

Chairman Emeritus

S.N. Tata

Board of Directors

F.K. Kavarana (Chairman w.e.f. 30th October 2006)

N.A. Soonawala

B.S. Bhesania

A.D. Cooper

K.N. Suntook

Zubin Dubash

N.N. Tata (Managing Director)

Mrs. H.R. Wadia - Company Secretary

Statutory Committees

Audit Committee

A.D. Cooper (Chairman)

B.S. Bhesania

K.N. Suntook

Remuneration Committee

A.D. Cooper (Chairman)

N.A. Soonawala

F.K. Kavarana

B.S. Bhesania

Shareholders'/Investors' Grievance Committee

F.K. Kavarana (Chairman)

B.S. Bhesania

Registered Office

Bombay House,

24, Homi Mody Street,

Mumbai 400 001.

Tel: 022 6665 8282 Fax: 022 6750 9344

Visit us: 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.

Auditors

N.M. Rajji & Co.,

Chartered Accountants

Bankers

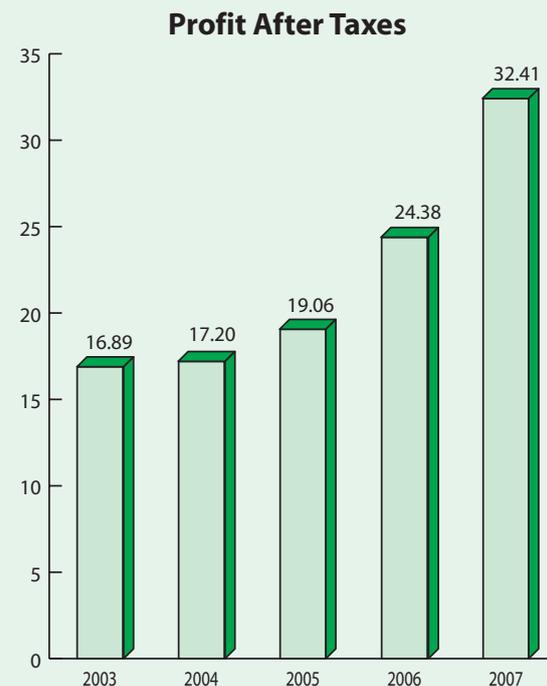
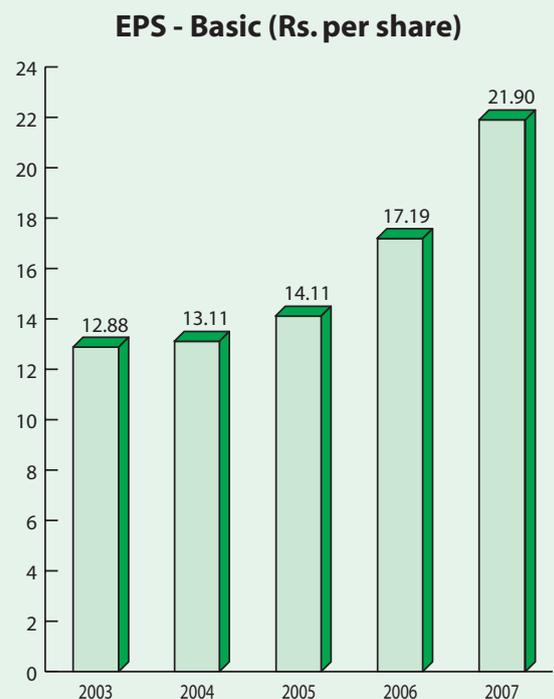
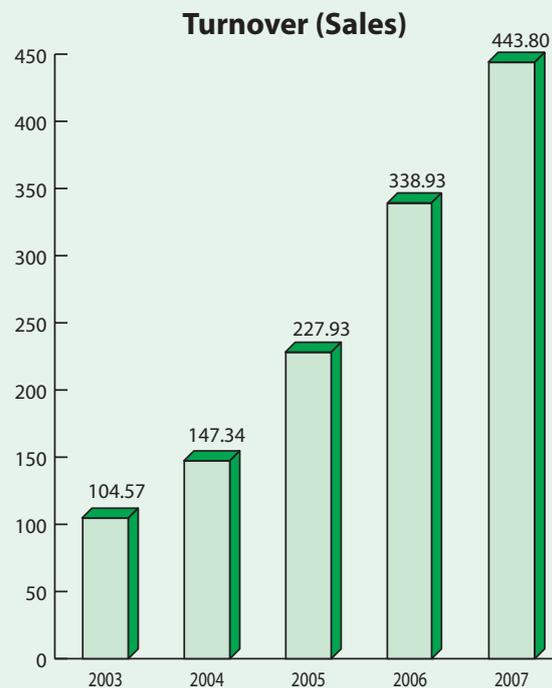
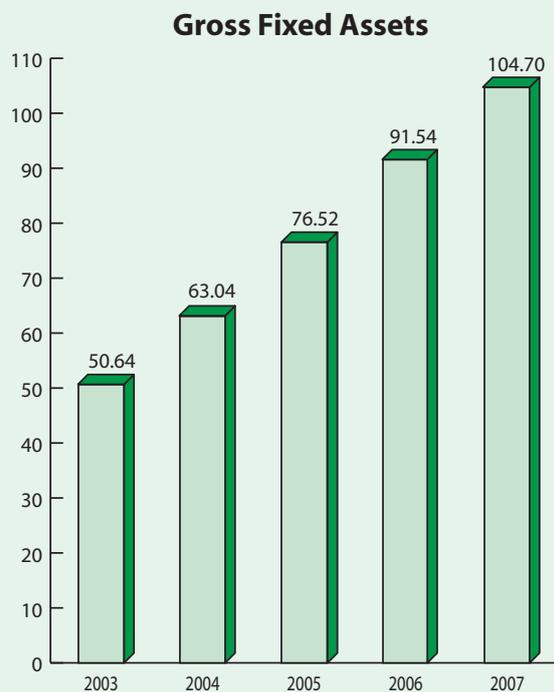
Citibank N.A.

ICICI Bank Limited

HDFC Bank Limited

Financial Highlights

Rs. in crores



Notice

NOTICE is hereby given that the **FIFTY - FIFTH ANNUAL GENERAL MEETING** of **TRENT LIMITED** will be held at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001 on Tuesday, 28th August 2007 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 31st March 2007 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
- 2] To confirm the declaration and payment of interim dividend on equity shares.
- 3] To appoint a Director in place of Mr. A. D. Cooper, who retires by rotation and is eligible for re-appointment.
- 4] To appoint a Director in place of Mr. N. A. Soonawala, who retires by rotation and is eligible for re-appointment.
- 5] To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be altered as follows:
For Clause V, substitute the following Clause:
‘V. The Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,00,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Unclassified Shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.’”
- 6] To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:
‘For Article 5, substitute the following Article:
The Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,00,00,000 Equity Shares of Rs. 10/- each and 50,00,000 Unclassified Shares of Rs. 10/- each.’”
- 7] To appoint Auditors and to fix their remuneration.
- 8] Notice received from Mr. Mahesh Kumar Bubna, a shareholder, for removal of the Director:
To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 284 of the Companies Act, 1956, Mr. Noel N. Tata, Managing Director of the Company, be and is hereby removed from the office of Director of the Company.”

Notes:

- [a] The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 5 to 7, are annexed hereto. The relevant details 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 also enclosed.
- [b] A MEMBER ENTITLED TO ATTEND AND VOTE 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. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolution/authority, as applicable.
- [c] The Register of Members and the Transfer Books of the Company will be closed from Tuesday, 21st August 2007 to Tuesday, 28th August 2007, both days inclusive, for the purpose of Annual General Meeting.
 - [d] The entitlement to the discount coupons issued by the Company to the shareholders is related to their shareholding.
 - [e] 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 31st March 2007 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 Transfer Agents, for payment in respect of unclaimed/unpaid dividends declared by the Company on or after 27th August 2001.
 - [f] 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.
 - [g] 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, 19th July 2007

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

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5, 6 and 8 in the accompanying Notice dated 19th July 2007.

Item Nos. 5 and 6

The Authorised Capital of the Company as reflected in the Memorandum and Articles of Association of the Company is Rs. 25,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10/- each and 1,00,00,000 Unclassified Shares of Rs. 10/- each.

As the unissued equity shares in the Authorised Share Capital of the Company were inadequate to cover the issue of securities made during the financial year 2006-07 and also the issue of equity shares on Rights Basis, the Board of Directors of the Company, pursuant to the powers delegated to it under Article 6 of the Articles of Association, had at its meeting held on 5th December 2006 classified 50,00,000 Unclassified Shares in the Authorised Share Capital of the Company into 50,00,000 equity shares of Rs. 10/- each which are pari passu with the existing equity shares of the Company.

The balance 50,00,000 Unclassified Shares in the Authorised Share Capital of the Company shall continue to remain as Unclassified Shares. Consequently, Clause V of the Memorandum of Association and Article 5 of the Articles of Association are proposed to be altered, as indicated in the Resolution at Item Nos. 5 and 6 of the Notice.

Alterations are being made in Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company to reflect the said re-classification of the Authorised Capital of the Company comprising of 2,00,00,000 Equity Shares of Rs.10/- each and 50,00,000 Unclassified Shares of Rs. 10/- each, aggregating Rs. 25,00,00,000/- as indicated in the Resolution at Item Nos. 5 and 6 of the Notice.

The Directors commend the Resolutions at Item Nos. 5 and 6 for acceptance. A copy of the Memorandum and Articles of Association of the Company, along with the proposed changes, is available for inspection at the Company's office at 2nd Floor, Taj Building, 210, Dr. D. N. Road, Fort, Mumbai 400 001 between 11:00 A.M. and 1.00 P.M. on any working day of the Company.

None of the Directors is deemed to be interested or concerned in passing of these Resolutions.

Item No. 8

Mr. Mahesh Bubna, shareholder of the Company holding 12 shares as on 19th July 2007, by his letter dated 9th July 2007 has given Notice to the Company, under section 284 of the Companies Act, 1956 proposing to remove Mr. Noel N. Tata from the office of the Director of the Company. The Resolution at Item No. 8 is being included in the Notice of the Annual General Meeting as required by law. The Directors do not commend the Resolution at Item No. 8 for acceptance.

None of the Directors except Mr. N. N. Tata is deemed to be interested or concerned in passing of this Resolution.

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, 19th July 2007

Details of Directors Seeking Appointment at the Annual General Meeting

Particulars	Mr. A. D. Cooper	Mr. N. A. Soonawala
Date of Birth	23 rd August 1940	27 th June 1935
Date of Appointment	29 th May 1984	22 nd January 1982
Qualifications	B.Com, F.C.A., A.C.M.A.	B.Com, F.C.A.
Expertise in specific functional area	Wide experience in the field of Finance & Management	Wide experience in the field of Finance & Management
Directorships held in other public companies (excluding foreign companies)	<ul style="list-style-type: none"> • Trent Brands Limited, • Landmark Limited. 	<ul style="list-style-type: none"> • Tata Sons Limited (Vice Chairman), • Tata Industries Limited, • Tata Motors Limited, • Indian Hotels Co. Limited, • Tata Investment Corporation Limited (Chairman).
Membership/Chairmanship of committees of other public companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Nil	Audit Committee <ul style="list-style-type: none"> • Tata Sons Limited* Shareholders'/ Investors' Grievance Committee- <ul style="list-style-type: none"> • Tata Investment Corporation • Indian Hotels Co. Limited*
Number of shares held in the Company	Nil	Nil

* Chairman of the Committee

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their Fifty-fifth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS

	2006-2007 [Rupees in Crores]	2005-2006 [Rupees in Crores]
Total Income	472.42	357.59
Profit Before Taxes and Exceptional Items	40.99	35.04
Less: Exceptional Items	—	0.75
Less: Provision for Taxation	9.41	9.91
Profit for the Year After Tax	31.58	24.38
Add/Less: Excess / (Short) Tax		
Provision for Prior Years [Net]	0.83	—
Net Profit	32.41	24.38
Balance Brought Forward from Previous Years	13.46	15.28
Balance Available for Appropriation	45.87	39.66
– Interim Dividend	11.03	—
– Proposed Dividend	—	9.38
– Tax on dividend	1.88	1.32
– Transfer to Debenture Redemption Reserve	15.00	13.00
– Transfer to General Reserve	3.25	2.50
Profit Carried Forward	14.71	13.46
	45.87	39.66

DIVIDEND

On 7th May 2007, the Board of Directors declared an interim dividend of Rs. 7/- per share (70%) (previous year final dividend - 65%) involving a distribution of Rs. 11.03 crores (previous year Rs. 9.38 crores), which was paid on 25th May 2007. The total outflow was Rs. 12.91 crores including the tax on dividend of Rs. 1.88 crores. With a view to conserving resources for future growth, the Directors do not recommend a final dividend.

CONVERSION OF WARRANTS

In July 2005, the Company had made a Rights Issue of Partly Convertible Debentures with Detachable Warrants. Under the terms of the detachable warrants, the warrant holder is entitled to exercise his right to apply for one equity share of Rs. 10/- each at a premium of Rs. 640/- per share, after completion of 54 months from the date of allotment. The said terms also provided that in the event the Company proposes to issue further securities under section 81(1) of the Companies Act, 1956 (new Rights Issue) during the tenure of the warrants, the right of the warrant holder to apply for equity shares may at the option of the warrant holder be advanced.

The Board of Directors at its meeting held on 10th October 2006 approved of the fresh issue of equity shares on "Rights" basis to the existing equity shareholders of the Company. Accordingly, the right of the warrant holders to subscribe to the equity shares was advanced and the warrant holders were granted a right to subscribe to equity shares on payment of Rs. 650/- per share.

Consequent to the said advancement of the said option, warrant holders holding 7,47,926 warrants exercised the option to convert their warrants into equity shares and they were allotted the same number of equity shares on 18th December 2006.

Out of the total 13,10,047 detachable warrants issued in July 2005, 5,62,121 warrants are outstanding. These warrant holders have the option to subscribe to the equity shares of the Company within 30 days after the expiry of a period of 54 months commencing from the date of allotment, which was 7th July 2005.

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

During the year, the Company offered equity shares and warrants to the extent of 5% each of the existing paid-up equity share capital of the Company on preferential allotment basis, to the main Promoters / 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').

Consequent to the said offer, Tata Sons Limited and Tata Investment Corporation Limited were issued and allotted the following securities:

	Tata Sons Limited	Tata Investment Corporation Limited
Equity Shares	3,75,000	2,10,000
Warrants	3,75,000	2,10,000

In December 2006, the above equity shares and warrants were issued and allotted. The equity shares were allotted at Rs. 856.86 per share, being the price determined as provided under the SEBI (DIP) Guidelines.

The said warrants were offered with the right to be exercised after 1st June 2007 but not later than 31st March 2008 i.e. within 18 months from the date of the issue. The price in respect of equity shares arising out of exercise of above warrants would be determined as per SEBI (DIP) Guidelines. The Company has received Rs.501.26 Lakhs towards warrant application money from the warrant holders in terms of the SEBI (DIP) Guidelines.

ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the current financial year, the Company offered 31,52,147 equity shares of Rs. 10/- each at a premium of Rs. 490/- per share, for an amount aggregating to Rs. 157.60 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 15th May 2007. The issue opened on 29th May 2007 and closed on 27th June 2007. The

Company, in consultation with the Bombay Stock Exchange Limited, finalised the basis of allotment and has allotted 31,42,606 equity shares on 19th July 2007. The shares have been listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

RETAILING OPERATIONS

The retailing business had a good year with a 31% growth in sales at Rs. 443.80 crores and a segment profit of Rs. 25.51 crores, as compared to Rs. 24.91 crores in the previous year. Four new stores were commissioned at various intervals during the year, all performing in line with the Company's expectations. At the end of the financial year, the Company was operating 27 stores.

During the year, the Company received the prestigious NDTV Award of "Retailer of the Year" and was also rated "The Best Retailer" in the lifestyle category in a survey carried out by the Business World Magazine.

TREASURY OPERATIONS

Compared to the previous year, the Company's treasury income increased by 60.59% to Rs. 18.52 crores. This was on account of the overall favourable market conditions.

STOCK OPTIONS

The Company has granted 45,850 stock options, under the Employee Stock Option Scheme, to senior managers and selected officers of the Company. The entire cost of Rs. 3.96 crores will be amortized over the 24 month vesting period commencing 1st December 2005 as per SEBI Guidelines. The proportionate amortization cost for the year amounting to Rs. 1.54 crores has been debited to the Profit and Loss Account. The stock options outstanding as on 31st March 2007 are 37,900.

SUBSIDIARIES

On an application made by the Company under Section 212(8) of the Companies Act, 1956 (the Act), the Central Government vide letter dated 26th July 2007 has exempted the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account of the subsidiary companies and other documents 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 schedule 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 Offices of the subsidiary companies concerned.

LANDMARK LIMITED AND ITS SUBSIDIARIES

The Company along with its subsidiaries holds 79% in the capital of Landmark Limited. Landmark Limited is engaged in the business of retailing of books, toys, stationery and music. At present, Landmark Limited has nine departmental stores. It posted a turnover of Rs. 136.15 crores in the financial year 2006-2007.

During February 2007, Landmark Limited along with its subsidiaries acquired 52.18% of East West Books (Madras) Private Limited for a total consideration of Rs. 1.14 crores making it a subsidiary of Landmark Limited. Landmark Limited has further agreed to acquire 35.82% of East West Books Private Limited during the current financial year. In December 2006, Landmark sold its 50% holding in Emami Landmark Stores Private Limited.

Westland Books Private Limited, Regent Management Private Limited and Landmark E-tail Private Limited, all 100% subsidiaries of Landmark Limited performed satisfactorily.

TRENT BRANDS LIMITED

Trent Brands Limited, a 100% subsidiary of the Company posted a net profit of Rs. 1.56 crores for the year under review. Trent Brands Limited has declared an interim dividend of Rs. 2.6 crores (80%) on 22nd March 2007.

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 profit of Rs. 4.03 Lakhs for the year under review and did not declare any dividend for the year 2006-2007.

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.

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

A Report on Corporate Governance and Management Discussion and Analysis are attached to this Report.

DIRECTORS

Mrs. S.N. Tata retired from the Board as the Chairman of the Company on 30th October 2006 after a distinguished career with your Company spanning over 45 years. Mrs. Tata joined the Board of Lakme Limited (now known as Trent Limited) in 1962 when it was a subsidiary company of Tata Oil Mills. She was appointed as the Managing Director in 1964 and Chairman in 1982. Under her guidance and leadership, Lakme became India's premier cosmetics company with the highest brand recall in the country.

After the acquisition of Lakme's entire cosmetics business by Hindustan Lever Limited in 1998, Mrs. Tata guided the fortunes of Trent, first by acquiring Littlewoods retailing business in India and then overseeing the rapid expansion of Westside. Under her leadership, Trent has grown to be a

respected leader in the Indian retailing industry. Mrs. Tata was a member of the Board of Tata Industries Limited from 1989 to 2004.

In her personal capacity, Mrs. Tata has received many awards including the Udyog Ratna Award as 'Woman of the Decade' and Visionary of the Year Award at the 3rd Images Fashion Award.

The Board has recorded its warm appreciation of the outstanding contribution made by Mrs. S.N. Tata during her long and illustrious tenure with the Company, and in recognition the Board has appointed her as Chairman Emeritus of the Company.

Mr. F.K. Kavarana was appointed as the Chairman of the Company on the same date.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. A. D. Cooper and Mr. N. A. Soonawala 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.

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.

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;
- 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.

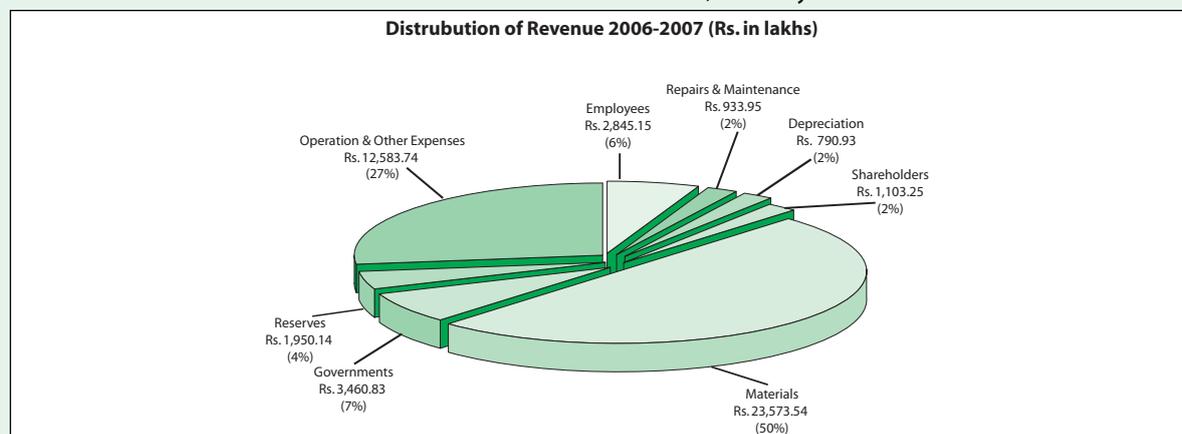
ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information relating to energy conservation and technology absorption 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 Note 19 and 20 on the Balance Sheet and Profit and Loss Account. The Company earned Rs. 12.64 crores in foreign currency from retail sales through international credit cards.

On behalf of the Board of Directors,

F. K. Kavarana
Chairman

Mumbai, 26th July 2007



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 31st March 2007.

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	60,07,146	34,79,646	M Com	32	17.08.1998	53	Vice President - Fiora Cosmetics Ltd.
Chakrawarti Himanshu	Chief Operating Officer – Landmark Limited	42,15,066	23,44,749	BTech, PGDM	16	03.11.2000	40	Heinz India Ltd.
Chopra Neeti	General Manager - Marketing	26,45,864	14,49,580	MA (International Studies)	16	04.10.2005	39	General Manager - Group Executive Officer, Tata Sons Ltd.
Jain S. K.	Head - Human Resources	30,76,700	16,73,232	BA, MSW	37	01.01.2001	59	Sr. General Manager - HRD Jet Airlines (India) Ltd.
Kamat S. W.	General Manager - Finance & Accounts	34,20,147	22,17,042	B Com, AICWA, ACS	31	25.08.1998	53	Manager Finance - Merind Ltd.
Mahajan Gaurav	Head - Buying	33,30,349	22,05,676	B Com (Hons), Comm. App.	11	01.07.1996	34	Asst. Merchandiser Littlewoods International (India) Pvt. Ltd.
Newman Gary	Head - Buying (Hypermarket)	79,20,351	40,22,370	BA (Eco)	36	19.12.2005	58	Trent Ltd.
Phene S.V. *	Vice-President – Corp. Planning	55,99,144	34,31,815	B Com, ACA	29	04.08.1986	51	Sr. Manager - Finance Hindustan Construction Co. Ltd.
Rastogi Sanjay *	Head - Corporate HR	22,54,155	15,95,867	MMS, B Sc	14	22.05.2006	40	General Manager - Human Resources - Wockhardt Ltd.
Seshasai K. V. S.	General Manager - Strategy & Business Head (MBO)	31,99,786	21,15,147	BE (Electronics), MBA	11	01.07.1999	36	TAS Officer - Tata Services Ltd.
Shah R. A.	General Manager - Engineering	31,57,413	20,22,330	BE (Electrical)	29	20.11.1981	53	Maint. Engineer - U.S. Vitamins & Pharm. Corpn. (India) Ltd.
Tata N. N.	Managing Director	1,28,69,200	81,39,116	BA (Eco) Univ. of Sussex, IEP, INSEAD, France	24	03.02.1998	50	Managing Director Lakme Exports Ltd.
Wadia H. R.	Company Secretary	24,79,540	15,78,860	B Com, ACA, ACS	22	01.05.1998	47	Company Secretary - Lakme Lever Ltd.

NOTES :-

1. 'Remuneration Received' includes salary, taxable value of perquisites and Company's contribution to Provident and Superannuation Funds.
2. '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.
3. 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.
4. * The employee was in service only for a part of the year.
5. All the employees have adequate experience to discharge the responsibilities assigned to them.
6. The nature of employment in all cases is contractual.
7. Mr. N. N. Tata is a relative of a Director on the board of the Company up to 30th October 2006.

On behalf of the Board of Directors,

F. K. Kavarana
Chairman

Mumbai, 26th July 2007

ANNEXURE TO DIRECTORS' REPORT
**Disclosure pursuant to the provisions of Securities and Exchange Board of India
(Employee Stock Option Scheme) Guidelines, 1999**

Sr. No.	Particulars	ESOS 2005
a)	Options granted	45,850 equity shares of Rs.10/- each
b)	Pricing Formula	Rs.10/- per share at face value as approved by the shareholders.
c)	Options vested	NA, since options not exercisable before the expiry of two years from the grant of option
d)	Options exercised	NA
e)	Total number of shares arising as a result of exercise of option	NA
f)	Options lapsed (as at 31 st March 2007)	7,950
g)	Variation of terms of options	There has been no variations in terms of options
h)	Money realised by exercise of options	NA
i)	Total number of options in force (as at 31 st March 2007)	37,900
j)	Employee wise details of options granted to	
	i) Senior Management Personnel;	N. N. Tata - Managing Director - 5,000 options P. K. Anand - Vice-President - Operations - 1,500 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. 21.59
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 ending on 31 st March 2007 is Rs. 153.87 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. 7.81 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. 7.81 lakhs and the basic and diluted earnings per share would have been higher by Re. 0.05 & Re. 0.05 respectively.
m)	Weighted average exercise price and weighted average fair value	NA
n)	Fair value of options based on Black Scholes methodology	821.26
	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 option grant	Rs. 865.20

MANAGEMENT DISCUSSION & ANALYSIS

The organized Retail Industry in India, which began expanding at the end of the 1990s has seen significant growth ever since, helped by a number of favourable factors, such as high economic growth, easy availability of credit, increased levels of investment in infrastructure, real estate and manufacturing and of course the rapid growth of the IT and BPO sectors. This has created a sustained demand for products offered by organized retailing.

Socio-economic changes have developed rapidly with higher affluence levels, increased purchasing power of the middle and upper middle classes, the internet resulting in increased ease of communication and exploding foreign travel which have all created new aspirations in the country and particularly its large young population. All these changes have contributed to India being considered as the most attractive retail destination in the world for the second year in a row.

OPERATIONS – WESTSIDE

The operations of Westside have grown from 1 store in 1998 to 26 stores located in 18 cities across India, giving the brand a truly national presence. During the second half of the year under review your Company opened 4 new stores at Jaipur, Lucknow, Surat and Mysore. It also relocated its Pune store to larger premises and extended the Chennai store. The Company had planned to open four new additional stores during the second and third quarters of the year under review. Unfortunately, this did not materialize due to the inability of the developers to hand over the premises on time. This delay had a material impact on the financial results of the second half of the financial year due to the need to provide for possible markdowns on the stocks purchased for those stores.

The year under review saw Westside receiving a prestigious award – The NDTV “Retailer of the year” and was also voted as “The Best Retailer” in the lifestyle category in a survey carried out by Business World Magazine.

STAR INDIA BAZAAR

The Company’s first hypermarket at Ahmedabad has seen a year of continuous improvement in its processes, offerings and promotions and its product range, which was reflected in a growth of 51% in revenue year on year.

As part of the customer benefit proposition, a private label credit card was launched in association with HSBC to facilitate the shopping needs of our customers. The simplicity of becoming a member and ease of payment have resulted in about 35,000 customers enrolling into this programme. The private label lines in food and non-food items were extended and will see further extension in the future.

Regretfully the second and third hypermarkets, which were due to commence operations in Bangalore and Mumbai, could not be opened due to delays in completion of the projects by the developers. Both these hypermarkets would now open in the current year. The lessons learnt in this start-up phase of the hypermarket business will no doubt help in the faster activation of the string of hypermarkets planned to be opened in the next few years.

LANDMARK

Landmark had a successful year and expanded from 5 to 9 stores ending the year with a turnover of Rs.136.15 crores, i.e. a 30% growth over FY 05-06 thereby maintaining its market leadership in this segment. Landmark continues to hold the largest collection of books in the country with 100,000 titles. It also has a strong presence in music, toys and furnishing.

TREASURY INCOME

The Company’s treasury income improved over last year, on account of favourable market conditions coupled with the Company’s prudent treasury management policy.

Equity markets gave good returns during the year but were accompanied by considerable volatility. The increase in interest rates, prompted by the RBI, led to better returns for the Company’s investments in debt instruments particularly FMP’s.

TECHNOLOGY & MANAGEMENT

Our Company has successfully upgraded to the latest version of SAP in March 2007 in Star India Bazaar, which is now the first unit in India to have implemented the latest version of SAP viz. ERP 2005 or ECC6.

Your Company has also developed its own customized point of sale software, which is being pilot-tested at Star India Bazaar at present and is expected to roll out in July 2007. With this roll out, your Company will be the first in India to use Linux, which is a more stable and secure technology platform.

On the Westside front, SAP ECC6 implementation is in progress and which is expected to go live during the current financial year.

Continuing on the success of the Balanced Score Card implementation, your Company has now implemented the Score Card at the functional level. Your Company also plans to automate the Balanced Score Card implementation.

OUTLOOK 2007-08

In absolute numbers, the Indian market for clothing, food and groceries, books and music has a large base and continues to expand propelled by a faster GDP growth and the population's generally more positive outlook for the country's future.

However, greater exposure to international trends and services has made customers more discerning in their taste and demanding on service.

During the current year, your Company plans to open 11 Westside Stores, 5 Landmark Stores and 3 Star India Bazaars.

RISK AND CONCERNS

Economic factors such as high economic growth which favourably affect demand for your Company's products and services may also substantially impact the Company's cost structure:

- (a) Real Estate: The year under review has seen a huge increase in land prices which going forward is bound to be reflected in higher rents in upcoming shopping malls. Rents in many high street locations in major metro cities may have reached levels that have made the locations unviable for new retail operations.
- (b) Human Resources: The expansion of the retail sector and specifically the entrance last year of new players with large requirements for trained retail talent has led to a higher turnover of staff. The need to increase salaries to match those offered by the new entrants is adding substantially to the Company's cost.
- (c) Electricity: Electricity being one of the largest components of costs has had its highest increase in the last 7 years. Rates in Mumbai increased by as much as 38% due to the shortage of power in the state, which had to be purchased from other states at high prices. Higher power deficits in other cities led to more load shedding and meant more reliance on generators, which added to costs as generated power is more expensive than the grid.
- (d) Delays in Real Estate availability: Due to a multitude of reasons including environmental clearances and planning permissions, shopping malls contracted for delivery have been delayed by between 3 months to 12 months. It is anticipated that the availability of new malls in general will continue to be substantially delayed in the years ahead, due to pressures on infrastructure, shortage of capacity, and delays in getting permissions. This will adversely affect the rate of growth of the retail industry in the years ahead.
- (e) The recent introduction of service tax on rentals will increase the already high cost of occupancy.

