of Schedule 'M' Page 69)				<b>28.79</b>	82.94
				<b>-</b>	125.43
<b>NET PROFIT BEFORE MINORITY INTEREST</b>					
				<b>3,403.32</b>	3,528.64
11. LESS : MINORITY SHARE OF PROFIT				<b>34.55</b>	110.65
12. LESS: PRE ACQUISITION PROFIT				<b>5.02</b>	24.03
<b>NET PROFIT AFTER MINORITY INTEREST</b>					
				<b>3,363.75</b>	3,393.96
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				<b>2,594.82</b>	2,388.13
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>					
				<b>5,958.57</b>	5,782.09
<b>13. APPROPRIATIONS :</b>					
(i) GENERAL RESERVE				<b>330.00</b>	325.00
(ii) DEBENTURE REDEMPTION RESERVE				<b>500.00</b>	1,500.00
(iii) INTERIM DIVIDEND				<b>-</b>	1,103.25
(iv) PROPOSED DIVIDEND				<b>1,367.30</b>	-
(v) TAX ON DIVIDEND				<b>232.70</b>	259.02
(vi) BALANCE CARRIED TO BALANCE SHEET				<b>3,528.57</b>	2,594.82
				<b>5,958.57</b>	5,782.09
<b>14. Earnings Per Share (Rs.) (Note 13, Page 75)</b>					
Basic				<b>18.35</b>	21.63
Diluted				<b>18.31</b>	21.33

As per our report attached.

**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner  
Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R. WADIA**  
Company Secretary

For and on behalf of the Board,  
**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

## Schedule forming part of the Consolidated Profit and Loss Account

### Schedule '1' (Item No. 4, Page 59) OPERATING AND OTHER EXPENSES

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) RAW MATERIALS CONSUMED		<b>239.86</b>	216.55
(2) PURCHASE OF FINISHED PRODUCTS		<b>42,190.57</b>	38,940.62
(3) PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
(a) Salaries, Wages, Bonus, etc. (Refer Note 'a' of schedule 'B', Page 63)	<b>4,898.15</b>		3,603.36
(b) Contribution to Provident, Superannuation and Gratuity Funds	<b>305.12</b>		220.53
(c) Workmen and Staff Welfare Expenses	<b>356.71</b>		211.13
		<b>5,559.98</b>	4,035.02
(4) OTHER EXPENSES			
(a) Processing Charges	<b>174.61</b>		179.24
(b) Packing Materials Consumed	<b>491.38</b>		457.83
(c) Power and Fuel	<b>2,192.49</b>		1,599.07
(d) Repairs to Building	<b>1,302.41</b>		928.45
(e) Repairs to Machinery	<b>213.52</b>		158.49
(f) Repairs Others	<b>290.51</b>		204.74
(g) Rent	<b>2,495.62</b>		1,556.19
(h) Rates and Taxes	<b>532.85</b>		483.13
(i) Insurance	<b>89.40</b>		105.31
(j) Advertisement and Sales Promotion	<b>4,452.54</b>		4,037.20
(k) Travelling Expenses	<b>532.20</b>		434.57
(l) Professional and Legal Charges	<b>622.14</b>		467.29
(m) Printing and Stationery	<b>154.88</b>		162.45
(n) Bank Charges	<b>443.82</b>		373.76
(o) Postage, Telegrams and Telephones	<b>367.65</b>		296.00
(p) General Expenses (Note 6 (i), Page 71)	<b>1,657.18</b>		1,208.97
(q) Retail Business Fees	<b>3,062.43</b>		2,485.94
(r) Sales tax paid	<b>3,301.96</b>		2,612.43
(s) Directors' Fees	<b>7.20</b>		6.18
(t) Commission to non whole-time Directors	<b>30.60</b>		35.00
(u) Excess of cost over fair value of Current Investments	<b>2.39</b>		5.86
(v) Loss on Sale of Fixed Assets Sold/Discarded (Net)	<b>7.61</b>		60.32
		<b>22,425.39</b>	17,858.42
(5) FREIGHT AND FORWARDING CHARGES		<b>461.80</b>	399.69
(6) CHANGES IN FINISHED PRODUCTS Accretion to stocks deducted		<b>1,827.67</b>	4,686.33
		<b>69,049.93</b>	56,763.97
(7) Share of Joint Ventures - [Note 12 (b), Page 74]		<b>37.71</b>	-
		<b>69,087.64</b>	56,763.97

## Schedules forming part of the Consolidated Profit and Loss Account

### Schedule '2' (Item No. 1, Page 59)

#### INCOME FROM OPERATIONS

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Sales		<b>69,976.82</b>	60,064.71
(2) OTHER OPERATING INCOME			
(a) Display and Sponsorship Income	<b>448.83</b>		149.46
(b) Commission on sales	<b>495.06</b>		358.94
(c) Discounts and Fees	<b>222.06</b>		170.72
(d) Others	<b>396.49</b>		192.64
		<b>1,562.44</b>	871.76
		<b>71,539.26</b>	60,936.47
(3) Share of Joint Ventures -[Note 12(b), Page 74]		<b>81.74</b>	-
		<b>71,621.00</b>	60,936.47

### Schedule '3' (Item No.2, Page 59)

#### OTHER INCOME

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Rent received		<b>11.36</b>	24.96
(2) Miscellaneous Income		<b>154.71</b>	182.02
(3) Interest on Loans and Advances-Gross [Tax deducted at source:23.69 lakhs (2006-2007 : Rs. 28.36 lakhs)]		<b>860.32</b>	560.99
(4) Interest on Deposits with Banks - Gross [Tax deducted at source: 8.04 lakhs (2006-2007 : Rs. 19.71 lakhs)]		<b>39.67</b>	94.06
(5) Income from Current Investments - Non trade			
(a) Dividend on Current Investments	<b>1,135.94</b>		288.82
(b) Profit on sale of Current Investments (Net)	<b>191.26</b>		101.81
		<b>1,327.20</b>	390.63
(6) Interest on Long Term Investments -Gross		<b>2.98</b>	2.98
(7) Dividend on Long Term Investments -Gross			
(a) Trade	<b>2.00</b>		2.00
(b) Others - Gross	<b>473.29</b>		372.37
		<b>475.29</b>	374.37
(8) Profit on Sale of Long Term Investments (Net)		<b>993.61</b>	590.07
(9) Excess provision no longer required written back		<b>25.59</b>	30.33
		<b>3,890.73</b>	2,250.41
(10) Share of Joint Ventures - [Note 12(b), Page 74]		<b>5.91</b>	-
		<b>3,896.64</b>	2,250.41

## Schedule forming part of the Consolidated Balance Sheet

### Schedule 'A'(Item No. 1(a), Page 58)

#### CAPITAL

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
AUTHORISED :			
2,00,00,000 Equity Shares of Rs.10/- each	<b>2,000.00</b>		2,000.00
(2006-2007 : 2,00,00,000 Equity Shares of Rs.10/- each)			
50,00,000 Unclassified Shares of Rs.10/- each	<b>500.00</b>		500.00
(2006-2007 : 50,00,000 Unclassified Shares of Rs.10/- each)			
		<b>2,500.00</b>	2500.00
ISSUED, SUBSCRIBED AND PAID UP :			
1,95,32,896 Equity Shares of Rs. 10/- each fully paid-up		<b>1,953.29</b>	1,576.07
[2006-2007 : 1,57,60,737 Equity Shares of Rs. 10/- each fully paid-up]			
		<b>1,953.29</b>	1,576.07

#### Notes :

1. Of the above -
  - (a) 1,08,81,021 Equity Shares were allotted as fully paid Bonus Shares by capitalisation of Share Premium and Reserves.
  - (b) 1,12,616 Equity Shares were allotted as fully paid pursuant to Schemes of Amalgamation without payment being received in cash.
2. During the current year, the Company has issued 31,48,264 Equity Shares of Rs.10/-each @ Rs.500/- per share to the Equity Shareholders on Rights basis in the ratio of 1:5.
3. During the year 2006-2007, the Company had issued 5,85,000 Equity shares of Rs.10/- each @ Rs.856.86 per share and 5,85,000 warrants on preferential basis to Tata Sons Ltd. and Tata Investment Corporation Ltd., Promoters of the Company. Each of these Warrants entitled them to apply for one Equity Share of Rs.10/- each at a premium to be determined in accordance with the SEBI (DIP) Guidelines, which would be exercisable after 1st June 2007 but not later than 31st March 2008. The Company had received Rs.501.26 lakhs towards warrant application money during 2006-2007. During the current year, the Company has issued 5,85,000 Equity Shares of Rs 10/- each @Rs. 743.65 per share against these warrants.
4. During the year 2005-2006 , the Company had issued 13,10,047 warrants to the shareholders along with partly Convertible Debentures of which 5,62,121 warrants are outstanding as on 31st March 2008. Each Warrant holder is entitled to apply for one Equity Share of Rs.10/- each at a premium of Rs. 640/- each within 30 days after the expiry of 54 months from 7th July 2005 being the date of allotment.
5. During the year 2005-2006, the Company had granted 45,850 Stock Options under the Employee Stock Options Scheme. During the current year, additional 2,745 Options were granted on account of Rights Issue of the Company as per SEBI guidelines. During the current year, 38,895 Equity Shares of Rs. 10/-each were issued at par pursuant to the Stock Options exercised. During the year, 9,700 Employee Stock options lapsed. No employee Stock options are outstanding as on 31st March 2008.