These factors will contribute to increasing retailers' cost of providing their customers with a modern shopping experience.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2006-2007

1] Corporate Governance Philosophy

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company and to help the Company achieve its goal of 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 seven Directors including a Non-Executive Chairman. Of the 7 Directors, 6 are Non-Executive and 4 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 2007 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 2006-07		Whether attended last AGM held on 8 th September 2006	No. of Directorships in other Public Limited Companies		No. of Committee positions held in other Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mrs. S.N. Tata*	Non-Independent Non-Executive	10	5	Yes	N.A.			
Mr. F. K. Kavarana (Chairman)#	Non-Independent Non-Executive	10	9	Yes	5	5	4	2
Mr. N. A. Soonawala	Non-Independent Non-Executive	10	9	No	1	4	3	-
Mr. B. S. Bhesania	Independent Non-Executive	10	10	Yes	-	4	-	2
Mr. A. D. Cooper	Independent Non-Executive	10	10	Yes	-	2	-	-
Mr. K. N. Suntook	Independent Non-Executive	10	9	Yes	1	3	1	1
Mr. N. N. Tata	Managing Director	10	10	Yes	-	7	1	-
Mr. Z. S. Dubash	Independent Non-Executive	10	8	Yes	-	-	-	-

* Retired as Chairman on 30th October 2006

Appointed as Chairman with effect from 30th October 2006

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 ten times during the year 2006-2007 i.e. on 28th June 2006, 20th July 2006, 2nd August 2006, 8th September 2006, 10th October 2006, 30th October 2006, 5th December 2006, 9th January 2007, 30th January 2007 and 22nd March 2007.

The gap between two Meetings did not exceed three 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 31st March 2007 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 31st March 2007. 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 31st March 2007. 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, 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 2006-2007	
		Held	Attended
Mr. A. D. Cooper, Chairman	Independent Non-Executive	7	7
Mr. B. S. Bhesania, Member	Independent Non-Executive	7	7
Mr. K. N. Suntook, Member	Independent Non-Executive	7	6

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

During the year 2006-07, seven Audit Committee meetings were held on 27th June 2006, 18th July 2006, 30th October 2006, 5th December 2006, 29th January 2007, 20th February 2007 and 22nd March 2007.

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 8th September 2006. 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 Counsellor/Chairman of the Audit Committee of the Company and make protective disclosure about the unethical behaviour, 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 to them under the Retirement Benefit Guidelines adopted by the Board and 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 2006-2007	
		Held	Attended
Mr. A. D. Cooper, Chairman	Independent Non-Executive	2	2
Mr. N. A. Soonawala, Member	Non Independent Non-Executive	2	2
Mr. B. S. Bhesania, Member	Independent Non-Executive	2	2
Mr. F. K. Kavarana*	Non Independent Non-Executive	N.A.	

* Appointed as member of the Remuneration Committee with effect from 5th December 2006.

For the year ended 31st March 2007, the Remuneration Committee met on 5th May 2006 and 10th October 2006.

The Chairman of the Remuneration Committee, Mr. A. D. Cooper, was present at the Annual General Meeting held on 8th September 2006.

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 1st 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 8th September 2006, approved the payment of remuneration by way of commission to the Non-Wholetime 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 1st April 2006. 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, Audit Committee, Investment Committee of Directors and Rs. 3,000/- for Remuneration Committee (revised to Rs. 5,000/- with effect from 22nd March 2007) and Shareholders'/Investors' Grievance Committee of Directors. The sitting fees paid / payable to the Non-Wholetime Directors is excluded whilst calculating the above limits of remuneration in accordance with Section 198 of the Act.

c) **Directors' Remuneration**

The Directors' remuneration and sitting fees paid/payable in financial year 2006-07 is given below:

Non-Executive Directors

Name of the Director	Commission for the financial year 2005-2006 [Rs.]	Sitting fees for attending Board and Committee Meetings [Rs.]
Mrs. S. N. Tata*	8,00,000/-	28,000/-
Mr. N. A. Soonawala	6,00,000/-	66,000/-
Mr. B. S. Bhesania	6,00,000/-	94,000/-
Mr. A. D. Cooper	4,00,000/-	91,000/-
Mr. F. K. Kavarana#	3,00,000/-	60,000/-
Mr. K. N. Suntook	4,00,000/-	90,000/-
Mr. Z. S. Dubash	1,00,000/-	40,000/-

* Retired as Chairman on 30th October 2006

Appointed as Chairman with effect from 30th October 2006

Commission for the financial year 2006-2007 is payable in 2007-2008.

Managing Director

Name	Salary [Rs. Lakhs]	Perquisites & Allowances [Rs. Lakhs]	Commission [Rs. Lakhs]	Term of Contract
Mr. N. N. Tata	47.44	30.12	75.00 Payable in 2007-2008	5 years

Options Granted to Managing Director

Sr. No.	Particulars	Details
1.	Stock Options granted	5000
2.	Date of Grant	1 st December 2005
3.	Vesting Period	24 months
4.	Exercise Price	10/-

5] Investment Committee

In order to monitor and optimise 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 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. Consequent to the retirement of Mrs. S. N. Tata from the Board of Directors, the Shareholders'/Investors' Grievance Committee was reconstituted by the Board of Directors during the year. 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 10th October 2006. The Company Secretary is also the Secretary of the Shareholders'/Investors' Grievance Committee. The other details pertaining to this Committee's Meeting are as under:

[a] Name of the Non-Executive Director heading the Committee: Mr. F. K. Kavarana with effect from 5th December 2006

[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
0	6	6	0

[d] Number of pending share transfers/requests for dematerialisation of shares as on 31st March 2007: 18

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 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 AGMs were held:

Annual General Meeting (AGM)	Date	Time	Venue
52 nd AGM	3 rd September 2004	3.30 p.m.	Bombay House Auditorium,
53 rd AGM	27 th September 2005	3.30 p.m.	Bombay House,
54 th AGM	8 th September 2006	3.30 p.m.	24, Homi Mody Street, Mumbai 400 001.

All resolutions moved at the last Annual General Meeting were passed by 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
3 rd September 2004	No	N.A.
27 th 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 th September 2006	Yes	Payment of commission to Non-Wholetime Directors of the Company

Postal Ballot

The Company successfully completed the process of obtaining the approval of its Members on two Special Resolutions (a) under Section 81(1A) of the Companies Act, 1956 (the Act) to issue equity shares and warrants on preferential basis to the Promoters of the Company viz., Tata Sons Limited and Tata Investment Corporation Limited; and (b) under Section 163 of the Act to change of place of keeping registers and records, through Postal Ballot, as contained in the Postal Ballot Notice to the members dated 15th November 2006.

Ms. Shirin Bharucha, Advocate was appointed as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

Voting pattern and procedure for Postal Ballot:

1. The Board of Directors of the Company at its meeting held on 10th October 2006, had appointed Ms. Shirin Bharucha, Advocate, as the Scrutinizer for conducting the postal ballot voting process.
2. The Company had completed on 21st November 2006 the dispatch of postal ballot forms along with prepaid business reply envelopes to its members whose name(s) appeared on the Register of members/list of beneficiaries as on 12th October 2006.
3. The postal ballot forms were kept under the safe custody of the Scrutinizer, in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
4. All postal ballot forms received/receivable upto the close of working hours on 20th December 2006, the last date and time fixed by the Company for receipt of the forms, had been considered for her scrutiny.
5. Envelopes containing postal ballot forms received after 20th December 2006 had not been considered for her scrutiny.
6. On 22nd December 2006, Mr. F. K. Kavarana, Chairman, announced the following result of the Postal Ballot as per the Scrutinizer's Report:

	Resolution u/s. 81(1A)			Resolution u/s. 163		
	Ballots	Votes	%	Ballots	Votes	%
Votes in favour	1,470	50,17,730	99.36	1,443	50,10,436	99.22
Votes against	63	7,388	0.15	32	3,525	0.07
Invalid Votes	166	24,551	0.49	224	35,954	0.71
Total	1,699	50,49,669	100.00	1,699	50,49,915	100.00

Accordingly, both the Special Resolutions set out in the Notice dated 15th November 2006 were duly passed by the requisite majority of shareholders.

7. A newspaper notice was published by the Company on 23rd December 2006, declaring the above results of the Postal Ballot.

9] Disclosures

- [a] Transactions with 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(s) 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 behaviors. 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 and on SEBI website 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 Indian Express and the Loksatta.

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

Management Discussion and Analysis 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	28 th August 2007, at 3.30 p. m.
Venue	Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001.
Date of book closure	Tuesday, 21 st August 2007 to Tuesday, 28 th August 2007
Listing on Stock Exchanges	The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

As required under Clause 49VI [A], particulars of Directors seeking re-appointment are appended to the Notice of the Annual General Meeting to be held on 28th August 2007.

Financial Calendar	Year ending 31 st March AGM 28 th August 2007
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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 2006-2007.

Stock Code:

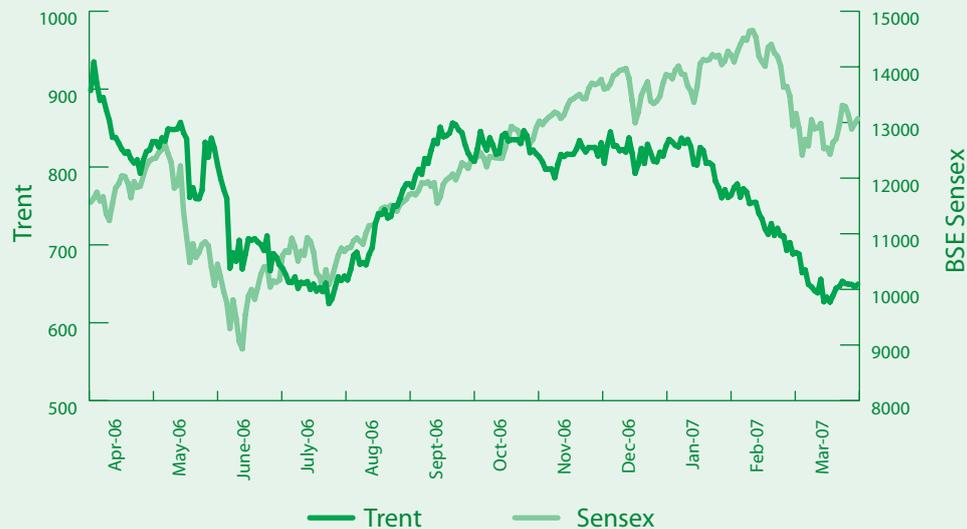
	EQUITY	NCDs	WARRANTS
BSE	500251	934770	961675
NSE	TRENT EQ	TRENT N1	TRENT W1

Market Information:

Month	BSE			NSE		
	High [Rs.]	Low [Rs.]	No. of Shares Traded	High [Rs.]	Low [Rs.]	No. of Shares Traded
April 2006	1,010.00	800.00	62673	1015.00	801.25	181123
May 2006	919.95	720.00	366244	958.05	721.00	536888
June 2006	880.00	657.60	255951	887.55	627.15	238976
July 2006	761.85	641.20	56855	720.00	640.50	69446
August 2006	840.00	682.15	137657	841.00	682.00	51874
September 2006	934.00	810.25	34803	920.00	820.00	71878
October 2006	909.00	840.00	92876	935.55	829.70	106287
November 2006	900.00	823.00	148643	896.90	755.55	119133
December 2006	956.90	820.00	55953	915.00	802.80	107574
January 2007	949.90	790.00	101331	900.00	795.00	186526
February 2007	840.00	719.60	127212	850.50	721.05	255581
March 2007	770.00	654.00	136944	790.00	630.90	194258

Source: BSE & NSE

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



Registrar and Transfer Agents:

TSR Darashaw Limited, (TSRD)
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
Website: www.tsrdarashaw.com

Branches of TSRDL:	
TSR Darashaw Limited, 503, Barton Centre (5 th Floor), 84, Mahatma Gandhi Road, Bangalore – 560 001 E-mail: tsrdlbg@tsrdarashaw.com Tel: 080 – 25320321; Fax: 080 – 25580019	TSR Darashaw Limited, Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001 E-mail: tsrdljsr@tsrdarashaw.com Tel: 0657-2426616; Fax: 0657-2426937
TSR Darashaw Limited, 2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002 E-mail: tsrdldel@tsrdarashaw.com Tel: 011-23271805; Fax: 011-23271802	TSR Darashaw Limited, Tata Centre, 1 st Floor, 43, Chowringhee Road Kolkata – 700 071 E-mail: tsrdlcal@tsrdarashaw.com 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 31st March 2007:

	Number of Shares held in				Number of Holders			
	Physical	% to Capital	Electronic	% to Capital	Physical	% to Capital	Electronic	% to Capital
Equity Shares Held								
1 to 500	1025187	69.68	2149756	15.04	11437	97.29	20129	92.32
501 to 1000	177046	12.03	790139	5.53	280	2.38	1203	5.52
1001 to 2000	45304	3.08	358812	2.51	32	0.27	264	1.21
2001 to 3000	13770	0.94	158807	1.11	6	0.05	65	0.30
3001 to 4000	0	0.00	83616	0.59	0	0.00	24	0.11
4001 to 5000	0	0.00	93296	0.65	0	0.00	20	0.09
5001 to 10000	0	0.00	281114	1.97	0	0.00	39	0.18
Over 10000	210000	14.27	10373890	72.60	1	0.01	60	0.27
TOTAL	1471307	100.00	14289430	100.00	11756	100.00	21804	100.00

Categories of Shareholders:

Category	As on 31 st March 2007		As on 31 st March 2006		% Variance 07 v/s 06
	Number of Equity Shares Held	% to Paid-up Capital	Number of Equity Shares Held	% to Paid-up Capital	
Promoters	4697512	29.81	3801207	26.35	3.46
Individuals	5484321	34.79	5355011	37.11	-2.32
Unit Trust of India	2889	0.02	2889	0.02	0
Government & Other Public Financial Institutions	32461	0.21	29764	0.21	0
Companies	812820	5.16	892574	6.19	-1.03
Banks, Mutual Funds and Trusts	2674280	16.96	2072748	14.36	2.60
Foreign Institutional Investors & Foreign Companies	2056454	13.05	2273618	15.76	-2.71
TOTAL	15760737	100.00	14427811	100.00	

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 90.66% (Previous Year 90.08%) of the Company's Share Capital are dematerialized as on 31st March 2007.

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.

Outstanding Warrants:

In July 2005, the Company had made a Rights Issue of Partly Convertible Debentures with Detachable warrants. Under the terms of the Detachable Warrants, the warrant holder is entitled to exercise his right to apply for one equity share of Rs. 10/- each at a premium of Rs. 640/- per share, after completion of 54 months from the date of allotment, which was 7th July 2005. The said terms also provided that in the event the Company proposes to issue further securities under section 81(1) of the Companies Act, 1956 (new Rights Issue) during the tenure of the warrants, the right of the warrant holder to apply for equity shares may at the option of the warrant holder be accelerated.

The Board of Directors at its meeting held on 10th October 2006 approved of the fresh issue of equity shares on Rights Basis to the existing equity shareholders of the Company. Accordingly, the right of the warrant holder to subscribe to the equity shares was advanced and the warrant holder was granted a right to subscribe to equity shares on payment of Rs. 650/- per share.

Consequent to the said advancement of the said option, warrant holders holding 7,47,926 warrants exercised the option to convert their warrants into equity shares and they were allotted the same number of equity shares on 18th December 2006. Out of the total 13,10,047 detachable warrants issued in July 2005, 5,62,121 warrants are outstanding.

Issue of securities to the Promoters of the Company on Preferential allotment basis

During the year, the Company offered Equity Shares and Warrants to the extent of 5% each of the existing paid-up equity share capital of the Company on preferential allotment basis, to the main Promoters/shareholders of the Company, Tata Sons Limited and Tata Investment Corporation Limited, in accordance with the Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ('SEBI (DIP) Guidelines').

Consequent to the said offer, Tata Sons Limited and Tata Investment Corporation Limited were issued and allotted the following securities:

	Tata Sons Limited	Tata Investment Corporation Limited
Equity Shares	375000	210000
Warrants	375000	210000

In December 2006, the above equity shares and warrants were issued and allotted. The equity shares were allotted at Rs. 856.86 being the price determined under the SEBI (DIP) Guidelines.

The warrants were offered with the right to subscribe to new equity shares to be exercised after 1st June 2007 but not later than 31st March 2008 i.e. within 18 months from the date of the issue. The price in respect of equity shares arising out of exercise of above warrants would be determined as per SEBI (DIP) Guidelines. The Company has received Rs. 501.26 Lakhs towards warrant application money from the warrant holders in terms of the SEBI (DIP) Guidelines. As on 31st March 2007, the above warrants are outstanding.

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:

1995-96 to 2006-07	TSR Darashaw Limited	Letter on plain paper. In respect of dividend for FY 2000-01, the Members are requested to apply before end August 2008.
Upto 1994-95	Office of the Registrar of Companies CGO Complex, 'A' Wing, 2 nd 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 th August 2001	03 rd October 2008
2001-02 (Interim)	05 th June 2002	12 th July 2008
2002-03	27 th August 2003	03 rd October 2010
2003-04	03 rd September 2004	10 th October 2011
2004-05 (Interim)	19 th May 2005	25 th June 2012
2005-06	08 th September 2006	15 th October 2013

**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. 231, SGS Magnum Mall, Moledine Road, **Pune - 411 001.**
6. "Landmark", Ramdas Peth, Wardha Road, **Nagpur - 440 001.**
7. 15A, 34/35, Ajmal Khan Road, Karol Bagh, **New Delhi - 110008.**
8. A-15, Feroze Gandhi Marg, Alankar Cinema Bldg, **New Delhi - 110 024.**
9. TDI Mall, Shivaji Place, Rajouri Gardan, **New Delhi - 110 027.**
10. Pacific Mall, Sahiabad Industrial Area, **Ghaziabad (U.P.) - 201 010.**
11. DLF Grand Mall, **Gurgaon - 122 002.**
12. No.77, Commercial Street, **Bangalore - 560 007.**
13. The Forum, 21, Hosur Road, Koramangla, **Bangalore - 560 029.**
14. Garuda Mall, Magrath Road, **Bangalore - 560 025.**
15. 769, Spencer Plaza, Anna Salai, **Chennai - 600 002.**
16. Khan Lateef Khan Estate, Fateh Maidan Road, **Hyderabad - 500 001.**
17. 22, Camac Street, **Kolkata - 700 017.**
18. The Garihatta Mall, 13, Jamir Lane, **Kolkata - 700 019.**
19. Abhijeet-V, Ellisbridge, Near Law Gardens, **Ahmedabad - 380 006.**
20. Monalisa, Jatalpur, Race Course Road, **Vadodara - 390 007.**
21. Centrestage Mall, L-1, Sector-18, **Noida (U.P.) - 201 301.**
22. 17, Racecourse Road, **Indore - 452 003.**
23. Citi pulse Mall, Plot No 21, Narain Singh Circle, **Jaipur.**
24. East End Mall, TC 54, Vibhuti Khand, Gomati Nagar, **Lucknow.**
25. ISCON Mall, Dummas Road, Opp. Rajhans Theater, **Surat - 395 007.**
26. No 508, Vishwamanava Double Road, Kuvempunagar, **Mysore - 570 023** (Franchisee Store).

STAR INDIA BAZAR:

ISCON Mall, Near Jodhpur Char Rasta, **Ahmedabad - 380 015.**

LANDMARK:

1. The Forum, 21, Hosur Road, Koramangla, **Bangalore - 560 029.**
2. Apex Plaza, 3, 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. 1-B, Moledine Road, **Pune - 411 001.**
9. East End Mall, TC 54, Vibhuti Khand, Gomati Nagar, **Lucknow.**

Address for correspondence : Trent Limited
 2nd Floor, Taj Building, 210, Dr. D. N. Road, Mumbai 400 001.
Tel: 22077205 / 22071464; **Fax:** 22070216
 E-mail: hr.wadia@trent-tata.com;
 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 31st March 2007, 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 Shareholders'/Investors' Grievance Committee, as on 31st March 2007 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. RAJI & Co.,**
Chartered Accountants

Y. N. THAKKAR
Partner
Membership No. 33329

Mumbai, 26th July 2007

**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 March 31, 2007.

For **TRENT LIMITED**

N. N. TATA
Managing Director

Mumbai, 29th June 2007

Auditors' Report

To the Members of Trent Limited

1. We have audited the attached Balance Sheet of **TRENT LIMITED**, as at 31st March 2007, 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 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 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 31st March 2007;
 - (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. RAJI & CO.**,
Chartered Accountants

Y.N. THAKKAR
Partner
Membership No. 33329

Mumbai, 29th June 2007

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>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 under section 301 of the Companies Act, 1956.</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,</p> |

Investor Education and Protection 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 31st March 2007 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	Deputy Commissioner (Appeals)	14.63

- (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, 29th June 2007

Balance Sheet as at 31st March 2007

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	As at 31.03.2006 Rupees in lakhs
SOURCES OF FUNDS :					
1. SHAREHOLDERS' FUNDS :					
(a) Capital	A	34	1,576.07		1,442.78
(b) Warrant Application Money (Note No 3, Schedule 'A', Page 34)			501.26		—
(c) Reserves and Surplus	B	35	37,172.87		25,517.21
				39,250.20	26,959.99
2. LOAN FUNDS :	C	36			
(a) Secured Loans			6,550.24		6,550.24
(b) Unsecured Loans			16.80		22.14
				6,567.04	6,572.38
3. Deferred Tax Liability (Net) (Note No. 4, Page 45)				506.62	632.94
4. TOTAL FUNDS EMPLOYED				46,323.86	34,165.31
APPLICATION OF FUNDS :					
5. FIXED ASSETS :	D	36			
(a) Gross Block			10,470.40		9,154.03
(b) Less : Depreciation			3,219.13		2,501.20
(c) Net Block			7,251.27		6,652.83
(d) Capital Work-in-Progress			1,250.96		542.95
				8,502.23	7,195.78
6. INVESTMENTS	E	37 to 39		30,821.59	23,296.62
7. CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	F	40	7,253.14		5,336.29
(b) Sundry Debtors	G	40	216.30		198.90
(c) Cash and Bank Balances	H	41	1,850.40		1,342.77
(d) Loans and Advances	I	41	8,010.78		7,242.01
			17,330.62		14,119.97
8. Less: CURRENT LIABILITIES AND PROVISIONS :					
(a) Liabilities	J	42	7,209.07		7,829.12
(b) Provisions	K	42	3,121.51		2,617.94
			10,330.58		10,447.06
9. NET CURRENT ASSETS				7,000.04	3,672.91
10. TOTAL ASSETS (NET)				46,323.86	34,165.31

(For Schedule 'L' and notes see Pages 43 to 51)

As per our report attached.

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

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

N. N. TATA Managing Director

Profit and Loss Account for the year ended 31st March 2007

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
INCOME :					
1. INCOME FROM OPERATIONS	2	33	45,578.19		34,644.09
2. OTHER INCOME	3	33	1,663.34		1,114.91
3. TOTAL INCOME				47,241.53	35,759.00
EXPENDITURE :					
4. MANUFACTURING AND OTHER EXPENSES	1	32	42,210.59		31,348.57
5. DEPRECIATION			790.93		800.05
			43,001.52		32,148.62
6. INTEREST					
(a) DEBENTURES			131.00		96.19
(b) OTHERS			10.22		10.02
			141.22		106.21
7. TOTAL EXPENDITURE				43,142.74	32,254.83
PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS				4,098.79	3,504.17
8. EXCEPTIONAL ITEMS	4	33		—	75.00
9. PROVISION FOR TAXATION					
CURRENT TAX			912.00		1,014.00
FRINGE BENEFIT TAX			67.65		53.91
DEFERRED TAX			(38.78)		(76.57)
				940.87	991.34
PROFIT FOR THE YEAR AFTER TAXES				3,157.92	2,437.83
10. EXCESS TAX PROVISION FOR PRIOR YEARS (NET)				82.97	—
NET PROFIT				3,240.89	2,437.83
11. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				1,345.98	1,527.49
PROFIT AVAILABLE FOR APPROPRIATION				4,586.87	3,965.32
12. APPROPRIATIONS :					
(i) GENERAL RESERVE				325.00	250.00
(ii) DEBENTURE REDEMPTION RESERVE				1,500.00	1,300.00
(iii) INTERIM DIVIDEND				1,103.25	—
(iv) PROPOSED DIVIDEND				—	937.81
(v) TAX ON DIVIDEND				187.50	131.53
(vi) BALANCE CARRIED TO BALANCE SHEET				1,471.12	1,345.98
				4,586.87	3,965.32
13. Earnings Per Share (Rs.) (Note 23, Page 51)					
Basic				21.90	17.19
Diluted				21.59	16.84

(For Schedule 'L' and notes see Pages 43 to 51)

As per our report attached.

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

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

N. N. TATA Managing Director

Schedule forming part of the Profit and Loss Account

**Schedule '1' (Item No. 4, Page 31)
MANUFACTURING AND OTHER EXPENSES**

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) RAW MATERIALS CONSUMED		216.55	234.25
(2) PURCHASE OF FINISHED PRODUCTS		25,473.91	18,875.51
(3) PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
(a) Salaries, Wages, Bonus, etc. (refer note 'a' of schedule 'B', Page 35)	2,581.79		1,807.87
(b) Contribution to Provident, Superannuation and Gratuity Funds	133.45		115.17
(c) Workmen and Staff Welfare Expenses	129.91		104.88
		2,845.15	2,027.92
(4) OPERATION AND OTHER EXPENSES			
(a) Processing Charges	179.24		185.66
(b) Packing Materials Consumed	301.56		230.01
(c) Power and Fuel	1,282.51		968.75
(d) Repairs to Building	681.05		513.31
(e) Repairs to Machinery	130.34		82.26
(f) Repairs Others	122.56		84.80
(g) Rent	1,005.03		583.70
(h) Rates and Taxes	439.45		358.87
(i) Insurance	75.41		59.67
(j) Advertisement and Sales Promotion	3,806.18		2,985.19
(k) Travelling Expenses	257.78		207.50
(l) Professional and Legal Charges	349.12		314.96
(m) Printing and Stationery	84.94		70.22
(n) Bank Charges	256.47		188.27
(o) Postage, Telegrams and Telephones	191.43		143.87
(p) General Expenses (Note 5 (i), Page 45)	1,324.97		1,026.78
(q) Retail Business Fees	2,393.94		1,907.46
(r) Sales tax paid	2,210.68		1,494.35
(s) Directors' Fees	4.69		5.83
(t) Commission to Non Whole-time Directors	35.00		32.50
(u) Store Launch Expenses Amortised	—		35.43
(v) Excess of Cost over Fair Value of Current Investments	5.86		—
(w) Loss on Sale of Fixed Assets Sold/Discarded (Net)	55.29		—
		15,193.50	11,479.39
(5) FREIGHT AND FORWARDING CHARGES		432.43	291.32
(6) CHANGES IN FINISHED PRODUCTS			
Accretion to stocks deducted		1,950.95	1,559.82
		42,210.59	31,348.57

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		44,380.45	33,892.93
(2) Other Operating Income			
(a) Display and Sponsorship Income	125.63		50.48
(b) Commission on Sales	322.05		246.96
(c) Discounts and Fees	147.91		46.80
(d) Others	223.51		132.70
		819.10	476.94
(3) Income from Current Investments - Non trade			
(a) Dividend on Current Investments	280.08		166.71
(b) Profit on Sale of Current Investments (Net)	98.56		107.48
(c) Profit on valuation of Current Investments (Net)	—		0.03
		378.64	274.22
		45,578.19	34,644.09

**Schedule '3' (Item No. 2, Page 31)
OTHER INCOME**

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Rent received		18.77	50.90
(2) Miscellaneous Income		169.78	97.44
(3) Interest on Loans and Advances - Gross [Tax deducted at source : Rs 34.20 lakhs (2005-2006 : Rs 31.77 lakhs)]		189.83	125.95
(4) Interest on Deposits with Banks - Gross [Tax deducted at source : Rs 19.45 lakhs (2005-2006 : Rs 4.60 lakhs)]		91.97	40.97
(5) Interest on Long Term Investments - Gross		2.98	2.98
(6) Dividend on Long Term Investments - Gross			
(a) Trade	2.00		3.00
(b) Subsidiaries	430.71		195.00
(c) Others	245.32		187.63
		678.03	385.63
(7) Profit on Sale of Long Term Investments (Net)		511.48	86.03
(8) Profit on Fixed Assets sold/discarded (Net)		—	86.64
(9) Excess provision no longer required written back		0.50	0.35
(10) Share of Profit in Partnership - Landmark (for the period 31-08-2005 to 31-03-2006)		—	238.02
		1,663.34	1,114.91

**Schedule '4' (Item No. 8, Page 31)
EXCEPTIONAL ITEMS**

	Rupees in lakhs	Previous Year Rupees in lakhs
Provision for Contingencies	—	75.00
	—	75.00

Schedule forming part of the Balance Sheet

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

CAPITAL

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
AUTHORISED :			
2,00,00,000 Equity Shares of Rs.10/- each (2005-2006 : 1,50,00,000 Equity Shares of Rs.10/- each)	2,000.00		1,500.00
50,00,000 Unclassified Shares of Rs.10/- each (2005-2006 : 1,00,00,000 Unclassified Shares of Rs.10/- each)	500.00		1,000.00
	<hr/>	2,500.00	<hr/>
		<hr/>	<hr/>
ISSUED, SUBSCRIBED AND PAID UP :			
1,57,60,737 Equity Shares of Rs. 10/- each fully paid-up [2005-2006 : 1,44,27,811 Equity Shares of Rs. 10/- each fully paid-up]		1,576.07	1,442.78
		<hr/>	<hr/>
		1,576.07	1,442.78
		<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.
 - (c) During the year 2005-2006, 13,10,047 Equity Shares were allotted as fully paid up on conversion of Partly Convertible Debentures.
 - (d) During the current year, the Company has issued 7,47,926 Equity Shares of Rs.10/- each @ Rs.650/- per share to the warrant holders (see Note 4 below) who have applied for shares as per the terms of the issue.
 - (e) During the current year, the Company has issued 5,85,000 Equity Shares of Rs.10/- each @ Rs.856.86 per share on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, Promoters of the Company.
2. The Board of Directors vide Resolution dated 5th December 2006 has resolved to classify the Authorised Share Capital of Rs. 25,00,00,000 into 2,00,00,000 Equity Shares of Rs. 10/- each from 1,50,00,000 Equity Shares of Rs.10/- each and 50,00,000 Unclassified Shares of Rs. 10/- each from 1,00,00,000 Unclassified Shares of Rs.10/- each. Consequently, the Memorandum and Articles of Association of the Company will be amended at the forthcoming General Meeting.
3. During the current year, the Company has issued 5,85,000 Warrants on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, Promoters of the Company entitling them to apply for one Equity Share of Rs.10/- each at a premium to be determined in accordance with the SEBI (DIP) Guidelines. The Warrant Holders would be entitled to exercise the right to apply for Equity Shares after 1st June 2007 but not later than 31st March 2008. The Company has received Rs. 501.26 lakhs towards Warrant Application Money from the Warrant Holders in terms of the SEBI (DIP) Guidelines.
4. During the year 2005-2006, the Company has issued 13,10,047 Warrants to the shareholders along with Partly Convertible Debentures. The 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. 5,62,121 Warrants are outstanding as on 31st March 2007.
5. During the year 2005-2006, the Company had granted 45,850 Stock Options under the Employee Stock Option Scheme. Stock Option outstanding as on 31st March 2007 are 37,900.