## Schedule forming part of the Consolidated Balance Sheet

**Schedule 'B' (Item No. 1(c), Page 58)**  
**RESERVES AND SURPLUS**

	<b>Rupees in lakhs</b>	<b>As at 31.3.2008 Rupees in lakhs</b>	<b>As at 31.3.2007 Rupees in lakhs</b>
<b>(1) SECURITIES PREMIUM ACCOUNTT</b>			
(a) Balance as per last account	<b>13,406.61</b>		3,682.41
(b) Add: Premium on issue of Equity Shares on Rights basis (Refer schedule 'A' Note 2)	<b>15,426.49</b>		-
(c) Add: Premium on issue of Equity Shares on preferential basis (Refer schedule 'A' Note 3)	-		4,954.13
(d) Add: Premium on issue of Equity Shares on Conversion of Warrants on Preferential basis (Refer schedule 'A' Note 3)	<b>4,291.85</b>		4,786.73
(e) Add: Transfer from Employee Stock Options on issue of Equity Shares (Refer Note 'a', and schedule 'A' Note 5)	<b>312.86</b>		-
(f) Less: Write off of securities / warrant issue expenses (Refer Note 'b')	<b>116.49</b>		16.66
	<hr/>	<b>33,321.32</b>	<hr/> 13,406.61
<b>(2) DEBENTURE REDEMPTION RESERVE</b>			
(a) Balance as per last account	<b>2,800.00</b>		1,300.00
(b) Add : Transferred from Profit and Loss Account	<b>500.00</b>		1,500.00
	<hr/>	<b>3,300.00</b>	<hr/> 2,800.00
<b>(3) EMPLOYEE STOCK OPTIONS</b>			
(a) Employee Stock Options Outstanding			
Balance as per last account	<b>327.93</b>		388.50
Additions	-		-
Lapsed	<b>15.07</b>		60.57
Transferred to Security Premium Account on issue of Equity Shares	<b>312.86</b>		-
Outstanding	<hr/> -		<hr/> 327.93
(b) Less: Deferred Employee Compensation			
Balance as per last account	<b>109.31</b>		323.75
Additions	-		-
Amortised/Lapsed	<b>109.31</b>		214.44
Balance	<hr/> -		<hr/> 109.31
Net Employee Stock Options		-	<hr/> 218.62
<b>(4) GENERAL RESERVE</b>			
(a) Balance as per last account	<b>17,974.47</b>		17,827.49
(b) Add :Transferred from Profit and Loss Account	<b>330.00</b>		325.00
(c) Less : Adjustment for employee benefits provision	-		178.02
	<hr/>	<b>18,304.47</b>	<hr/> 17,974.47
<b>(5) AMALGAMATION RESERVE</b>			
Arising out of Amalgamation		<b>1,492.95</b>	1,492.95
<b>(6) CAPITAL RESERVE ON ACQUISITION OF SUBSIDIARY</b>		<b>450.12</b>	452.15
<b>(7) PROFIT AND LOSS ACCOUNT</b>		<b>3,528.57</b>	2,594.82
		<hr/> <b>60,397.43</b> <hr/>	<hr/> 38,939.62 <hr/>

**Notes :-**

- (a) In respect of Options granted under the Company's Employee Stock Options Scheme 2005 (ESOPS), in accordance with guidelines issued by SEBI, the accounting value of options is accounted as Deferred Employee Compensation, which is amortised on a straight line basis over the vesting period. Consequently salaries, wages, bonus etc. includes Rs. 94.24 lakhs (2006-2007: Rs.153.87 lakhs), being the amortisation of deferred employee compensation after adjusting for reversals on account of options lapsed. During the year on exercise of the options the balance in the Employee Stock Options account has been transferred to Securities Premium Account in accordance with SEBI Guidelines.
- (b) The expenditure incurred on issue of securities and warrants has been debited to Securities Premium Account.

## Schedule forming part of the Consolidated Balance Sheet

### Schedule 'C' (Item No. 3, Page 58)

#### LOAN FUNDS

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
(1) SECURED LOANS :		
a) Non Convertible Debentures	<b>6,550.24</b>	6,550.24
b) From Banks		
Term Loan	<b>2,362.34</b>	1,134.21
Cash Credit	<b>814.05</b>	994.68
c) From Others		
Loan under Hire Purchase Scheme	<b>1.84</b>	4.62
	<b>9,728.47</b>	8,683.75
(2) UNSECURED LOANS :		
a) Sales Tax loan from Government of Maharashtra	<b>10.39</b>	16.80
b) Others	<b>10,058.67</b>	9,974.66
	<b>10,069.06</b>	9,991.46
(3) Share of Joint Ventures - [Note 12(b), Page 74]	<b>3,428.77</b>	3,106.00
	<b>13,497.83</b>	13,097.46
	<b>23,226.30</b>	21,781.21

#### Note:-

- (a) During the year 2005-2006, the Company issued 13,10,047 partly Convertible Debentures of Rs. 900/- each. Of the above Convertible Debenture of the face value of Rs. 400/- has been converted into one Equity Share of Rs. 10/- each at a premium of Rs. 390/- per share on the date of allotment. The Non Convertible Debenture of face value of Rs. 500/- are redeemable at a premium of Rs. 98/- each on 7th July 2010.
- (b) The Non Convertible Debentures are secured by way of charge on assets of the Company costing at least 1.33 times of the value of the Debentures in favour of the Debenture Trustees.
- (c) Term Loans from Banks are secured by first exclusive charge on the current assets and equitable mortgage on the immovable property of Landmark Limited (Subsidiary).
- (d) Cash credit from Banks is secured by first exclusive charge on the current assets of and equitable mortgage on the immovable property of Landmark Limited (Subsidiary).
- (e) Loan under Hire Purchase scheme is secured by way of hypothecation of assets of Landmark Limited (Subsidiary) acquired under the scheme.
- (f) Premium payable on redemption of Debentures amounting to Rs. 1,283.85 lakhs has been fully provided and debited to Securities Premium Account during the year 2005-2006.
- (g) Of the above unsecured loans, amount repayable within a year Rs. 10,423.69 lakhs (2006-2007 : Rs. 10,168.90 lakhs)

## Schedule forming part of the Consolidated Balance Sheet

### Schedule 'D' (Item No.6, Page 58)

#### FIXED ASSETS

ASSETS	GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
	As at 1.4.2007	Additions/ Adjustments	Deductions/ Adjustments	Adjustments Consolidation*	As at 31.3.2008	As at 1.4.2007	Adjustments Consolidation*	Deductions Adjustments	For the year	As at 31.3.2008	As at 31.3.2008	
	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	
Goodwill	6.00 (6.00)	- (-)	- (-)	- (-)	6.00 (6.00)	6.00 (-)	- (-)	- (-)	- (6.00)	6.00 (6.00)	- (-)	
Goodwill on Consolidation	12,457.71 (12,386.67)	1,016.19 (71.04)	- (-)	25.06 (-)	13,448.84 (12,457.71)	- (-)	- (-)	- (-)	- (-)	- (-)	13,448.84 (12,457.71)	
Freehold Land	527.73 (427.92)	- (99.81)	- (-)	- (-)	527.73 (527.73)	- (-)	- (-)	- (-)	- (-)	- (-)	527.73 (527.73)	
Leasehold Land	8.13 (8.13)	- (-)	- (-)	- (-)	8.13 (8.13)	4.23 (-)	- (-)	- (-)	0.08 (4.23)	4.31 (4.23)	3.82 (3.90)	
Buildings	5,246.75 (4,852.62)	677.65 (425.11)	1.20 (30.98)	11.57 (-)	5,911.63 (5,246.75)	843.17 (840.17)	11.57 (-)	0.08 (162.49)	195.65 (165.49)	1,027.17 (843.17)	4,884.46 (4,403.58)	
Plant and Machinery	3,428.77 (2,807.72)	1,705.52 (713.38)	1.44 (92.33)	0.28 (-)	5,132.57 (3,428.77)	913.46 (702.99)	0.28 (-)	0.17 (74.99)	271.27 (285.46)	1,184.28 (913.46)	3,948.29 (2,515.31)	
Furniture, Fixtures, Office and Other Equipment	6,008.30 (4,441.92)	2,276.56 (1,622.49)	7.95 (56.11)	88.17 (-)	8,188.74 (6,008.30)	1,933.01 (1,344.30)	88.17 (-)	5.04 1.63	745.54 (587.08)	2,585.35 (1,933.01)	5,603.39 (4,075.29)	
Vehicles	135.08 (134.41)	20.20 (33.01)	16.01 (32.34)	8.87 (-)	130.40 (135.08)	33.61 (17.65)	8.87 (-)	6.59 (1.32)	15.38 (17.28)	33.52 (33.61)	96.88 (101.47)	
Intangible Assets	23.04 (22.22)	53.31 (0.82)	- (-)	- (-)	76.35 (23.04)	9.37 (4.32)	- (-)	- (-)	23.27 (5.05)	32.64 (9.37)	43.71 (13.67)	
<b>Total</b>	<b>27,841.51</b> (25,087.61)	<b>5,749.43</b> (2,965.66)	<b>26.60</b> (211.76)	<b>133.95</b> (-)	<b>33,430.39</b> (27,841.51)	<b>3,742.85</b> (2,909.43)	<b>108.89</b> (-)	<b>11.88</b> (237.17)	<b>1,251.19</b> (1,070.59)	<b>4,873.27</b> (3,742.85)	<b>28,557.12</b> (24,098.66)	
Share of Joint Ventures - (Note 12(b), Page 74)	-	1.26	-	-	1.26	-	-	-	0.10	0.10	1.16	
	<b>27,841.51</b> (25,087.61)	<b>5,750.69</b> (2,965.66)	<b>26.60</b> (211.76)	<b>133.95</b> (-)	<b>33,431.65</b> (27,841.51)	<b>3,742.85</b> (2,909.43)	<b>108.89</b> (-)	<b>11.88</b> (237.17)	<b>1,251.29</b> (1,070.59)	<b>4,873.37</b> (3,742.85)	<b>28,558.28</b> (24,098.66)	
Capital Work-in-Progress											2,372.28 (1,321.93)	
<b>Total</b>											<b>30,930.56</b> (25,420.59)	