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

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) SECURITIES PREMIUM ACCOUNT			
(a) Balance as per last account	3,682.41		—
(b) Add: Premium on issue of Equity Shares	—		5,109.18
(c) Add: Premium on issue of Equity Shares on preferential basis	4,954.13		—
(d) Add: Premium on issue of Equity Shares on Conversion of Warrants	4,786.73		—
(e) Less: Premium on redemption of Non-Convertible Debentures	—		1,283.85
(f) Less: Write off of Securities / Warrant issue expenses	16.66		142.92
		13,406.61	3,682.41
(2) DEBENTURE REDEMPTION RESERVE			
(a) Balance as per last account	1,300.00		—
(b) Add : Transferred from Profit and Loss Account	1,500.00		1,300.00
		2,800.00	1,300.00
(3) EMPLOYEE STOCK OPTIONS			
(a) Employee Stock Options Outstanding			
Balance as per last account	388.50		—
Additions	—		396.72
Lapsed	60.57		8.22
Outstanding	327.93		388.50
(b) Less: Deferred Employee Compensation			
Balance as per last account	323.75		—
Additions	—		396.72
Amortised/Lapsed	214.44		72.97
Balance	109.31		323.75
Net Employee Stock Options		218.62	64.75
(4) GENERAL RESERVE			
(a) Balance as per last account	17,631.12		17,381.12
(b) Add : Transferred from Profit and Loss Account	325.00		250.00
(c) Less: Adjustment for employee benefits provision (Note 14, Page 46)	172.55		—
		17,783.57	17,631.12
(5) AMALGAMATION RESERVE			
Arising out of Amalgamation		1,492.95	1,492.95
(6) PROFIT AND LOSS ACCOUNT		1,471.12	1,345.98
		37,172.87	25,517.21

Notes :

- (a) In respect of Options granted under the Company's Employee Stock Options Scheme 2005 (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. Consequently salaries, wages, bonus etc. includes Rs. 153.87 lakhs (2005-2006 : Rs. 64.75 lakhs), being the amortisation of Deferred Employee Compensation after adjusting for reversals on account of options lapsed.
- (b) Premium on issue of Equity Shares on preferential basis represents Premium on issue of 5,85,000 Equity Shares of Rs 10/- each at Rs. 856.86 per share on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, promoters of the Company.
- (c) Premium on issue of Equity Shares on conversion of Warrants represents Premium on issue of 7,47,926 Equity Shares of Rs.10/-each @ Rs.650/- per share to the Warrant holders who have applied for shares as per the terms of the issue.
- (d) 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

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) SECURED LOANS :		
Non Convertible Debentures	6,550.24	6,550.24
(2) UNSECURED LOANS :		
Sales Tax loan from Government of Maharashtra	16.80	22.14
	<u>6,567.04</u>	<u>6,572.38</u>

Notes:

- 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 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.
- Premium payable on redemption of Debentures amounting to Rs. 1,283.85 lakhs has been fully provided and debited to Securities Premium Account during 2005-06.
- Of the above unsecured loans, amount repayable within a year Rs. 6.41 lakhs (2005-2006 : Rs. 5.34 lakhs)

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

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at 1.4.2006	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2007	As at 1.4.2006	Deductions/ Adjustments	For the year	As at 31.3.2007	As at 31.3.2007
	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
Freehold Land	400.08 (400.08)	— (—)	— (—)	400.08 (400.08)	— (—)	— (—)	— (—)	— (—)	400.08 (400.08)
Buildings	2,391.20 (2,310.03)	351.52 (159.63)	30.98 (78.46)	2,711.74 (2,391.20)	571.23 (519.99)	20.56 (38.67)	95.22 (89.91)	645.89 (571.23)	2,065.85 (1,819.97)
Plant and Machinery	2,491.84 (2,045.74)	335.90 (461.67)	92.33 (15.57)	2,735.41 (2,491.84)	628.50 (393.80)	26.33 (5.31)	242.18 (240.01)	844.35 (628.50)	1,891.06 (1,863.34)
Furniture, Fixtures, Office and Other Equipment	3,773.64 (2,825.33)	817.34 (953.84)	56.11 (5.53)	4,534.87 (3,773.64)	1,287.96 (829.89)	21.49 (3.21)	441.42 (461.28)	1,707.89 (1,287.96)	2,826.98 (2,485.68)
Vehicles	75.05 (68.44)	4.49 (44.37)	14.28 (37.76)	65.26 (75.05)	9.19 (20.80)	4.62 (17.88)	7.06 (6.27)	11.63 (9.19)	53.63 (65.86)
Intangible Assets	22.22 (2.22)	0.82 (20.00)	— (—)	23.04 (22.22)	4.32 (1.74)	— (—)	5.05 (2.58)	9.37 (4.32)	13.67 (17.90)
Total	9,154.03 (7,651.84)	1,510.07 (1,639.51)	193.70 (137.32)	10,470.40 (9,154.03)	2,501.20 (1,766.22)	73.00 (65.07)	790.93 (800.05)	3,219.13 (2,501.20)	7,251.27 (6,652.83)
Capital Work-in-Progress									1,250.96 (542.95)
Total									8,502.23 (7,195.78)

Notes :

- Figures in brackets are in respect of previous year.
- Included in Buildings is an amount of Rs. 1,050 (2005-2006 : 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 at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments (at Cost less provision for diminution in value) Face Value of Rs 10 each, Unquoted and fully paid-up unless otherwise stated								
Trade Investments (unquoted and fully paid unless otherwise stated)								
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
Total Trade Investments		2.90						2.90
Other Investments (unquoted and fully paid unless otherwise stated)								
(a) In Subsidiary Companies								
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
Fiora Link Road Properties Pvt Ltd.	50,000	5.00	—	—	—	—	50,000	5.00
Landmark Ltd. (1% Cumulative Convertible Preference Shares of Rs. 100/- each)	—	—	39,00,000	9,197.52	—	—	39,00,000	9,197.52
Landmark Ltd. (Equity shares of Rs. 100/- each)	—	—	16,02,500	1,602.50	—	—	16,02,500	1,602.50
Fiora Services Ltd. (Equity shares of Rs. 100/- each)	39,000	76.58	—	—	—	—	39,000	76.58
Total Investment in Subsidiary Companies		4,145.96						14,945.98
(b) In Partnership Firm								
Landmark - Capital Account (Converted into Equity Shares of Landmark Ltd.)	—	390.00	—	—	—	390.00	—	—
Landmark - Right In Partnership (Converted into Equity Shares of Landmark Ltd.)	—	8,761.57	—	—	—	8,761.57	—	—
Total Investment in Partnership Firm		9,151.57						
(c) In Other Companies								
Associated Cement Co. Ltd.(Quoted)	3,000	13.93	—	—	—	—	3,000	13.93
Gail (India) Ltd.(Quoted)	20,000	48.10	—	—	3,000	7.21	17,000	40.88
Hindalco Industries Ltd.(Quoted) (Equity shares of Rs. 1/- each)	50,000	68.40	—	—	50,000	68.40	—	—
Hindalco Industries Ltd.(Quoted) (Equity shares of Rs. 1/- each - Partly Paid Rs. 0.25 per share)	14,313	3.43	—	—	14,313	3.43	—	—
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) (Bonus Issue 1:1)	2,000	26.54	1,000	—	1,000	13.27	2,000	13.27
NTPC Ltd.(Quoted)	25,000	24.32	—	—	10,000	9.73	15,000	14.59
Oil & Natural Gas Corporation Ltd.(Quoted) (Bonus Issue 1:2)	4,000	38.52	2,000	—	—	—	6,000	38.52
Punjab National Bank Ltd.(Quoted)	12,500	52.39	—	—	7,500	31.43	5,000	20.96

Schedule forming part of the Balance Sheet
Schedule 'E' (Item No. 6, Page 30)
INVESTMENTS

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Reliance Capital Ventures Ltd.(Quoted)	3,000	0.27	—	—	3,000	0.27	—	—
Reliance Communication Ventures Ltd.(Quoted) (Equity shares of Rs. 5/- each)	3,000	8.11	—	—	—	—	3,000	8.11
Reliance Energy Ventures Ltd.(Quoted)	3,000	1.53	—	—	3,000	1.53	—	—
Reliance Industries Ltd.(Quoted)	3,000	10.89	—	—	1,000	3.63	2,000	7.26
Reliance Natural Resources Ltd.(Quoted) (Equity shares of Rs. 5/- each)	3,000	0.15	—	—	3,000	0.15	—	—
Tata Investment Corporation Ltd.(Quoted)	64,248	49.99	—	—	—	—	64,248	49.99
Tata Sons Ltd. 6% Cumulative Redeemable Preference Shares of Rs. 1,000/- each	63,000	630.00	—	—	43,000	430.00	20,000	200.00
Tata Auto Comp System Ltd. 7% Cumulative Redeemable Preference Shares	50,00,000	500.00	—	—	—	—	50,00,000	500.00
US-64 Bonds(Quoted) (6.75% Tax Free Bonds of Rs. 100/- each)	44,103	44.10	—	—	—	—	44,103	44.10
Total Investment in Other Companies		1,532.85						963.79
(d) In Mutual Funds								
Birla Bond Plus-Instt.-Dividend	—	—	35,64,318	375.00	—	—	35,64,318	375.00
DSP Merrill Lynch Short Term-Dividend	—	—	41,99,928	438.08	—	—	41,99,928	438.08
Kotak Flexi Debt Scheme-Dividend	—	—	54,30,306	556.15	54,30,306	556.15	—	—
Principal IF Short Term Instt. Plan-Dividend	—	—	75,46,675	774.09	75,46,675	774.09	—	—
Pru ICICI Instt. Short Term Plan-Dividend	—	—	1,00,07,837	1,107.78	1,00,07,837	1,107.78	—	—
Birla Bond Plus-Instt.-Growth	26,77,259	337.00	—	—	26,77,259	337.00	—	—
DSP Merrill Lynch Short Term-Growth	33,90,921	398.24	—	—	33,90,921	398.24	—	—
HDFC Short Term Plan-Growth	24,69,868	300.00	—	—	24,69,868	300.00	—	—
ING Vysya Select Debt Fund-Growth	47,76,270	500.00	—	—	47,76,270	500.00	—	—
Kotak Flexi Debt Scheme-Growth	48,20,281	500.00	—	—	48,20,281	500.00	—	—
Principal IF Short Term Instt. Plan-Growth	62,00,559	699.01	—	—	62,00,559	699.01	—	—
Pru ICICI Instt. Short Term Plan-Cumulative	77,80,830	1,000.00	—	—	77,80,830	1,000.00	—	—
Templeton India Short Term Income Plan-Growth (Units of Rs. 1000/- each)	32,222	400.00	—	—	32,222	400.00	—	—
JM Equity & Derivative Fund Dividend	20,56,076	205.67	1,40,824	14.47	2,160,743	216.52	36,157	3.62
Pru. ICICI Blended Plan A-Dividend	20,00,000	200.00	—	—	2,000,000	200.00	—	—
HDFC Floating Rate IF Short Term Plan-Growth	8,29,056	93.60	—	—	8,29,056	93.60	—	—
ABN AMRO FTP Series 5 - 14 Months Plan Instt.-Growth	—	—	1,52,69,577	1,526.96	—	—	1,52,69,577	1,526.96
HSBC Fixed Term Series-25-Instt.-Growth	—	—	1,00,00,000	1,000.00	—	—	1,00,00,000	1,000.00
Pru ICICI FMP Series 37 - 14 Months Plan Instt.-Growth	—	—	1,10,84,280	1,108.43	—	—	1,10,84,280	1,108.43
UTI Fixed Maturity Plan Yearly Series YFMP/0307-Growth	—	—	1,30,00,000	1,300.00	—	—	1,30,00,000	1,300.00
Birla Dividend Yield Plus Plan-A-Dividend	22,54,274	275.03	3,66,420	42.07	—	—	26,20,694	317.10
Tata Dividend Yield Fund-Dividend	30,00,000	300.00	—	—	—	—	30,00,000	300.00
Tata Infrastructure Fund-Dividend	20,00,000	200.00	—	—	20,00,000	200.00	—	—
Tata Infrastructure Fund-Growth	—	—	19,19,485	323.23	—	—	19,19,485	323.23
Total investment in Mutual Funds		5,408.55						6,692.42
Total Investment in Long Term		20,241.83						22,605.09