#### Notes :

- (1) Figures in brackets are in respect of previous year.
- (2) Included in Buildings is an amount of Rs. 1,050 (2006-2007: Rs.1,050) representing value of Shares in Co-operative Housing Societies/ Condominium .
- (3) Landmark Limited was incorporated as Limited Company on 31.3.2006 under Chapter IX of the Companies Act, 1956. Accordingly, the Assets and Liabilities of the erstwhile Partnership firm Landmark were taken over at book value by the Company.
- (4) \* Represents accumulated depreciation of erstwhile amalgamating companies as the amalgamated Company (Westland Limited) has carried forward the net book value of the amalgamating Companies.

## Schedules forming part of the Consolidated Balance Sheet

### Schedule 'E'(Item No.7, Page 58)

#### INVESTMENTS

	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Investments	33,874.18	18,630.83
(2) Share of Joint Ventures - [Note 12(b), Page 74]	4,196.42	3,240.62
	<u>38,070.60</u>	<u>21,871.45</u>

### Schedule 'F'(Item No.8(a), Page 58)

#### INVENTORIES

	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
<b>Stocks</b>		
(1) Raw Materials	64.57	78.89
(2) Packing Materials	55.59	38.79
(3) Finished Products	14,951.64	13,123.97
(4) Stocks-in-Transit	30.96	0.28
	<u>15,102.76</u>	<u>13,241.93</u>

### Schedule 'G'(Item No.8 (b), Page 58)

#### SUNDRY DEBTORS

	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Debts outstanding for a period exceeding six months	250.71	138.73
(2) Other Debts	992.19	904.51
	<u>1,242.90</u>	<u>1,043.24</u>
(3) Less : Provision for Doubtful Debts	25.83	22.67
	<u>1,217.07</u>	<u>1,020.57</u>
Considered Good - Unsecured	1,217.07	1,020.57
Considered Doubtful - Unsecured	25.83	22.67
	<u>1,242.90</u>	<u>1,043.24</u>

## Schedules forming part of the Consolidated Balance Sheet

### Schedule 'H'(Item No.8(c), Page 58)

#### CASH AND BANK BALANCES

	As at 31.3.2008 Rupees in lakhs 276.90	As at 31.3.2007 Rupees in lakhs 342.35
(1) Cash on hand (including Cheques on hand Rs. Nil) (2006-2007: Rs. 3.76 lakhs)		
(2) Balances with Scheduled Banks		
(a) Current Accounts	1,260.16	1,510.46
(b) Fixed Deposit Accounts	204.88	406.44
(c) Unpaid Dividend/Interest Accounts	71.42	69.51
	<u>1,536.46</u>	<u>1,986.41</u>
(3) Share of Joint Ventures - [Note 12(b), Page 74]	1,813.36	2,328.76
	<u>72.40</u>	<u>3.67</u>
	<u>1,885.76</u>	<u>2,332.43</u>

### Schedule 'I'(Item No. 8(d), Page 58)

#### LOANS AND ADVANCES

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Security Deposits			
Deposits for Premises-Others	5,968.23		4,644.14
Other Deposits	124.99		180.30
		<u>6,093.22</u>	<u>4,824.44</u>
(2) Loans			
Other Loans		7,851.37	6,075.64
(3) Other Loans and Advances recoverable in cash or in kind or for value to be received		5,667.78	5,681.67
(4) Balances with Customs/Port Trust etc.		90.29	40.31
(5) Other Receivables		1,412.24	297.20
(6) Bills of Exchange		114.20	114.20
(7) Advances on Capital Account		486.02	431.85
		<u>21,715.12</u>	<u>17,465.31</u>
(8) Less : Provision for Doubtful Advances		176.80	164.29
		<u>21,538.32</u>	<u>17,301.02</u>
Considered Good - Secured		-	-
Considered Good - Unsecured		21,538.32	17,301.02
Considered Doubtful - Unsecured		176.80	164.29
		<u>21,715.12</u>	<u>17,465.31</u>
(9) Share of Joint Ventures - [Note 12(b), Page 74]		19.32	1.31
		<u>21,557.64</u>	<u>17,302.33</u>

## Schedules forming part of the Consolidated Balance Sheet

### Schedule 'J' (Item No. 9 (a), Page 58) LIABILITIES

	Rupees in lakhs	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Acceptances		<b>1,100.56</b>	593.41
(2) Sundry Creditors (Note 8, Page 71)		<b>16,467.79</b>	12,819.09
(3) Security Deposits Received		<b>106.52</b>	95.52
(4) Provision for Taxes -net of Advance Tax		<b>385.62</b>	616.02
(5) Investor Education and Protection Fund (Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due (Note 9, Page 71)			
(a) Unclaimed Dividend	<b>70.58</b>		69.13
(b) Unclaimed Matured Deposits	-		0.10
(c) Unclaimed application money received by the company for allotment of Rights Issue and due for refund	<b>10.80</b>		1.84
(d) Unclaimed Debenture Interest	<b>0.85</b>		0.37
		<b>82.23</b>	71.44
		<b>18,142.72</b>	14,195.48
(6) Share of Joint Ventures - [Note 12(b), Page 74]		<b>623.45</b>	139.17
		<b>18,766.17</b>	14,334.65

### Schedule 'K' (Item No.9 (b), Page 58) PROVISIONS

	As at 31.3.2008 Rupees in lakhs	As at 31.3.2007 Rupees in lakhs
(1) Interim Dividend	-	1,103.25
(2) Proposed Dividend	<b>1,367.30</b>	-
(3) Tax on Dividend	<b>238.54</b>	217.65
(4) Contingencies (Note 2(d), Page 70)	<b>205.00</b>	205.00
(5) Retirement Benefits	<b>481.39</b>	372.45
(6) Redemption Premium of Debentures	<b>1,283.84</b>	1,283.84
	<b>3,576.07</b>	3,182.19

## Schedule forming part of the Consolidated Balance Sheet

Schedule 'L' (Item No.11, Page 58)

### MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

	<b>As at 31.3.2008 Rupees in lakhs</b>	As at 31.3.2007 Rupees in lakhs
Share of Joint Ventures - [Note 12(b), Page 74]	<b>0.40</b>	0.07
	<b>0.40</b>	0.07

## Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account

### Schedule 'M'

#### CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

##### 1.0 Basis of preparation of accounts

- 1.1** The consolidated financial statement have been prepared in accordance with the Accounting Standard 21 (AS -21) "Consolidated Financial Statements" and Accounting Standard-27 (AS-27) "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India. The consolidated financial statements are prepared by consolidating the accounts of Trent Limited with its subsidiaries, Trent Brands Limited, Fiora Services Limited, Satnam Developers and Finance Private Limited, Nahar Theatres Private Limited, Fiora Link Road Properties Limited, Landmark Limited, Westland Limited (Subsidiary of Landmark Limited), Regent Management Private Limited (Subsidiary of Landmark Limited), Landmark E-Tail Private Limited (Subsidiary of Landmark Limited) and Joint Venture -Trexha ADMC Private Limited, Virtuous Trustees Private Limited and Satnam Realtors Private Limited, wherein Satnam Developers and Finance Private Limited (100% subsidiary) holds 50% interest.
- 1.2 (a)** With effect from 1st April 2006, Nahar Theatres Private Limited has changed the method of providing depreciation on tangible assets other than leasehold land from Written Down Value Method to Straight Line Method in accordance with the provisions of Schedule XIV of the Companies Act, 1956.
- (b)** Landmark Limited was incorporated on 31st March 2006 under Chapter IX of the Companies Act by converting Landmark, a partnership firm. Accordingly, the fixed assets of the erstwhile partnership as of 31st March 2006 have been taken over by the Company at book value.
- (c)** Depreciation in respect of Landmark Limited is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 except for the following assets, which are depreciated at rate higher than that specified in Schedule XIV based on useful life of the assets as estimated by the Management.

Asset	Useful Life (Years)
(a) Motor Cars and Other Vehicles	5
(b) Office Equipment	5
(c) Furniture and Fixtures	10
(d) Plant and Machinery	10

Leasehold improvements are depreciated over the lease period (including renewal periods), not exceeding a maximum period of 10 years.