Schedule forming part of the Balance Sheet

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

INVESTMENTS

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Current Investments								
Other Investments (unquoted and fully paid unless otherwise stated)								
Deutsche Insta Cash Plus Fund-Instt. Plan-Dividend	51,01,306	512.69	38,515	3.87	51,39,821	516.55	—	—
Grindlays Cash Fund-Instt. Plan B-Dividend	29,34,337	302.22	4,845	0.50	29,39,182	302.72	—	—
HDFC Cash Mgmt Fund-Savings Plan-Dividend	—	—	2,46,44,239	2,620.38	2,46,44,239	2,620.38	—	—
HSBC Cash Fund - Institutional Plus - Dividend	—	—	99,96,521	1,005.74	99,96,521	1,005.74	—	—
JM High Liquidity Fund-IP-Dividend	—	—	9,92,887	100.16	9,92,887	100.16	—	—
Principal Cash Mgmt Fund-LO-IP- Dividend	—	—	75,16,530	753.02	75,16,530	753.02	—	—
Principal Cash Mgmt Fund LO- Instt. Prem. Plan - Dividend	—	—	2,91,79,668	2,933.24	2,41,84,905	2,430.51	49,94,763	499.65
Pru ICICI Instt. Liquid Plan-Super Instt.-Dividend	—	—	1,65,62,569	1,662.00	1,65,62,569	1,662.00	—	—
Tata Liquid SHIP-Monthly Dividend (Units of Rs. 1000/- each)	—	—	2,80,472	3,238.38	2,34,288	2,704.89	46,185	530.71
UTI Liquid Cash Plan Institutional-Dividend (Units of Rs. 1000/- each)	—	—	83,977	864.20	83,977	864.20	—	—
ABN AMRO Cash Fund - Instt. Plus Plan - Growth	—	—	1,39,03,823	1,500.00	1,39,03,823	1,500.00	—	—
Standard Chartered Liquidity Manager Fund - Growth (Units of Rs. 1000/- each)	—	—	1,41,99,832	1,527.06	—	—	1,41,99,832	1,527.06
Standard Chartered Liquidity Manager Fund Plus - Growth (Units of Rs. 1000/- each)	—	—	1,42,540	1,500.00	1,42,540	1,500.00	—	—
UTI Liquid Cash Plan Institutional Growth	40,508	451.55	—	—	40,508	451.55	—	—
JM Floater Fund-Long Term Plan-Dividend	31,91,655	319.19	1,36,921	13.77	33,28,576	332.96	—	—
Pru ICICI Floating Rate Plan C-Dividend	56,09,564	561.36	1,99,954	20.00	58,09,518	581.36	—	—
Tata Floating Rate Fund Short Term-Income/Bonus	57,16,802	575.34	1,37,044	13.89	58,53,846	589.23	—	—
Templeton Floating Rate IF Short Term Plan-Growth	10,77,282	124.59	—	—	10,77,282	124.59	—	—
ABN AMRO FTP- Series 4-Qrtrly Plan B-Dividend	—	—	1,52,69,577	1,526.96	1,52,69,577	1,526.96	—	—
Kotak FMP 3M Series 9 -Dividend	—	—	1,01,23,043	1,012.31	—	—	1,01,23,043	1,012.31
Principal PNB FMP-32 (91 Days) Series VI-Dec 06-Dividend	—	—	1,50,03,133	1,500.31	1,50,03,133	1,500.31	—	—
Principal PNB FMP-34 (91 Days) Series VII-Feb 07-Dividend	—	—	92,84,541	928.45	—	—	92,84,541	928.46
Pru ICICI FMP35 - 3 Month Plan A-Dividend	—	—	1,01,94,780	1,019.48	—	—	1,01,94,780	1,019.48
Standard Chartered FMP-Qrtly Series-2-Dividend	—	—	1,50,03,136	1,500.31	1,50,03,136	1,500.31	—	—
Tata Fixed Horizon Fund-Series 8 Plan F - IP- Dividend	—	—	2,01,80,904	2,018.10	—	—	2,01,80,904	2,018.10
UTI Fixed Maturity Plan-QFMP (1/07)-Dividend	—	—	67,28,892	672.89	—	—	67,28,892	672.89
HDFC Multiple Yield Fund-Dividend	—	—	23,72,885	240.72	23,72,885	240.72	—	—
HDFC Multiple Yield Fund-Growth	20,00,100	200.01	—	—	20,00,100	200.01	—	—
Tata Chemicals Ltd (Quoted) 6.84	—	17,775	6.84	—	—	—	—	17,775
Total Current Investments		3,053.79						8,215.50
Application for membership of Retailers Association of India (Equity shares of Rs. 1000/- each)	100	1.00	—	—	—	—	100	1.00
Total Investments		23,296.62						30,821.59
Aggregate book value of Investments								
Unquoted		22,886.93						30,550.96
Quoted [Market value Rs. 554.64 lakhs (2005-2006: 800.30 lakhs)]		409.69						270.63
Total		23,296.62						30,821.59

Schedules forming part of the Balance Sheet

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

INVENTORIES

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
Stocks		
(1) Raw Materials	78.89	104.43
(2) Packing Materials	38.78	25.54
(3) Finished Products	7,135.19	5,184.24
(4) Stocks-in-Transit	0.28	22.08
	<u>7,253.14</u>	<u>5,336.29</u>

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

SUNDRY DEBTORS

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Debts outstanding for a period exceeding six months	99.71	94.12
(2) Other Debts	117.21	105.40
	<u>216.92</u>	<u>199.52</u>
(3) Less : Provision for Doubtful Debts	0.62	0.62
	<u>216.30</u>	<u>198.90</u>
Considered Good - Unsecured	216.30	198.90
Considered Doubtful - Unsecured	0.62	0.62
	<u>216.92</u>	<u>199.52</u>

Schedules forming part of the Balance Sheet
Schedule 'H' [Item No.7(c), Page 30]
CASH AND BANK BALANCES

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Cash on hand (including cheques on hand Rs. 3.76 lakhs) (2005-2006: Rs.1.03 lakhs)	292.95	150.44
(2) Balances with Scheduled Banks		
(a) Current Accounts	5.97	216.09
(b) Fixed Deposit Accounts	1,481.97	907.83
(c) Unpaid Dividend/Interest Accounts	69.51	68.41
	1,557.45	1,192.33
	1,850.40	1,342.77

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

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Security Deposits			
Deposits for premises - Subsidiaries	412.50		412.50
Deposits for premises - Others	3,532.01		2,612.11
Other Deposits	180.30		177.05
		4,124.81	3,201.66
(2) Loans			
Loan to Subsidiaries	2,471.47		1,086.50
Loan to Landmark -Partnership Firm	-		1,766.46
Other Loans	129.65		135.67
		2,601.12	2,988.63
(3) Other Loans and Advances recoverable in cash or in kind or for value to be received		379.01	377.10
(4) Balances with Customs/Port Trust etc.		40.31	40.31
(5) Other Receivables		43.29	49.10
(6) Bills of Exchange		114.20	114.20
(7) Advances on Capital Account		208.45	48.94
(8) Advance payment of taxes - net of provision		663.88	577.90
		8,175.07	7,397.84
(9) Less : Provision for Doubtful Advances		164.29	155.83
		8,010.78	7,242.01
Considered Good - Secured		-	50.00
Considered Good - Unsecured		8,010.78	7,192.01
Considered Doubtful - Unsecured		164.29	155.83
		8,175.07	7,397.84

Schedules forming part of the Balance Sheet

Schedule 'J' [Item No. 8(a), Page 30]

LIABILITIES

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Acceptances		593.41	1,749.45
(2) Sundry Creditors (Note 7, Page 45)			
Small Scale Industrial Undertakings	61.39		82.54
Others	6,343.01		5,757.10
		6,404.40	5,839.64
(3) Subsidiary Company - Fiora Services Limited		44.30	33.75
(4) Security Deposits Received		95.52	135.52
(5) Investor Education and Protection Fund (Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due (Refer Note 8, Page 45)			
(a) Unpaid / Unclaimed Dividend	69.13		68.41
(b) Unpaid / Unclaimed Matured Deposits	0.10		0.30
(c) Unpaid Application Money received by the Company for allotment of Rights Issue and due for refund	1.84		2.05
(d) Unpaid Debenture Interest	0.37		—
		71.44	70.76
		7,209.07	7,829.12

Schedule 'K' [Item No.8(b), Page 30]

PROVISIONS

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Interim Dividend		1,103.25	—
(2) Proposed Dividend		—	937.81
(3) Tax on Dividend		187.50	131.53
(4) Contingencies (Note 2(e), Page 44)		205.00	205.00
(5) Retirement Benefits		341.92	59.76
(6) Redemption Premium of Debentures		1,283.84	1,283.84
		3,121.51	2,617.94

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 Contributions in respect of Provident Fund, Employees' Pension Scheme and Superannuation are being charged to revenue as incurred.

6.2 In respect of certain employees, the Company has created Gratuity Fund. Contribution to Gratuity Fund is made on the basis of actuarial valuation. In respect of other employees, the Company has taken a Group Gratuity Policy from Life Insurance Corporation of India. Gratuity is provided on the basis of the above policy.

6.3 Provision for Leave Encashment benefit on retirement is made on actuarial valuation basis.

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) Cost of fixed assets, if the foreign currency transaction relates to fixed asset ;
- (ii) Profit and Loss Account, in other cases.
- (iii) 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 the 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.126.67 lakhs (2005-2006 : Rs.193.04 lakhs)
- (b) Uncalled Liability on Equity Shares partly paid : Rs. Nil (2005-2006 : Rs.10.31 lakhs)
2. **Contingent Liabilities :**
 - (a) Sales tax, Excise and Customs demands against which the Company has filed appeals : Rs. 129.71 lakhs (2005-2006: Rs. 146.81 lakhs) - net of tax Rs. 86.05 lakhs (2005-2006 : Rs.97.39 lakhs).
 - (b) Claims made against the Company not acknowledged as debts : Rs.580.93 lakhs (2005-2006 : Rs.549.93 lakhs)
 - (c) Income-tax demands against which the Company has filed appeals : Rs. 442.61 lakhs (2005-2006 : Rs. 656.32 lakhs).
 - (d) Corporate Guarantee given on behalf of Subsidiary: Rs.1,10,00.00 lakhs. (2005-2006 : Rs.100,00.00 lakhs)
 - (e) As a matter of abundant caution, a general provision for contingencies of Rs. 205.00 lakhs (2005-2006 : Rs. 205.00 lakhs) has been made against items (a), (b) and (c) above, which are disputed by the Company.
3. **Managerial Remuneration :**
Managerial remuneration for Managing Director and Non- Whole time Directors

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
(a) Salaries (including Company's Contribution to Provident Fund and Superannuation Fund)	47.44	40.66
(b) Commission	110.00	87.50
(c) Perquisites	30.12	17.01
(d) Directors' sitting fees	4.69	5.83
	192.25	151.00

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 5,000 Employee Stock Options granted to the Managing Director and retirement benefits of Rs.11.70 lakhs (2005-2006: Rs. 11.74 lakhs) paid to a former Managing Director.

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

	Rupees in lakhs	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
Profit before taxes as per Profit and Loss Account		4,098.79	3,429.17
Add :			
(i) Depreciation as per accounts	790.93		800.05
(ii) Managerial Remuneration	192.25		151.00
(iii) Provision for doubtful debts/advances	8.45		7.63
(iv) Provision for Contingencies	—		75.00
		991.63	1,033.68
		5,090.42	4,462.85
Less :			
(i) Depreciation as per Section 350	790.93		800.05
(ii) Capital Profit	511.48		155.57
(iii) Pro- rata Premium on Redemption of Debentures *	256.77		192.58
(iv) Pro-rata Amortisation of Securities/ Warrant Issue Expenses *	29.41		21.44
		1,588.59	1,169.64
Net Profit as per Section 309 (5)		3,501.83	3,293.21
Commission:			
(a) Managing Director		75.00	55.00
(b) Non-Wholetime Directors- 1% of Net Profits Rs. 3,501.83 lakhs (2005-2006: Rs.3,293.21 lakhs) restricted to Rs.35.00 lakhs (2005-2006 Rs.32.50 lakhs)		35.00	32.50
		110.00	87.50

Note:

* Represents the pro-rata of the amount which has been debited to Securities Premium Account.

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

<p>4. Major components of deferred tax assets and liabilities are :</p> <p>Deferred Tax Liability</p> <p>Depreciation</p> <p>Less: Deferred Tax Assets</p> <p>(a) Retirement Benefits</p> <p>(b) Other Provisions</p> <p>Net Deferred Tax Liability</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">2006-2007 Rupees in lakhs</th> <th style="text-align: center;">2005-2006 Rupees in lakhs</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">654.33</td> <td style="text-align: right;">685.61</td> </tr> <tr> <td style="text-align: right;">114.83</td> <td style="text-align: right;">20.12</td> </tr> <tr> <td style="text-align: right;">32.88</td> <td style="text-align: right;">32.55</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">147.71</td> <td style="text-align: right; border-top: 1px solid black;">52.67</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">506.62</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">632.94</td> </tr> </tbody> </table>	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs	654.33	685.61	114.83	20.12	32.88	32.55	147.71	52.67	506.62	632.94		
2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs														
654.33	685.61														
114.83	20.12														
32.88	32.55														
147.71	52.67														
506.62	632.94														
<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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">2006-2007 Rupees in lakhs</th> <th style="text-align: center;">2005-2006 Rupees in lakhs</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">6.18</td> <td style="text-align: right;">4.21</td> </tr> <tr> <td style="text-align: right;">3.38</td> <td style="text-align: right;">4.24</td> </tr> <tr> <td style="text-align: right;">8.61</td> <td style="text-align: right;">8.41</td> </tr> <tr> <td style="text-align: right;">0.45</td> <td style="text-align: right;">0.10</td> </tr> <tr> <td style="text-align: right;">8.45</td> <td style="text-align: right;">7.63</td> </tr> <tr> <td style="text-align: right;">0.79</td> <td style="text-align: right;">3.10</td> </tr> </tbody> </table>	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs	6.18	4.21	3.38	4.24	8.61	8.41	0.45	0.10	8.45	7.63	0.79	3.10
2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs														
6.18	4.21														
3.38	4.24														
8.61	8.41														
0.45	0.10														
8.45	7.63														
0.79	3.10														
<p>6. Loss on foreign exchange fluctuation (net) debited to the profit and loss account amounted to Rs. 6.68 lakhs (2005-2006 : Rs. 3.17 lakhs).</p>															
<p>7. The names of small scale industries to whom the Company owes a sum which is outstanding for more than 30 days, as per the terms of the contracts, at the balance sheet date are as under:</p> <p>(i) M/s. Gemini Enterprises</p> <p>(ii) M/s. Kaviraj Corporation</p> <p>(iii) M/s. Raj Fragrance</p> <p>(iv) M/s. Sukarma Fashions</p> <p>The above information and that given in Schedule 'J' item 2, "Liabilities" regarding small scale undertakings 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 2007.</p>															
<p>9. (a) Out of the Rights Issue July 2005 proceeds of Rs.118.10 crores, Rs. 104.37 crores have been spent towards objects of the the issue and the balance unutilised amount is invested mainly in Mutual Funds.</p> <p>(b) Out of Rs. 50.13 crores received from Preferential Issue of Equity Shares to Tata Sons Limited and Tata Investment Corporation Limited in December 2006, Rs. 5.67 crores have been spent towards objects of the the issue and 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 :

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
i) Not later than one year	378.80	309.61
ii) Later than one year and not later than five years	604.27	963.55
iii) Later than five years	Nil	19.52

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

a) Loans and Advances in the nature of Loans

Name of Company		Balance as at 31.3.2007 Rs. in lakhs	Maximum Amount Outstanding during the year Rs. in lakhs
Satnam Developers and Finance Private Limited	Subsidiary	1,162.50	1,537.50
Flora Link Road Properties Limited	Subsidiary	2.50	6.50
Nahar Theatres Private Limited	Subsidiary	742.50	777.50
Landmark Limited	Subsidiary	563.97	2,066.46

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. 860 lakhs) are free of interest.

13. LICENSED/INSTALLED ANNUAL CAPACITIES AND PRODUCTION :

Class of Goods	Unit of Measure	Licensed Capacity		Installed Capacity		Actual Production	
		As at 31.3.2007	As at 31.3.2006	As at 31.3.2007	As at 31.3.2006	As at 31.3.2007	As at 31.3.2006
Apparels/ Household items etc.	Nos. in lakhs	N.A	N.A	Nil	Nil	* 1.62	* 1.66

* Production represents goods manufactured by third parties.

14. RETIREMENT BENEFITS:

Effective from April 2006, the Company has adopted the Revised Accounting Standard -15 "Employee Benefits" (AS-15) issued by the Institute of Chartered Accountants of India. In accordance with the transitional provisions in the revised AS-15, additional obligation amounting to Rs.172.55 lakhs (Net of Deferred tax Asset of Rs.87.54 lakhs) has been adjusted against the opening balance in General Reserve. The charge for the current year on account of above change does not have a material impact on the profit for the current year.