**Schedules forming part of the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**

- (d) In respect of fixed assets of Westland Limited, which gross block aggregates to Rs. 94.48 lakhs as at 31-03-2008, depreciation have been charged on Written Down Value method as against Straight Line Method followed by Landmark Limited and the impact of the same is not quantifiable.
- (e) Other significant accounting policies are set out in the Notes to Accounts under the schedule "Significant Accounting Policies" of Trent Limited, Trent Brands Limited, Fiora Services Limited, Satnam Developers and Finance Private Limited, Nahar Theatres Private Limited, Fiora Link Road Properties Limited, Landmark Limited, Westland Limited, Regent Management Private Limited and Landmark E-Tail Private Limited.

**Notes on the Consolidated Balance Sheet and Profit and Loss Account**

1. (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 731.00 lakhs (2006-2007: Rs.206.06 lakhs).  
Share of Joint Venture Rs. 120.25 lakhs (2006-2007 : Rs. 203.12 lakhs)
2. **Contingent Liabilities :**
- (a) Sales tax, Excise and Customs demands against which the Company has filed appeals: Rs. 133.04 lakhs (2006-2007: Rs. 129.71 lakhs) - net of tax Rs. 87.82 lakhs (2006-2007 : Rs. 86.05 lakhs).
- (b) Claims made against the Company not acknowledged as debts : Rs. 875.99 lakhs (2006-2007 : Rs.780.93 lakhs)
- (c) Income-tax demands against which the Company has filed appeals : Rs. 662.70 lakhs (2006-2007 : Rs.467.20 lakhs).
- (d) As a matter of abundant caution, a general provision for contingencies of Rs.205.00 lakhs (2006-2007: Rs. 205.00 lakhs) has been made against items (a), (b) and (c) above, which are disputed by the Company.
3. The subsidiary Landmark Limited promoted and incorporated Westland Limited on 18th July 2007. During the current year, Westland Books Private Limited (WBPL) and East West Books Private Limited (EWBPL) amalgamated with Westland Limited effective 1st April 2007, pursuant to an order of the Madras High Court dated 4th March 2008.
4. **Managerial Remuneration (Holding Company) :**

Managerial remuneration for Managing Director and Non- Whole time Directors

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs(a)
(a) Salaries (including Company's Contribution to Provident Fund and Superannuation Fund)	<b>61.88</b>	47.44
(b) Commission	<b>83.85</b>	110.00
(c) Perquisites	<b>38.31</b>	30.12
(d) Directors' sitting fees	<b>5.78</b>	4.69
	<b>189.82</b>	192.25

Note: The above figures do not include contribution to Gratuity Fund as separate figure is not available for the Managing Director, the amortised cost of 5,378 Employee Stock Options granted to the Managing Director, which have been vested and exercised during the year and retirement benefits of Rs.13.73 lakhs (2006-2007: Rs. 11.70 lakhs) paid to a former Managing Director.

**Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**

5. Major components of Deferred Tax Assets and Liabilities are :

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
<b>Deferred Tax Liability</b>		
Depreciation	<b>792.46</b>	709.08
<b>Deferred Tax Assets</b>		
Retirement Benefits	<b>153.95</b>	119.02
Other Provisions	<b>53.72</b>	51.76
	<b>207.67</b>	170.78
Share of Joint Ventures [Note 12(b), Page 74]	<b>(0.57)</b>	-
<b>Net Deferred Tax Liability</b>	<b>584.22</b>	538.30

6. (i) Schedule 1 Item 4 (p) General Expenses include :

	<b>2007-2008 Rupees in lakhs</b>	2006-2007 Rupees in lakhs
(a) Auditors' Remuneration -		
Audit Fees	<b>15.58</b>	13.92
Fees for Taxation matters	<b>4.84</b>	6.85
Other Services	<b>10.34</b>	11.81
Reimbursement of out-of-pocket expenses	<b>0.45</b>	0.45
(b) Provision for doubtful debts/advances (net)	<b>37.20</b>	8.45
(ii) Debenture/Share Issue Expenses include :		
Auditors' Remuneration - Other Services	<b>5.71</b>	0.79

7. Profit on foreign exchange fluctuation (net) debited to the profit and loss account amounted to Rs. 116.37 lakhs (2006-2007 : Rs. 60.70 lakhs).
8. There is no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company.
9. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March 2008 except Rs. 3.25 lakhs (2006-2007 : Rs.2.96 lakhs) which is held in abeyance due to legal cases pending.

**Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**
**10. SEGMENTAL REPORTING :**

	2007-2008			
	Retailing	Others	Unallo- cated	Total Company
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
<b>A SEGMENT REVENUE</b>				
1. External Revenue	<b>69,345.43</b> (59,091.35)	<b>2,528.45</b> (2,130.18)	<b>3,643.76</b> (1,965.35)	<b>75,517.64</b> (63,186.88)
2. Intersegment Revenue	- (36.37)	<b>1,918.08</b> (1,656.59)	- (-)	<b>1,918.08</b> (1,692.96)
3. Total Revenue	<b>69,345.43</b> (59,127.72)	<b>4,446.53</b> (3,786.77)	<b>3,643.76</b> (1,965.35)	<b>77,435.72</b> (64,879.84)
4. Less: Intersegment Revenue	- (36.37)	<b>1,918.08</b> (1,656.59)	- (-)	<b>1,918.08</b> (1,692.96)
<b>NET SEGMENT REVENUE</b>	<b>69,345.43</b> (59,091.35)	<b>2,528.45</b> (2,130.18)	<b>3,643.76</b> (1,965.35)	<b>75,517.64</b> (63,186.88)
<b>B RESULTS</b>				
1. Segment Results	<b>1,488.26</b> (3,296.15)	<b>81.99</b> (221.97)	<b>3,608.46</b> (1,834.20)	<b>5,178.71</b> (5,352.32)
2. Interest Expense	- (-)	- (-)	<b>1,051.15</b> (715.43)	<b>1,051.15</b> (715.43)
3. Exceptional Items (Income)/ Expense	- (-)	- (-)	- (125.43)	- (125.43)
4. Provision for Taxation	- (-)	- (-)	<b>753.03</b> (1,316.62)	<b>753.03</b> (1,316.62)
5. Excess tax provision for prior years (Net)	- (-)	- (-)	<b>(28.79)</b> (82.94)	<b>(28.79)</b> (82.94)
6. Net Profit	<b>1,488.26</b> (3,296.15)	<b>81.99</b> (221.97)	<b>1,833.07</b> (10.52)	<b>3,403.32</b> (3,528.64)
<b>C SEGMENT ASSETS</b>	<b>52,693.15</b> (31,655.58)	<b>2,756.48</b> (2,567.06)	<b>53,315.18</b> (46,966.73)	<b>108,764.81</b> (81,189.37)
<b>D SEGMENT LIABILITIES</b>	<b>15,651.01</b> (11,908.46)	<b>1,883.49</b> (2,119.71)	<b>28,879.58</b> (26,144.24)	<b>46,414.09</b> (40,172.41)
<b>E CAPITAL EXPENDITURE</b>	<b>6,264.06</b> (3,706.98)	<b>27.22</b> (37.66)	<b>509.76</b> (-)	<b>6,801.04</b> (3,744.64)
<b>F DEPRECIATION</b>	<b>1,226.74</b> (1,041.69)	<b>19.91</b> (24.95)	<b>4.64</b> (3.95)	<b>1,251.29</b> (1,070.59)
<b>G NON CASH EXPENSES</b>				
Employee Stock Options Scheme	<b>94.24</b> (153.87)	(-) (-)	- (-)	<b>94.24</b> (153.87)

**Notes:**

- (1) In respect of standalone accounts of the Company, disclosure of segment - wise information is not applicable as retailing is the main business of the Company. The Company, its subsidiaries and its jointly controlled entities are primarily engaged in the business of retailing and services related to retailing except one subsidiary which is engaged in the business of distribution and one jointly controlled entity engaged in the business of consultancy services. Segment "Others" primarily includes distribution business and consultancy services.
- (2) Segment-wise Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the Segments. Other unallocable income, expenses and unallocated assets mainly relate to investments of surplus funds.
- (3) Figures in brackets are in respect of previous year.
- (4) Previous year's figures have been regrouped wherever necessary.

**Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**
**11. RELATED PARTY TRANSACTIONS :**

Related parties are as certified by the Management.

**11.1 Other Related Parties with whom transactions have taken place during the year:**

Associates:	Tata Sons Ltd. (Holds more than 20% of the Share Capital of the Company)
Joint Venture	Satnam Realtors Private Limited Trexra ADMC Private Limited Virtuous Trustees Private Limited

**11.2 Directors of the Company**

Managing Director	Mr.N.N.Tata
Non Executive Directors	Mr. F.K. Kavarana Mr.N.A.Soonawala Mr.B.S.Bhesania Mr.A.D.Cooper Mr.K.N.Suntook Mr. Zubin Dubash (resigned w.e.f. 18th December 2007)

Details of remuneration to Directors is disclosed in Note 4 on Balance Sheet and Profit and Loss account.

	<b>2007-2008</b> <b>Rupees</b> <b>in lakhs</b>	<b>2006-2007</b> <b>Rupees</b> <b>in lakhs</b>
<b>11.3 Sales to and Other recoveries from related parties</b>		
(a) Associates	<b>0.50</b>	2.00
(b) Joint Venture	<b>44.94</b>	-
<b>11.4 Purchase/other services from related parties</b>		
Associates	<b>440.35</b>	308.57
<b>11.5 Interest/Dividend received from related parties</b>		
(a) Associates	<b>14.99</b>	42.11
(b) Joint Venture	<b>654.06</b>	480.09
<b>11.6 Interest/Dividend paid to related parties</b>		
(a) Associates	<b>268.53</b>	206.32
(b) Directors	<b>2.19</b>	2.01
<b>11.7 Redemption of Preference Shares</b>		
Associates	<b>200.00</b>	430.00
<b>11.8 Purchase of of Preference Shares</b>		
Associates	<b>200.00</b>	-
<b>11.9 Loan Given</b>		
Joint Venture	-	560.99
<b>11.10 Security deposit given during the year</b>		
Joint Venture	<b>226.00</b>	212.00
<b>11.11 Security deposit receivable as on 31.3.2008</b>		
(a) Associates	<b>30.00</b>	30.00
(b) Joint Venture	<b>438.00</b>	212.00
<b>11.12 Outstanding balance of loan as on 31.3.2008 receivable by Company</b>		
Joint Venture	<b>5,945.99</b>	5,945.99
<b>11.13 Outstanding balance as on 31.3.2008 receivable by Company</b>		
Joint Venture	<b>911.56</b>	266.00
<b>11.14 Payable by Company</b>		
Associates	<b>92.49</b>	83.27
<b>11.15 Issue of Equity Shares</b>		
(a) Associates	<b>6,709.03</b>	5,088.82
(b) Directors	<b>35.59</b>	-
<b>11.16 Warrant Application Money</b>		
Associates	-	321.32
<b>11.17 Sitting fees</b>		
Directors	<b>7.20</b>	5.28

**Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**
**12. The Subsidiaries and Interest in Joint Venture considered in Consolidated Financial Statements are:**

	Country of Origin	Proportionate ownership interest	
		as on 31-3-2008	as on 31-3-2007
<b>(a) Particulars of Subsidiaries</b>			
1. Trent Brands Limited	India	100.00 %	100.00 %
2. Flora Services Limited	India		
Held by Trent Limited		25.67 %	25.67 %
Held by Trent Brands Limited (Subsidiary)		64.20 %	64.20 %
3. Satnam Developers and Finance Private Limited	India	100.00 %	100.00 %
4. Nahar Theatres Private Limited	India	100.00 %	100.00 %
5. Flora Link Road Properties Limited	India	100.00 %	100.00 %
6. Landmark Limited			
Held by Trent Limited	India	82.00 %	78.00 %
Held by Subsidiaries of Trent Limited	India	0.95 %	0.95 %
7. Westland Books Private Limited (refer Note 3, Page 70)			
Held by Landmark Limited (Subsidiary)	India	-	100.00 %
8. East West Books (Madras) Private Limited (refer Note 3, Page 70)			
Held by Landmark Limited (Subsidiary)	India	-	52.17 %
9. Westland Limited (refer Note 3, Page 70)			
Held by Landmark Limited (Subsidiary)	India	96.65 %	-
10. Regent Management Private Limited			
Held by Landmark Limited (Subsidiary)	India	100.00 %	100.00 %
11. Landmark E -Tail Private Limited			
Held by Landmark Limited (Subsidiary)	India	100.00 %	100.00 %
<b>(b) Interest in Joint Venture</b>			
1. Satnam Realtors Private Limited			
Held by Satnam Developers and Finance Private Limited (Subsidiary)	India	50.00 %	50.00 %
2. Trexa ADMC Private Limited	India	50.00 %	-
3. Virtuous Trustees Private Limited	India	49.00 %	-
		<b>As at 31.3.2008 (Rupees in lakhs)</b>	As at 31.3.2007 (Rupees in lakhs)
<b>I Income</b>			
1. Income from Operations		<b>81.74</b>	-
2. Other Income		<b>5.91</b>	-
<b>II Expenditure</b>			
1. Expenses		<b>37.71</b>	-
2. Depreciation		<b>0.10</b>	-
<b>III Assets</b>			
1. Fixed Assets		<b>1.17</b>	-
2. Investments		<b>4,196.42</b>	3,240.62
3. Current Assets, Loans and Advances			
(a) Cash and Bank		<b>72.40</b>	3.67
(b) Loans and Advances		<b>19.32</b>	1.31
4. Deferred Tax Assets (Net)		<b>0.57</b>	-
5. Miscellaneous Expenditure (to the extent not written off)		<b>0.40</b>	0.07

**Notes on the Consolidated Balance Sheet and Profit and Loss Account (Contd.)**
**12 (b) Interest in Joint Venture (contd.)**

	<b>As at 31.3.2008 (Rupees in lakhs)</b>	As at 31.3.2007 (Rupees in lakhs)
<b>IV Liabilities</b>		
1. Unsecured Loans	<b>3,428.78</b>	3,106.00
2. Current Liabilities	<b>623.45</b>	139.17
<b>V Capital Commitments</b>	<b>120.25</b>	203.12

**13. EARNINGS PER SHARE (EPS) :**

	<b>2007-2008</b>	2006-2007
(a) Weighted Average Number of shares outstanding during the year.		
i) For Basic Earnings Per Share	<b>1,83,35,262</b>	1,56,89,265
ii) For Diluted Earnings Per Share		
No. of shares for Basic EPS as per a(i)	<b>1,83,35,262</b>	1,56,89,265
Add: Weighted average outstanding warrants/options deemed to be issued for no consideration	<b>32,266</b>	2,23,946
No. of shares for Diluted Earnings Per Share	<b>1,83,67,528</b>	1,59,13,211
(b) Net Profit/(loss) after Tax available for Equity Share Holders (Rupees in lakhs)	<b>3,363.75</b>	3,393.96
(c) Earnings Per Share (Rs.) (Face value of Rs.10/-)		
Basic	<b>18.35</b>	21.63*
Diluted	<b>18.31</b>	21.33*

\* Restated on account of Rights issue

**14.** The Board of Directors has approved, subject to approval of the shareholders, to sell its Hypermarket business as a going concern to its wholly owned subsidiary with effect from opening of business on 1st July 2008 or such other date as may be decided or agreed by the Board for a consideration to be based on the book value of the business as at 30th June 2008 or such other date as may be decided or agreed by the Board. The approval of the shareholders of the Company is being obtained by way of Postal Ballot.

**15.** Previous year's figures have been regrouped wherever necessary.

Signatures to Schedules '1' to '4' and 'A' to 'L' and Notes.

As per our report attached.  
**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N. THAKKAR**  
Partner  
Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R. WADIA**  
Company Secretary

For and on behalf of the Board,  
**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

## Consolidated Cash Flow for the year ended 31<sup>st</sup> March 2008

	Rupees in lakhs	1.4.2007 to 31.3.2008 Rupees in lakhs	1.4.2006 to 31.3.2007 Rupees in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Taxes and Exceptional Items		4,127.56	4,636.89
Adjustments for :			
Depreciation	1,251.29		1,070.59
Provision for doubtful debts written off	24.67		10.23
Unrealised foreign exchange gains	-		(54.41)
Interest (Net)	147.78		57.39
Employee Stock Option	94.24		153.87
(Profit)/Loss on Fixed Assets sold/discarded (Net)	7.61		60.32
(Profit)/Loss on sale of Investments	(1,184.87)		(691.88)
Diminution in the value of Investment	2.38		6.86
Dividend from Investments	(1,616.72)		(662.85)
Goodwill & Preliminary expenses written off	-		5.33
Liability no longer required written back	(1.40)		(0.50)
		<u>(1,275.02)</u>	<u>(45.05)</u>
Operating Profit Before Working Capital Changes		2,852.54	4,591.84
Adjustments for :			
(Increase)/Decrease in Inventories	(1,860.83)		(4,650.34)
(Increase)/Decrease in Trade & Other Receivables	(1,517.69)		(2,469.59)
Increase/(Decrease) in Trade & Other Payables	4,685.70		2,421.12
		<u>1,307.18</u>	<u>(4,698.81)</u>
Cash generated from operations		4,159.72	(1,06.97)
Direct Taxes Paid		(885.28)	(1,494.30)
Net Cash from Operating Activities		<u>3,274.44</u>	<u>(1,601.27)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(5,896.87)		(3,952.66)
Sale of Fixed Assets	7.10		8.39
Purchase of Investments	(114,197.96)		(41,111.11)
Sale of Investments	98,370.61		36,270.93
Loans given	(1,722.49)		(4,486.51)
Repayment of Loans given	-		2,666.49
Interest received	175.47		393.47
Dividend from Investments	1,618.03		371.10
Net cash used in Investing Activities		<u>(21,646.11)</u>	<u>(9,559.81)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of Securities (Net of issue expenses)	19,477.80		10,358.75
Unclaimed Share application money	8.95		(0.21)
Proceeds from Borrowings	1,122.62		4,039.07
Repayment of Borrowings	-		(525.76)
Interest Paid	(1,395.57)		(1,101.44)
Dividend Paid	(1,288.80)		(1,129.37)
Dividend Paid to Minority	-		(42.33)
Contribution from Minority	-		130.74
Net cash from Financing Activities		<u>17,925.00</u>	<u>11,729.45</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<u>(446.67)</u>	568.37
CASH AND CASH EQUIVALENTS AS AT 1.4.2007		2,332.43	1,691.38
CASH AND CASH EQUIVALENTS ON CONSOLIDATION ADJUSTMENT		-	72.68
<b>CASH AND CASH EQUIVALENTS AS AT 31.3.2008</b>		<u>1,885.76</u>	<u>2,332.43</u>