15. SALES, PURCHASES, OPENING AND CLOSING STOCKS (1.4.2006 to 31.3.2007)

Class of Goods	Unit of Measure	SALES		PURCHASES		OPENING STOCKS		CLOSING STOCKS	
		Quantity	Rupees in lakhs	Quantity	Rupees in lakhs	Quantity	Rupees in lakhs	Quantity	Rupees in lakhs
Apparels/ Household items etc.	Units in lakhs	226.72	44,302.93	242.37	25,423.52	39.42	5,184.24	49.89	7,135.19
Others		(168.88)	(33,809.22)	(179.34)	(18,821.55)	(30.45)	(3,624.42)	(39.42)	(5,184.24)
			77.52		50.39				
			(83.71)		(53.96)				
Total			44,380.45		25,473.91		5,184.24		7,135.19
			(33,892.93)		(18,875.51)		(3,624.42)		(5,184.24)

Notes :

- (i) Closing stock is after adjusting samples , free gifts, damaged goods and shortages.
- (ii) Figures in brackets are in respect of previous year.

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

	Unit of Measure	2006-2007		2005-2006	
		Quantity	Rupees in lakhs	Quantity	Rupees in lakhs
Fabrics	Lakh Metres	1.951	216.55	2.229	234.25
TOTAL			216.55		234.25

17. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED :

	2006-2007		2005-2006	
	Rupees in lakhs	% of Total Consumption	Rupees in lakhs	% of Total Consumption
(a) RAW MATERIALS :				
(i) Imported	—	—	—	—
(ii) Indigenous	216.55	100	234.25	100
TOTAL	216.55	100	234.25	100
(b) PACKING MATERIALS, CONSUMABLE STORES AND SPARES :				
(i) Imported	—	—	—	—
(ii) Indigenous	301.56	100	230.01	100
TOTAL	301.56	100	230.01	100

18. VALUE OF IMPORTS ON C.I.F. BASIS :

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
(a) Finished Products (including in - transit)	131.60	127.20
(b) Capital Goods	145.47	235.71
TOTAL	<u>277.07</u>	<u>362.91</u>

19. EXPENDITURE IN FOREIGN CURRENCY :

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
(a) Travelling Expenses	37.82	18.59
(b) Consultancy Fees (Net of Tax deducted at source)	169.58	147.27
(c) Payments on other accounts	0.98	0.45
TOTAL	<u>208.38</u>	<u>166.31</u>

20. EARNINGS IN FOREIGN CURRENCY :

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
Sales of goods / services *	1,264.28	1,048.71
TOTAL	<u>1,264.28</u>	<u>1,048.71</u>

* Represents sale of goods / services 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.)
21. SEGMENTAL REPORTING :

		2006-2007			
		Retailing	Current Investment	Unallocated	Total Company
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A	SEGMENT REVENUE				
	1. External Revenue	45,430.50 (34,543.94)	378.63 (274.22)	1,432.40 (940.84)	47,241.53 (35,759.00)
	2. Intersegment Revenue	— (—)	— (—)	— (—)	— (—)
	3. Total Revenue	45,430.50 (34,543.94)	378.63 (274.22)	1,432.40 (940.84)	47,241.53 (35,759.00)
	4. Less : Intersegment Revenue	— (—)	— (—)	— (—)	— (—)
	NET SEGMENT REVENUE	45,430.50 (34,543.94)	378.63 (274.22)	1,432.40 (940.84)	47,241.53 (35,759.00)
B	RESULTS				
	1. Segment Results	2,551.03 (2,491.41)	372.77 (274.22)	1,316.21 (844.75)	4,240.01 (3,610.38)
	2. Interest Expense	— (—)	— (—)	141.22 (106.21)	141.22 (106.21)
	3. Exceptional Items	— (—)	— (—)	— (75.00)	— (75.00)
	4. Provision for Taxation	— (—)	— (—)	940.87 (991.34)	940.87 (991.34)
	5. Excess tax provision for prior years (Net)	— (—)	— (—)	82.97 (—)	82.97 (—)
	6. Net Profit	2,551.03 (2,491.41)	372.77 (274.22)	317.09 (327.80)	3,240.89 (2,437.83)
C	SEGMENT ASSETS	21,596.90 (17,925.69)	8,215.50 (3,053.79)	26,842.04 (23,632.89)	56,654.44 (44,612.37)
D	SEGMENT LIABILITIES	6,969.91 (7,268.49)	— (—)	10,434.33 (10,383.89)	17,404.24 (17,652.38)
E	CAPITAL EXPENDITURE	2,218.07 (1,819.24)	— (—)	— (—)	2,218.07 (1,819.24)
F	DEPRECIATION	786.98 (795.08)	— (—)	3.95 (4.97)	790.93 (800.05)
G	AMORTISATION OF STORE LAUNCH EXPENSES	— (35.43)	— (—)	— (—)	— (35.43)
H	NON CASH EXPENSES				
	Provision for Contingencies	— (—)	— (—)	— (75.00)	— (75.00)
	Employee Stock Options Scheme	153.87 (64.75)	— (—)	— (—)	153.87 (64.75)

Notes:

- (1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the Company's organisation structure as well as the differential risks and returns of these segments.
- (2) Segment Revenue, Results, Assets and Liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred at corporate level, which relate to the Company as a whole. Other unallocable income includes income from Long Term Investments of surplus funds. Unallocated assets mainly relates to Long Term Investments including Investments in Subsidiaries.
- (3) Figures in brackets are in respect of previous year.

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

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 2007)

Fiora Services Limited - Subsidiary Company
(25.67% Equity Share Capital is held by Trent Limited as at 31st March 2007)
(64.20% Equity Share Capital is held by Trent Brands Limited as at 31st March 2007)

Satnam Developers and Finance Private Limited - Subsidiary Company
(100% Equity Share Capital is held by Trent Limited as at 31st March 2007)

Nahar Theatres Private Limited - Subsidiary Company
(100% Equity Share Capital is held by Trent Limited as at 31st March 2007)

Fiora Link Road Properties Limited - Subsidiary Company
(100% Equity Share Capital is held by Trent Limited as at 31st March 2007)

Landmark Limited - Subsidiary Company
(78% Equity Share Capital is held by Trent Limited as at 31st March 2007)

Westland Books Private Limited - Subsidiary Company
(100% Equity Share Capital is held by Landmark Limited as at 31st March 2007)

Regent Management Private Limited - Subsidiary Company
(100% Equity Share Capital is held by Landmark Limited as at 31st March 2007)

Landmark E-Tail Private Limited - Subsidiary Company
(100% Equity Share Capital is held by Landmark Limited as at 31st March 2007)

East West Books (Madras) Private Limited - Subsidiary Company (w.e.f. 28th February 2007)
(52.17% Equity Share Capital is held by Landmark Limited as at 31st March 2007)

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 31 st March 2007)

22.3 Directors of the Company :

Managing Director	Mr. N. N.Tata
Non Executive Directors	Mrs. S. N. Tata (upto 30 th October 2006) Mr. F. K. Kavarana Mr. N. A. Soonawala Mr. B. S. Bhesania Mr. A. D. Cooper Mr. K. N. Suntook Mr. Zubin Dubash

Details of remuneration to directors is disclosed in Note No. 3 on Balance Sheet and Profit and Loss account.

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

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
22.4 Sales to and Other recoveries from related parties		
a) Subsidiaries	120.67	43.49
b) Associates	2.00	21.50
22.5 Purchase / other services from related parties		
a) Subsidiaries	700.35	517.59
b) Associates	308.57	245.90
22.6 Sale of Fixed Assets to related parties		
Subsidiaries	66.63	—
22.7 Interest / Dividend received from related parties		
a) Subsidiaries	540.85	250.10
b) Associates	42.11	34.81
22.8 Interest / Dividend paid to related parties		
a) Subsidiaries	15.87	9.60
b) Associates	206.32	173.13
c) Directors	2.01	1.52
22.9 Purchase of Equity Shares		
Subsidiaries	9,151.57	—
22.10 Purchase of Preference Shares		
Subsidiaries	1,602.50	—
22.11 Redemption of Preference Shares		
Associates	430.00	—
22.12 Loan Given		
Subsidiaries	2,285.00	3,457.96
22.13 Loan Repaid		
Subsidiaries	2,666.49	875.00
22.14 Advance received		
Subsidiaries	509.89	—
22.15 Advance Repaid		
Subsidiaries	509.89	—
22.16 Security deposit given during the year		
a) Subsidiaries	—	162.50
b) Associates	212.00	30.00
22.17 Security deposit receivable as on 31.03.2007		
a) Subsidiaries	412.50	412.50
b) Associates	242.00	30.00
22.18 Equity Contribution in cash		
Subsidiaries	—	9.00
22.19 Amount received in respect of Rights Issue of Partly Convertible Debentures on Allotment		
a) Associates	—	2,596.98
b) Directors	—	59.67
22.20 Debentures Outstanding as on 31.3.2007		
Directors	—	0.13
22.21 Guarantee Given during the year		
Subsidiary	1,000.00	4,000.00

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

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
22.22 Guarantee Given as on 31.3.2007 Subsidiary	11,000.00	10,000.00
22.23 Loan Outstanding as on 31.3.2007 Subsidiaries	2,471.47	2,852.96
22.24 Outstanding balance as on 31.3.2007 Due to Company Subsidiary	107.78	—
22.25 Outstanding balance as on 31.3.2007 Payable by Company		
a) Subsidiaries	44.30	12.88
b) Associates	83.27	42.44
22.26 Issue of Equity Shares Associates	5,088.82	—
22.27 Warrant Application Money Associates	321.32	—
22.28 ESOP granted during the year (No. of Shares) Directors	—	5,000
23. EARNINGS PER SHARE (EPS) :		
(a) Weighted Average Number of shares outstanding during the year.		
i) For Basic Earnings Per Share	1,48,01,193	1,41,84,244
ii) For Diluted Earnings Per Share No. of shares for Basic EPS as per a(i)	1,48,01,193	1,41,84,244
Add: Weighted average outstanding warrants/options deemed to be issued for no consideration	2,11,270	2,94,678
No. of shares for Diluted Earnings Per Share	1,50,12,463	1,44,78,922
(b) Net Profit/(loss) after Tax available for Equity Share Holders (Rupees in lakhs)	3,240.89	2,437.83
(c) Earnings Per Share (Rs.) Face Value of Rs. 10/-		
Basic	21.90	17.19
Diluted	21.59	16.84

24. Previous year's figures have been regrouped wherever necessary.

25. 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, 29th June 2007

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
ZUBIN DUBASH } 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	:	31.3.2007

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

Public Issue	:	Nil
Rights Issue	:	486151
Bonus Issue	:	Nil
Private Placement	:	501263

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

Total Liabilities	:	4632386
Total Assets	:	4632386

Sources of Funds:

Paid-up Capital	:	157607
Warrant Application Money	:	50126
Reserves and Surplus	:	3717287
Secured Loans	:	655024
Unsecured Loans	:	1680

Application of Funds:

Net Fixed Assets	:	850223
Investments	:	3082159
Net Current Assets	:	700004
Net Deferred Tax	:	(-)50662
Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	Nil

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

Turnover*	:	4724153
Total Expenditure	:	4314274
Profit before Tax	:	409879
Profit after Tax	:	315792
Earnings per share (in Rupees)		
Basic	:	21.90
Diluted	:	21.59
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 2007

	Rupees in lakhs	1.4.2006 to 31.03.2007 Rupees in lakhs	1.4.2005 to 31.03.2006 Rupees in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxes and Exceptional Items		4,098.79	3,504.17
Adjustments for :			
Depreciation	790.93		800.05
Interest (Net)	(143.55)		(63.68)
Employee Stock Option	153.87		64.75
(Profit)/Loss on Fixed Assets sold/discarded (Net)	55.29		(86.64)
(Profit)/Loss on sale of Long Term Investments	(511.48)		(86.03)
Dividend from Long Term Investments	(678.03)		(385.63)
Share of profit from Landmark	—		(238.02)
Excess provision no longer required written back	(0.50)		(0.35)
		(333.47)	4.45
Operating Profit Before Working Capital Changes		3,765.32	3,508.62
Adjustments for :			
(Increase)/Decrease in Current Investments	(5,161.71)		4,148.41
(Increase)/Decrease in Inventories	(1,916.85)		(1,573.45)
(Increase)/Decrease in Trade and Other Receivables	(1,096.81)		(740.81)
Increase/(Decrease) in Trade and Other Payables	(391.00)		2,795.97
		(8,566.37)	4,630.12
Cash generated from operations		(4,801.05)	8,138.74
Direct Taxes Paid		(982.66)	(1,141.99)
Net Cash from Operating Activities		(5,783.71)	6,996.75
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(2,584.75)		(1,528.07)
Sale of Fixed Assets	65.40		158.90
Purchase of Long Term Investments	(19,366.27)		(19,105.47)
Sale of Long Term Investments	17,514.49		3,059.50
Loans (Net)	568.99		(714.32)
Share of Profit from Partnership -Landmark	—		238.02
Interest received	273.24		317.14
Dividend from Long Term Investments	676.71		387.41
Net cash (used in)/from Investing Activities		(2,852.19)	(17,186.89)
C CASH FLOW FROM FINANCING ACTIVITIES			
Issue of securities (Net of issue expenses)	10,358.75		11,647.50
Unclaimed Share application money	(0.21)		2.05
Repayment of Long Term and Other borrowings	(5.54)		(3.84)
Interest Paid	(141.23)		(10.02)
Dividend Paid	(1,068.24)		(936.81)
Net cash used in Financing Activities		9,143.53	10,698.88
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		507.63	508.74
CASH AND CASH EQUIVALENTS AS AT 01.04.2006		1,342.77	834.03
CASH AND CASH EQUIVALENTS AS AT 31.03.2007		1,850.40	1,342.77

Notes: i) All figures in brackets are outflows.

ii) Of the above cash and cash equivalent balance, the amount of Rs.75.08 lakhs (2005-2006: Rs.71.20 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. RAIJI & CO.,
Chartered Accountants

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

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 31st March 2007, 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 Landmark E-Tail Private Limited, East West Books (Madras) Private Limited, Westland Books Private Limited and Regent Management Private Limited. The consolidated financial statements of Landmark Limited and its subsidiaries reflect the Group's share of total net assets of Rs. 5,324.27 lakhs as at 31st March 2007 and the Group's share of total revenue of Rs. 15,888.91 lakhs and the net cash inflow amounting to Rs. 49.25 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 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.
5. Based on the audit and on consideration of the reports of the other auditors on the separate financial and on the other financial information of the components; 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 31st March 2007;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated 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, 29th June 2007

Consolidated Balance Sheet as at 31st March 2007

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	As at 31.03.2006 Rupees in lakhs
SOURCES OF FUNDS :					
1. SHAREHOLDERS' FUNDS :					
(a) Capital	A	60	1,576.07		1,442.78
(b) Warrant Application Money (Note 3, Schedule 'A', Page No 60)			501.27		—
(c) Reserves and Surplus	B	61	38,939.62		26,986.04
				41,016.96	28,428.82
2. MINORITY INTEREST				336.06	168.29
3. LOAN FUNDS :	C	62			
(a) Secured Loans			8,683.75		6,800.00
(b) UnSecured Loans			13,097.46		11,018.84
				21,781.21	17,818.84
4. Deferred Tax Liability (Net) (Note No. 5, Page 69)				538.30	634.54
5. TOTAL FUNDS EMPLOYED				63,672.53	47,050.49
APPLICATION OF FUNDS :					
6. FIXED ASSETS :	D	63			
(a) Gross Block			27,841.51		25,087.61
(b) Less : Depreciation			3,742.85		2,909.43
(c) Net Block			24,098.66		22,178.18
(d) Capital Work-in-Progress			1,321.93		542.95
				25,420.59	22,721.13
7. INVESTMENTS	E	64		21,871.45	16,199.12
8. CURRENT ASSETS, LOANS AND ADVANCES :					
(a) Inventories	F	64	13,241.93		7,909.33
(b) Sundry Debtors	G	64	1,020.57		263.54
(c) Cash and Bank Balances	H	64	2,332.43		1,691.38
(d) Loans and Advances	I	65	17,302.33		12,669.62
			33,897.26		22,533.87
9. Less: CURRENT LIABILITIES AND PROVISIONS :					
(a) Liabilities	J	65	14,334.65		11,773.15
(b) Provisions	K	66	3,182.19		2,635.87
			17,516.84		14,409.02
10. NET CURRENT ASSETS				16,380.42	8,124.85
11. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	L	66		0.07	5.39
12. TOTAL ASSETS (NET)				63,672.53	47,050.49

(For Schedule 'M' and notes see Pages 66 to 72)

As per our report attached.