Notes:

- All figures in brackets are outflows
- Of the above cash and cash equivalent balance the amount of Rs.80.65 lakhs (2006-07: Rs.76.21 lakhs) is not available for use by the Company .
- Previous year's figures have been regrouped wherever necessary

As per our report attached.  
**For N. M. RAIJI & CO.,**  
Chartered Accountants

**Y. N.THAKKAR**  
Partner  
Mumbai, 30<sup>th</sup> June 2008

**Mrs. H.R.WADIA**  
Company Secretary

For and on behalf of the Board,  
**F. K. KAVARANA** Chairman

**N. A. SOONAWALA**  
**B. S. BHESANIA**  
**A. D. COOPER**  
**K. N. SUNTOOK** } Directors

**N. N. TATA** Managing Director

Summarised Financial Statement of Subsidiaries

	Trent Brands Limited		Flora Services Limited		Samam Developers and Finance Private Limited		Nahar Theatres Private Limited		Flora Link Road Properties Limited		Landmark Limited		Westland Limited		Regent Management Private Limited		Landmark E-Tail Private limited	
	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007
	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs	Rupees In lakhs
Capital	325.00	325.00	151.91	151.91	5.00	5.00	20.96	20.96	5.00	5.00	2129.80	2129.80	28.35	1.00	1.00	1.00	1.00	1.00
Reserves and Surplus	1013.91	1067.29	470.72	469.52	70.44	20.36	291.40	286.05	-	-	120.81	153.19	621.65	8.90	9.00	0.00	0.00	-
Total Assets	1338.91	1392.29	622.63	621.43	11,103.86	11,103.86	1112.22	1060.92	7.50	7.50	5413.20	4795.46	968.19	9.90	10.00	1.00	1.00	1.00
Total Liabilities	1338.91	1392.29	622.63	621.43	13,874.94	11,103.86	1112.22	1060.92	7.50	7.50	5413.20	4795.46	968.19	9.90	10.00	1.00	1.00	1.00
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007	31st March 2008	31st March 2007
Turnover *	351.01	200.02	775.28	547.97	741.27	488.52	99.00	99.35	-	0.11	17957.22	13774.82	4364.79	-	10.97	-	28.94	28.94
Profit/(Loss) Before Tax	326.82	180.90	5.54	9.71	78.18	9.49	8.36	1.59	(0.19)	(0.11)	361.40	611.48	30.13	(0.10)	(0.31)	(0.85)	(5.28)	(5.28)
Provision For Taxation	76.38	25.00	4.34	5.66	28.10	3.25	3.00	14.30	-	-	140.73	213.18	10.05	-	0.02	-	0.22	0.22
Excess/(Short) Provision For Prior Years (Net)	0.38	-	-	(0.02)	-	-	-	125.43	-	-	-	-	-	-	(0.84)	-	-	-
Net Profit/(Loss)	250.82	155.90	1.20	4.03	50.08	6.24	5.36	112.72	(0.19)	(0.11)	220.67	398.30	20.08	(0.10)	(1.17)	(0.85)	(5.50)	(5.50)
Interim Dividend Percentage (Equity)	80%	80%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	40%	40%	Nil	Nil	3500%	Nil	Nil	Nil
Amount (Equity dividend)	260.00	260.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	200.00	200.00	Nil	Nil	35.00	Nil	Nil	Nil

\* Represents income from operation and other income

**Details of Investments - Subsidiary - TRENT BRANDS LIMITED**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long Term Investments :</b>								
(at Cost less provision for diminution in value)								
<b>Face Value of Rs 10 each, Unquoted and fully paid-up unless otherwise stated</b>								
<b>(a) In Subsidiary Company :</b>								
Flora Services Limited	97,530	203.42	—	—	—	—	97,530	203.42
(Equity shares of Rs. 100/- each)								
Landmark Limited	40,000	103.24	—	—	—	—	40,000	103.24
Landmark Limited	1,550	1.55	—	—	—	—	1,550	1.55
(1% Cumulative Convertible Preference Shares of Rs 100/-)								
<b>Total Investments in Subsidiary Company</b>		<b>308.22</b>						<b>308.22</b>
<b>(b) In Other Shares</b>								
ACC Ltd. (Quoted)	2,000	19.21	—	—	2,000	19.21	—	—
Adani Enterprises Ltd. (Quoted)	—	—	5,750	50.35	—	—	5,750	50.35
(Equity shares of Rs. 1/- each)								
Aftek Ltd. (Quoted)	50,000	29.49	—	—	—	—	50,000	29.49
(Equity shares of Rs. 2/- each)								
Ambuja Cement Ltd (Quoted)	45,000	48.45	—	—	45,000	48.45	—	—
(Equity shares of Rs. 2/- each)								
Andhra Pradesh Paper Mills Ltd. (Quoted)	7,255	8.45	—	—	7,255	8.45	—	—
B F Utilities Ltd (Quoted)	—	—	2,200	50.84	—	—	2,200	50.84
(Equity shares of Rs. 5/- each)								
Bharat Electronics Ltd. (Quoted)	5,850	43.22	2,150	38.80	—	—	8,000	82.02
Bharati Airtel Ltd. (Quoted)	—	—	5,500	48.59	—	—	5,500	48.59
BHEL (Quoted)	1,200	28.86	—	—	1,200	28.86	—	—
C & C Constructions Ltd (Quoted)	—	—	12,000	31.53	—	—	12,000	31.53
Chambal Fertilisers & Chemicals Ltd. (Quoted)	1,90,000	44.09	—	—	1,90,000	44.09	—	—
Control Print (India) Ltd. (Quoted)	47,860	44.45	—	—	47,860	44.45	—	—
Coromandel Fertilizers Ltd. (Quoted)	—	—	40,000	48.88	—	—	40,000	48.88
(Equity shares of Rs. 2/- each)								
Deepak Fertilizers & Petrochemicals Corpn Ltd. (Quoted)	40,000	34.83	—	—	40,000	34.83	—	—
Dishman Pharmaceuticals & Chemicals Ltd (Quoted)	14,165	27.56	—	—	14,165	27.56	—	—
(Equity shares of Rs. 2/- each)								
Elder Pharmaceuticals Ltd (Quoted)	11,000	39.55	—	—	—	—	11,000	39.55
Excel Crop Care Ltd. (Quoted)	27,500	61.59	—	—	27,500	61.59	—	—
(Equity shares of Rs. 5/- each)								
Financial Technologies (India) Ltd (Quoted)	—	—	2,100	50.32	—	—	2,100	50.32
(Equity shares of Rs. 2/- each)								
GAIL (India) Ltd. (Quoted)	—	—	13,500	52.65	13,500	52.65	—	—
Graphite India Ltd. (Quoted)	69,750	16.89	—	—	—	—	69,750	16.89
(Equity shares of Rs. 2/- each)								
Greenply Industries Ltd. (Quoted)	45,000	43.02	—	—	—	—	45,000	43.02
(Equity shares of Rs. 5/- each)								
Gujarat NRE Coke Ltd (Quoted)	—	—	18,201	7.98	18,201	7.98	—	—
HDFC Bank Ltd (Quoted)	—	—	5,000	71.34	5,000	71.34	—	—
Hindustan Construction Co. Ltd (Quoted)	—	—	22,000	43.64	—	—	22,000	43.64
(Equity shares of Rs. 1/- each)								
Hindustan Unilever Ltd. (Quoted)	39,000	84.81	—	—	39,000	84.81	—	—
(Equity shares of Rs. 1/- each )								
Hindustan Oil Exploration Co.Ltd. (Quoted)	27,954	43.45	—	—	27,954	43.45	—	—
Hotel Leela Ventrue Ltd (Quoted)	—	—	84,000	49.59	—	—	84,000	49.59
(Equity shares of Rs. 2/- each)								

**Details of Investments - Subsidiary - TRENT BRANDS LIMITED (Contd.)**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
ICICI Bank Ltd. (Quoted)	6,000	33.81	5,500	58.71	2,500	14.09	9,000	78.43
IDBI Ltd. (Quoted)	—	—	32,000	49.61	—	—	32,000	49.61
IDFC Ltd. (Quoted)	44,000	36.79	—	—	—	—	44,000	36.79
IFCI Ltd. (Quoted)	—	—	57,000	50.08	—	—	57,000	50.08
Indian Pertochemicals Corporation Ltd. (Quoted)	11,000	28.40	—	—	11,000	28.40	—	—
Indus Fila Ltd. (Quoted)	—	—	12,000	27.03	—	—	12,000	27.03
Infosys Technologies Ltd (Quoted) (Equity shares of Rs. 5/- each)	1,000	20.95	4,000	77.38	—	—	5,000	98.34
ITC. Ltd (Quoted) (Equity shares of Rs. 1/- each)	41,000	66.58	—	—	41,000	66.58	—	—
J K Industries Ltd (Quoted)	12,750	18.90	—	—	12,750	18.90	—	—
Jai Corp Ltd. (Quoted) (Equity shares of Rs. 1/- each)	—	—	5,000	51.88	—	—	5,000	51.88
Jaiprakash Associates Ltd. (Quoted)	7,000	43.41	—	—	7,000	43.41	—	—
Kamat Hotels (India) Ltd (Quoted)	24,000	32.17	—	—	—	—	24,000	32.17
Karuturi Network Ltd. (Quoted)	—	—	29,000	65.32	—	—	29,000	65.32
KEC International Ltd. (Quoted) (issued 3538 shares in leu of 7962 shares held in RPG Transmission as per scheme of Arrangement)	—	—	3,538	15.34	—	—	3,538	15.34
Kohinoor Foods Ltd (Quoted)	56,000	49.30	—	—	56,000	49.30	—	—
Lokesh Machines Ltd (Quoted)	10,000	26.39	—	—	10,000	26.39	—	—
M.T.N.L. (Quoted)	38,050	61.97	—	—	38,050	61.97	—	—
Mahindra Composites Ltd (Siro Plast Ltd.) (Quoted)	51,717	37.92	—	—	51,717	37.92	—	—
Mahindra GESCO Developers Ltd. (Quoted)	—	—	8,500	49.08	8,500	49.08	—	—
Mangalam Cement Ltd (Quoted)	23,251	47.25	—	—	—	—	23,251	47.25
Maruti Suzuki India Ltd (Quoted) (Equity shares of Rs. 5/- each)	4,000	33.39	2,000	20.92	—	—	6,000	54.30
Mcnally Bharat Engineering Co. Ltd (Quoted)	40,337	46.69	—	—	—	—	40,337	46.69
Nagarjuna Construction Co. Ltd (Quoted) (Equity shares of Rs. 2/- each)	13,000	24.56	15,000	25.58	—	—	28,000	50.13
Northgate Technologies Ltd. (Quoted)	—	—	8,500	50.97	—	—	8,500	50.97
NTPC Ltd. (Quoted)	30,000	41.16	27,000	59.91	—	—	57,000	101.07
Nefflier Finco Limited (Quoted)	4,250	6.30	95,750	39.28	—	—	1,00,000	45.58
Oil & Natural Gas Corporation Ltd. (Quoted)	4,550	31.01	5,450	49.30	5,500	42.56	4,500	37.74
Punji Llyod Ltd. (Quoted) (Equity shares of Rs. 2/- each)	—	—	10,000	52.02	—	—	10,000	52.02
Punjab National Bank Limited (Quoted)	6,000	30.07	14,000	71.92	—	—	20,000	101.99
Power Grid Corporation of India Ltd. (Quoted)	—	—	45,000	68.09	—	—	45,000	68.09
Raymond Ltd. (Quoted)	—	—	10,280	40.39	—	—	10,280	40.39
Reliance Communication Limited (Quoted) (Equity shares of Rs. 5/- each)	8,000	28.22	6,000	29.28	7,000	28.75	7,000	28.75
Reliance Industries Ltd. (Quoted) (issued 2,200 shares in leu of 11,000 shares held in IPCL as per scheme of Arrangement)	—	—	2,200	28.40	—	—	2,200	28.40
Reliance Petroleum Ltd. (Quoted)	—	—	45,000	96.41	—	—	45,000	96.41
Rolta India Ltd (Quoted)	18,000	49.57	11,000	49.35	29,000	98.93	—	—
RPG Transmission Ltd (Quoted)	7,962	15.34	—	—	7,962	15.34	—	—
Sanghvi Movers Ltd. (Quoted) (Share Split -Conversion of Face Value From Rs 10/- per share to Rs 2/- per share)	26,020	38.39	—	—	—	—	26,020	38.39
Sasken Communication Technologies Ltd. (Quoted)	—	—	10,000	49.03	—	—	10,000	49.03
Satyam Computer Services Ltd (Quoted) (Equity shares of Rs. 2/- each)	3,500	14.22	—	—	3,500	14.22	—	—

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**Details of Investments - Subsidiary - TRENT BRANDS LIMITED (Contd.)**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
Sharon Bio-Medicine Ltd (Quoted)	24,000	21.96	—	—	—	—	24,000	21.96
Sintex Industries Ltd (Quoted) (Equity shares of Rs. 2/- each )	—	—	21,000	48.98	21,000	48.98	—	—
State Bank of India (Quoted)	2,500	12.11	2,000	39.29	—	—	4,500	51.40
Steel Authority of India Limited. (Quoted)	20,000	17.84	40,000	51.14	60,000	68.99	—	—
Sterlite Industries (India) Ltd. (Quoted) (Equity shares of Rs. 2/- each )	9,500	50.98	7,500	66.54	9,500	50.98	7,500	66.54
TIL Limited. (Quoted)	8,216	20.51	—	—	—	—	8,216	20.51
Take Solutions Ltd (Quoted)	—	—	7,300	75.65	—	—	7,300	75.65
Tamilnadu News Prints& Papres Ltd (Quoted)	21,819	20.70	—	—	21,819	20.70	—	—
Tata Chemicals Ltd. (Quoted)	2,000	1.83	—	—	2,000	1.83	—	—
Tata Investment Corporation Ltd. (Quoted)	12,375	18.59	—	—	—	—	12,375	18.59
Tata Steel Ltd. (Quoted)	22,700	73.38	4,540	13.62	—	—	27,240	87.00
Tata Steel Ltd. (Quoted) (2% Compulsorily Convertible Preference Share of Rs. 100/- each)	—	—	23,702	23.70	—	—	23,702	23.70
Tata Teleservices Ltd. (Hughes) (Quoted)	80,000	15.87	—	—	—	—	80,000	15.87
TVS Srichakra Limited (Quoted)	15,736	12.11	—	—	15,736	12.11	—	—
Venus Remedies Ltd (Quoted)	7,000	26.35	3,000	12.60	—	—	10,000	38.95
Videocon Industries Ltd. (Quoted)	—	—	9,500	49.90	—	—	9,500	49.90
Vijay Shanthi Builders Ltd. (Quoted)	22,000	37.46	—	—	22,000	37.46	—	—
VST Trillers Tractors Ltd (Quoted)	15,000	24.53	—	—	15,000	24.53	—	—
Wipro Ltd (Quoted) (Equity shares of Rs. 2/- each)	—	—	10,000	53.57	10,000	53.57	—	—
<b>Total Investment in Other Co.-Long Term</b>		<b>1,834.91</b>						<b>2,496.97</b>
<b>(c) In Mutual Funds</b>								
HDFC Cash Mgmt Fund-Savings Plan-Dividend	—	—	60,31,973	641.51	60,31,973	641.51	—	—
HDFC Cash Mgmt Fund-Savings Plus-Wholesale - Dividend	—	—	1,15,57,635	1,158.33	1,05,59,791	1,058.33	9,97,845	100.00
JM High Liquidity Fund-Instt Plan-Dividend	—	—	29,66,198	303.12	29,66,198	303.12	—	—
HDFC Equity Fund-Dividend	3,72,865	91.73	51,337	20.51	—	—	4,24,202	112.24
HDFC Top 200 Fund-Dividend	3,83,096	91.69	44,413	19.15	—	—	4,27,509	110.84
HSBC Equity Fund-Dividend	9,06,053	191.64	68,008	18.12	9,74,061	209.77	—	—
<b>Total investment in Mutual Fund</b>		<b>375.06</b>						<b>323.08</b>
<b>Total Investments</b>		<b>2,518.19</b>						<b>3,128.27</b>
<b>Aggregate book value of Investments</b>								
Unquoted		<b>683.28</b>						<b>631.30</b>
Quoted [ Market value Rs.2,501.74 lakhs (2006-2007: 1,892.04 lakhs)		<b>1,834.91</b>						<b>2,496.97</b>
<b>Total</b>		<b>2,518.19</b>						<b>3,128.27</b>

**Details of Investments - Subsidiary - FIORA SERVICES LIMITED**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long Term Investments :</b> (at Cost less provision for diminution in value) <b>Face Value of Rs 10 each,Unquoted and fully paid-up unless otherwise stated</b>								
<b>(a) In Shares:</b>								
Trent Ltd. (Quoted)	1,59,943	131.85	—	—	—	—	1,59,943	131.85
<b>Total Investment in Shares</b>		<b>131.85</b>						<b>131.85</b>
<b>(b) In Subsidiary Company :</b>								
Landmark Ltd.	2,500	6.45	—	—	—	—	2,500	6.45
Landmark Ltd. (1% Cumulative Convertible Preference Shares of Rs 100/- )	100	0.10	—	—	—	—	100	0.10
<b>Total Investments in Subsidiary Company</b>		<b>6.55</b>						<b>6.55</b>
<b>Total Long Term Investments</b>		<b>138.40</b>						<b>138.40</b>
<b>Current Investments</b> (at lower of cost and fair value)								
Birla Floating Rate Fund-Short Term Plan-Growth	11,61,473	125.00	—	—	1,88,099	20.24	9,73,374	104.76
HSBC Floating Rate Fund-Short Term-IP-Growth	14,88,893	150.00	—	—	8,30,399	83.66	6,58,494	66.34
Tata Floating Rate Fund Short Term-Income-Bonus	12,04,089	121.25	372,961	37.86	15,77,050	159.11	—	—
Trent Ltd.-Rights			31,988	—	31,988	—	—	—
<b>Total of Current Investments</b>		<b>396.25</b>						<b>171.10</b>
<b>Total Investment</b>		<b>534.65</b>						<b>309.50</b>
<b>Aggregate book value of Investments</b>								
Unquoted		<b>402.80</b>						<b>177.65</b>
Quoted [Market value Rs.701.45 lakhs (2006-07 Rs.144.91 lakhs)]		<b>131.85</b>						<b>131.85</b>
<b>Total</b>		<b>534.65</b>						<b>309.50</b>

**Details of Investments - Subsidiary - SATNAM DEVELOPERS AND FINANCE PRIVATE LIMITED**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long Term Investments:</b> [at cost less provision for diminution in value]								
<b>Other Investments :</b>								
Landmark Ltd. - Equity shares of Rs.10/- each	2500	6.45					2,500	6.45
Land Mark Ltd. - 1% Cumulative Convertible Preference shares of Rs 100/- each)	100	0.10					100	0.10
<b>Total Other Investments</b>		<b>6.55</b>						<b>6.55</b>
<b>Trade Investments:</b>								
Satnam Realtors Private Ltd. [unquoted] [Equity shares of Rs.10/- each]	5,000	0.50	—	—	—	—	5,000	0.50
<b>Total Trade Investments</b>		<b>0.50</b>						<b>0.50</b>
<b>Current Investments:</b>								
Units -L0725G SBI Premier Liquid Fund Super Institutional -Growth			1,74,43,936	2,150.00	1,74,43,936	2,150.00	—	—
<b>Total Current Investment</b>								
<b>Total Investments</b>		<b>7.05</b>						<b>7.05</b>
<b>Aggregate book value of Investments</b>								
Unquoted		<b>7.05</b>						<b>7.05</b>
Quoted		—						—
<b>Total</b>		<b>7.05</b>						<b>7.05</b>

**Details of Investments - Subsidiary - FIORA LINK ROAD PROPERTIES LIMITED**

	Balance as at 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long Term Investments:</b> [at cost less provision for diminution in value]								
<b>Other Investments :</b>								
Landmark Ltd. (Equity shares of Rs.10/- each)	2500	6.45	—	—	—	—	2500	6.45
Landmark Ltd. (1% Cumulative Convertible Preference shares of Rs 100/- each)	100	0.10	—	—	—	—	100	0.10
<b>Total</b>		<b>6.55</b>						<b>6.55</b>

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**Details of Investments - Subsidiary - LANDMARK LIMITED**

	Balance as on 1.4.2007		Purchased during the year		Sold during the year		Balance as at 31.3.2008	
	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs	No.of Shares/Units	Rupees in lakhs
<b>Long term investments</b> [At cost less provision for diminution in value] <b>Face Value of Rs 10 each, unquoted and fully paid unless otherwise stated</b>								
<b>(a) Subsidiary Companies :</b>								
Westland Books Private Ltd (FV Rs 100/- Each) (Refer Note 1)	5,000	75.50	-	-	500	75.50	-	-
East west Books (Madras) Private Ltd (FV Rs 100/- Each) (Refer Note 1)	2,40,000	114.77	164,800	51.82	4,04,800	166.59	-	-
Westland Limited (FV Rs 1/- Each)			27,39,805	259.69	-	-	27,39,805	259.69
Landmark Etail Private Ltd (FV Rs 100/- Each)	1,000	1.00	-	-	-	-	1,000	1.00
Regent Management Private Ltd (FV Rs 100/- Each)	1,000	1.00	-	-	-	-	1,000	1.00
		192.27						261.69
Less Provision for Diminution		(1.00)						(1.00)
<b>Total Investment in Subsidiary Companies</b>		<b>191.27</b>						<b>260.69</b>
<b>b) In Other Companies (Shares quoted and fully paid)</b>								
ACC Ltd	568	1.14	-	-	-	-	568	1.14
Elh Associated Hotels Ltd	400	0.06	-	-	-	-	400	0.06
Essar Shipping Ltd	200	0.18	-	-	-	-	200	0.18
Indian Petrochemical Corpn. Ltd	174	0.28	-	-	174	0.28	-	-
Kothari Industries Ltd	1,000	0.48	-	-	-	-	1,000	0.48
Rajshree Sugars and Chemicals Ltd	300	0.09	-	-	-	-	300	0.09
Sterling Holiday Resorts (India) Ltd	600	1.43	-	-	-	-	600	1.43
Sundaram Finance Ltd	300	0.45	-	-	-	-	300	0.45
Tata Steel Ltd	826	1.03	-	-	-	-	826	1.03
TVS Motor Company Ltd (FV Rs 1/- Each)	995	0.60	-	-	-	-	995	0.60
Venky's (India) Ltd	887	0.53	-	-	-	-	887	0.53
Chambal Fertiliser & Chemicals Ltd	300	0.12	-	-	-	-	300	0.12
DSQ Software Ltd	100	0.13	-	-	-	-	100	0.13
GE Shipping Ltd	126	0.09	-	-	26	0.02	100	0.07
Great Offshore Ltd	-	-	25	0.02	-	-	25	0.02
Glaxo Smithkline consumer healthcare Ltd	264	0.39	-	-	-	-	264	0.39
Grasim Industries Ltd	250	1.82	-	-	-	-	250	1.82
GTL Infrastructure Ltd	400	0.10	-	-	-	-	400	0.10
GTL Ltd	400	0.10	-	-	-	-	400	0.10
ICICI Bank Ltd	1,028	2.10	-	-	-	-	1,028	2.10
IFCI Ltd	300	0.29	-	-	-	-	300	0.29
India Cements Ltd	640	0.19	-	-	-	-	640	0.19
Jaiprakash Associates Ltd ((FV Changed from Rs 10/- to Rs 2/ Each)	400	0.36	1,600	-	-	-	2,000	0.36
Kothari Sugars Ltd	35	0.02	-	-	-	-	35	0.02
Lakshmi Machine works Ltd	100	0.64	-	-	-	-	100	0.64
Larsen and Tubro Ltd (FV Rs 2/- Each)	200	0.52	-	-	-	-	200	0.52
Mahindra Gesco Developers Ltd / Mahindra Nagarjuna Fertilisers & Chemicals Ltd	14	0.00	-	-	-	-	14	0.00
NIIT Ltd (FV Changed from Rs 10/- to Rs 2/- and received bonus in ratio of 1:2)	200	0.07	-	-	-	-	200	0.07
NIIT Technologies Ltd (Received Bonus in the ratio of 1:2)	112	0.03	728	-	-	840	0.03	
Reliance Capital Ltd	168	0.05	84	-	252	0.05	-	-
Reliance Communication Ltd	59	0.02	-	-	-	-	59	0.02
Reliance Energy Ltd	1,556	0.55	-	-	-	-	1,556	0.55
Reliance Industries Ltd	116	0.04	-	-	-	-	116	0.04
Reliance Natural Resources Ltd	1,556	0.55	34	0.28	-	-	1,590	0.82
Sakthi Sugars Ltd	1,556	0.55	-	-	-	-	1,556	0.55
State Bank of India Ltd	100	0.07	-	-	-	-	100	0.07
Tata Motors Ltd	81	1.30	-	-	-	-	81	1.30
Ultratech Cement Ltd	16	0.06	-	-	-	-	16	0.06
	31	0.09	-	-	-	-	31	0.09
<b>Total Quoted Investment</b>		<b>16.52</b>						<b>16.52</b>
<b>Mutual funds</b>								
Morgan Stanley - GF Units	500	0.44	-	-	-	-	500	0.44
UTI Master Share	1,300	0.20	-	-	-	-	1,300	0.20
<b>Total Investment in Mutual Funds</b>		<b>0.63</b>						<b>0.63</b>
<b>Total Investment</b>		<b>208.42</b>						<b>277.84</b>
<b>Aggregate Book value of Investments</b>								
Unquoted		191.90						261.32
Quoted (Market Value 97.33 Lakhs)		16.52						16.52
<b>TOTAL</b>		<b>208.42</b>						<b>277.84</b>

Note : 1) During the year Westland Books Private Ltd and East West Books Private Ltd amalgamated to Westland Limited, Pursuant to an order of the Madras High Court dated March 4 2008 Accordingly, The Company has been issued shares in Westland Limited for its shares held in WBPL & EWBPL.



Registered Office: Bombay House, 24 Homi Mody Street, Mumbai – 400 001.

### ATTENDANCE SLIP

I hereby record my presence at the FIFTY-SIXTH ANNUAL GENERAL MEETING of the Company at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001, at 3.30 p.m. on Wednesday, 27<sup>th</sup> August 2008.

Member's Folio No./Client ID \_\_\_\_\_

Member's/Proxy's full name \_\_\_\_\_  
(In block letters)

No. of shares held \_\_\_\_\_

Member's/Proxy Signature

- NOTES :**
1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same duly signed, at the entrance.
  2. Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



Registered Office: Bombay House, 24 Homi Mody Street, Mumbai – 400 001.

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of the above named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us, on my/our behalf at the FIFTY-SIXTH ANNUAL GENERAL MEETING of the Company, to be held on Wednesday, 27<sup>th</sup> August, 2008 at 3.30 p.m. or at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

Folio No./Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Signature \_\_\_\_\_

Affix Revenue Stamp
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This form is to be used @ in favour of the resolution, Unless otherwise instructed, the Proxy will @ against

vote as he thinks fit.

\* Applicable for members holding shares in electronic form.

@ Strike out whichever is not desired.

- NOTES:**
1. The proxy must be returned so as to reach the Registered Office of the Company, Bombay House, 24, Homi Mody Street, Mumbai – 400 001, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
  2. The proxy need not be a member of the Company.