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

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

N. N. TATA Managing Director

Consolidated Profit and Loss Account for the year ended 31st March 2007

	Schedule	Page	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
INCOME :					
1. INCOME FROM OPERATIONS	2	59	61,327.10		40,346.94
2. OTHER INCOME	3	59	1,859.78		1,563.75
3. TOTAL INCOME				63,186.88	41,910.69
EXPENDITURE :					
4. MANUFACTURING AND OTHER EXPENSES	1	58	56,763.97		36,292.94
5. DEPRECIATION			1,070.59		995.63
			57,834.56		37,288.57
6. INTEREST					
(a) DEBENTURES			131.00		96.19
(b) OTHERS			584.43		343.64
			715.43		439.83
7. TOTAL EXPENDITURE				58,549.99	37,728.40
PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS					
8. EXCEPTIONAL ITEMS	4	59		4,636.89	4,182.29
9. PROVISION FOR TAXATION					75.00
CURRENT TAX			1,227.98		1,243.59
FRINGE BENEFIT TAX			90.38		61.52
DEFERRED TAX			(1.74)		(78.46)
				1,316.62	1,226.65
PROFIT FOR THE YEAR AFTER TAXES					
10. (SHORT)/EXCESS TAX PROVISION FOR PRIOR YEARS (NET)				3,320.27	2,880.64
11. WRITE BACK OF EXCESS DEPRECIATION (Note 1.2 (a) of Schedule 'M', Page 67)				82.94	(0.10)
				125.43	—
NET PROFIT BEFORE MINORITY INTEREST					
12. LESS : MINORITY SHARE OF PROFIT / (LOSS)				3,528.64	2,880.54
13. LESS: PRE ACQUISITION PROFIT / (LOSS)				110.65	80.84
				24.03	(13.29)
NET PROFIT AFTER MINORITY INTEREST					
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR				3,393.96	2,812.99
				2,388.13	2,221.82
PROFIT AVAILABLE FOR APPROPRIATION					
14. APPROPRIATIONS :				5,782.09	5,034.81
(i) GENERAL RESERVE				325.00	250.00
(ii) DEBENTURE REDEMPTION RESERVE				1,500.00	1,300.00
(iii) INTERIM DIVIDEND				1,103.25	-
(iv) PROPOSED DIVIDEND				-	937.81
(v) TAX ON DIVIDEND				259.02	158.87
(vi) BALANCE CARRIED TO BALANCE SHEET				2,594.82	2,388.13
				5,782.09	5,034.81
15. Earnings Per Share (Rs.) (Note No.14, Page 72)					
Basic				22.93	19.83
Diluted				22.61	19.43
(For Schedule 'M' and notes see Pages 66 to 72)					

As per our report attached.

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

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

N. N. TATA Managing Director

Schedule forming part of the Consolidated Profit and Loss Account

Schedule '1' (Item No. 4, Page 57)

MANUFACTURING AND OTHER EXPENSES

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
1. RAW MATERIALS CONSUMED		216.55	234.25
2. PURCHASE OF FINISHED PRODUCTS		38,940.62	23,465.44
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
(a) Salaries, Wages, Bonus, etc. (refer note 'a' of schedule 'B', Page 61)	3,603.36		2,284.82
(b) Contribution to Provident, Superannuation and Gratuity Funds	220.53		141.55
(c) Workmen and Staff Welfare Expenses	211.13		133.60
		4,035.02	2,559.97
4. OPERATION AND OTHER EXPENSES			
(a) Processing Charges	179.24		185.66
(b) Packing Materials Consumed	457.83		289.00
(c) Power and Fuel	1,599.07		1,075.86
(d) Repairs to Building	928.45		576.00
(e) Repairs to Machinery	158.49		91.14
(f) Repairs Others	204.74		118.43
(g) Rent	1,556.19		701.24
(h) Rates and Taxes	483.13		375.40
(i) Insurance	105.31		64.37
(j) Advertisement and Sales Promotion	4,037.20		3,044.66
(k) Travelling Expenses	434.57		259.40
(l) Professional and Legal Charges	467.29		337.58
(m) Printing and Stationery	162.45		86.26
(n) Bank Charges	373.76		229.75
(o) Postage, Telegrams and Telephones	296.00		180.92
(p) General Expenses (Note 6 (i), Page 69)	1,208.97		802.59
(q) Retail Business Fees	2,485.94		1,907.46
(r) Sales tax paid	2,612.43		1,672.76
(s) Directors' Fees	6.18		6.15
(t) Commission to non whole-time Directors	35.00		32.50
(u) Store Launch Expenses Amortised	—		54.52
(v) Excess of cost over fair value of Current Investments	5.86		—
(w) Loss on Sale of Fixed Assets Sold/Discarded (Net)	60.32		—
		17,858.42	12,091.65
5. FREIGHT AND FORWARDING CHARGES		399.69	232.18
6. CHANGES IN FINISHED PRODUCTS			
Accretion to stocks deducted		4,686.33	2,290.55
		56,763.97	36,292.94

Schedules forming part of the Consolidated Profit and Loss Account

**Schedule '2' (Item No. 1, Page 57)
INCOME FROM OPERATIONS**

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Sales		60,064.71	39,561.96
(2) OTHER OPERATING INCOME			
(a) Display and Sponsorship Income	149.46		50.48
(b) Commission on sales	358.94		251.40
(c) Discounts and Fees	170.72		64.24
(d) Others	192.64		132.70
		871.76	498.82
(3) Income from Current Investments - Non trade			
(a) Dividend on Current Investments	288.82		172.35
(b) Profit on sale of Current Investments (Net)	101.81		113.78
(c) Profit on valuation of Current Investments (Net)	—		0.03
		390.63	286.16
		61,327.10	40,346.94

**Schedule '3' (Item No.2, Page 57)
OTHER INCOME**

	Rupees in lakhs	Rupees in lakhs	Previous Year Rupees in lakhs
(1) Rent received		24.96	83.24
(2) Miscellaneous Income		182.02	69.08
(3) Interest on Loans and Advances-Gross [Tax deducted at source : Rs. 28.36 lakhs (2005-2006: Rs. 42.97 lakhs)]		560.99	401.52
(4) Interest on Deposits with Banks - Gross [Tax deducted at source : Rs. 19.71 lakhs (2005-2006 : Rs. 4.60 lakhs)]		94.06	40.98
(5) Interest on Long Term Investments -Gross		2.98	2.98
(6) Dividend on Long Term Investments -Gross			
(a) Trade	2.00		3.00
(b) Others - Gross	372.37		336.78
		374.37	339.78
(7) Profit on Sale of Long Term Investments (Net)		590.07	529.85
(8) Profit on Fixed Assets sold/discarded (Net)		—	86.64
(9) Excess provision no longer required written back		30.33	9.69
		1,859.78	1,563.75

**Schedule '4' (Item No. 8, Page 57)
EXCEPTIONAL ITEMS**

	Rupees in lakhs	Previous Year Rupees in lakhs
Provision for Contingencies	—	75.00
	—	75.00

Schedule forming part of the Consolidated Balance Sheet

Schedule 'A' (Item No. 1(a), Page 56)

CAPITAL

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
AUTHORISED :			
2,00,00,000 Equity Shares of Rs.10/- each (2005-06 : 1,50,00,000 Equity Shares of Rs.10/- each)	2,000.00		1,500.00
50,00,000 Unclassified Shares of Rs.10/- each (2005-06 : 1,00,00,000 unclassified Shares of Rs.10/- each)	500.00		1,000.00
		2,500.00	2500.00
ISSUED, SUBSCRIBED AND PAID UP :			
1,57,60,737 Equity Shares of Rs. 10/- each fully paid-up [2005-2006 : 1,44,27,811 Equity Shares of Rs. 10/- each fully paid-up]		1,576.07	1,442.78
		1,576.07	1,442.78

Notes :

- Of the above :
 - 1,08,81,021 Equity Shares were allotted as fully paid Bonus Shares by capitalisation of Share Premium and Reserves.
 - 1,12,616 Equity Shares were allotted as fully paid pursuant to Schemes of Amalgamation without payment being received in cash.
 - During the year 2005-2006, 13,10,047 Equity Shares were allotted as fully paid up on conversion of Partly Convertible Debentures.
 - During the current year, the Company has issued 7,47,926 Equity Shares of Rs.10/-each @ Rs.650/- per share to the Warrant Holders (see Note 4 below) who have applied for shares as per the terms of the issue.
 - During the current year, the Company has issued 5,85,000 Equity Shares of Rs.10/-each @ Rs.856.86 per share on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, Promoters of the Company.
- The Board of Directors vide Resolution dated 5th December 2006 has resolved to classify the Authorised Share Capital of Rs. 25,00,00,000 into 2,00,00,000 Equity Shares of Rs. 10/- each from 1,50,00,000 Equity Shares of Rs.10/- each and 50,00,000 Unclassified Shares of Rs. 10/- each from 1,00,00,000 unclassified shares of Rs.10/- each. Consequently, the Memorandum and Articles of Association of the Company will be amended at the next Annual General Meeting.
- During the year, the Company has issued 5,85,000 Warrants on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, Promoters of the Company entitling them to apply for one Equity Share of Rs.10/- each at a premium to be determined in accordance with the SEBI (DIP) Guidelines. The Warrant Holders would be entitled to exercise the right to apply for Equity Shares after 1st June 2007 but not later than 31st March 2008. The Company has received Rs.501.27 Lakhs towards warrant application money from the Warrant Holders in terms of the SEBI (DIP) Guidelines.
- During the year 2005-2006, the Company had issued 13,10,047 warrants to the shareholders along with Partly Convertible Debentures. The 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. 5,62,121 Warrants are outstanding as on 31st March 2007.
- During the year 2005-2006, the Company had granted 45,850 Stock Options under the Employee Stock Option Scheme. Stock Option outstanding as on 31st March 2007 are 37,900.

Schedule forming part of the Consolidated Balance Sheet

**Schedule 'B' (Item No. 1(c), Page 56)
RESERVES AND SURPLUS**

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) SECURITIES PREMIUM ACCOUNT			
(a) Balance as per last account	3,682.41		—
(b) Add: Premium on issue of Equity Shares	—		5,109.18
(c) Add: Premium on issue of Equity Shares on preferential basis	4,954.13		—
(d) Add: Premium on issue of Equity Shares on Conversion of Warrants	4,786.73		—
(e) Less: Premium on redemption of Non-Convertible Debentures	—		1,283.85
(f) Less: Write off of securities / warrant issue expenses	16.66		142.92
		13,406.61	3,682.41
(2) DEBENTURE REDEMPTION RESERVE			
(a) Balance as per last account	1,300.00		—
(b) Add : Transferred from Profit and Loss Account	1,500.00		1,300.00
		2,800.00	1,300.00
(3) EMPLOYEE STOCK OPTIONS			
a) Employee Stock Options Outstanding			
Balance as per last account	388.50		—
Additions	—		396.72
Lapsed	60.57		8.22
Outstanding	327.93		388.50
b) Less: Deferred Employee Compensation			
Balance as per last account	323.75		—
Additions	—		396.72
Amortised/Lapsed	214.44		72.97
Balance	109.31		323.75
Net Employee Stock Options		218.62	64.75
(4) GENERAL RESERVE :			
(a) Balance as per last account	17,827.49		17,577.49
(b) Add : Transferred from Profit and Loss Account	325.00		250.00
(c) Less : Adjustment for employee benefits provision	178.02		—
		17,974.47	17,827.49
(5) AMALGAMATION RESERVE :			
Arising out of Amalgamation		1,492.95	1,492.95
(6) CAPITAL RESERVE ON ACQUISITION OF SUBSIDIARY		452.15	230.31
(7) PROFIT AND LOSS ACCOUNT		2,594.82	2,388.13
		38,939.62	26,986.04

Notes :-

- (a) In respect of Options granted under the Company's Employee Stock Options Scheme 2005 (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. Consequently, salaries, wages, bonus etc. includes Rs.153.87 lakhs (2005-2006 :Rs. 64.75 lakhs) , being the amortisation of Deferred Employee Compensation after adjusting for reversals on account of options lapsed.
- (b) Premium on issue of Equity Shares on preferential basis represents Premium on issue of 5,85,000 Equity Shares of Rs. 10/- each at Rs.856.86 per share on preferential basis to Tata Sons Limited and Tata Investment Corporation Limited, promoters of the Company.
- (c) Premium on issue of Equity Shares on conversion of warrants represents Premium on issue of 7,47,926 Equity Shares of Rs.10/- each @ Rs.650/- per share to the warrant holders who have applied for shares as per the terms of the issue.
- (d) The expenditure incurred on issue of securities and warrants have been debited to Securities Premium Account.

Schedule forming part of the Consolidated Balance Sheet

Schedule 'C' (Item No. 3, Page 56)

LOAN FUNDS

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) SECURED LOANS :		
a) Non Convertible Debentures	6,550.24	6,550.24
b) From Banks		
Term Loan	1,134.21	249.76
Cash Credit	994.68	-
c) From Others		
Loan under Hire Purchase Scheme	4.62	-
	8,683.75	6,800.00
(2) UNSECURED LOANS :		
a) Sales Tax loan from Government of Maharashtra	16.80	22.14
b) Others	9,974.66	8,304.20
	9,991.46	8,326.34
c) Share of Joint Venture -[Note 13 (b), Page 72]	3,106.00	2,692.50
	13,097.46	11,018.84
	21,781.21	17,818.84

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 atleast 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 2005-06 .
- (g) Of the above unsecured loans, amount repayable within a year Rs. 10,168.90 lakhs (2005-2006 : Rs. 6,005.34 lakhs).

Schedule forming part of the Consolidated Balance Sheet

Schedule 'D' (Item No.6, Page 56)

FIXED ASSETS

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK
	As at 1.4.2006	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2007	As at 1.4.2006	Deductions/ Adjustments	For the year	As at 31.3.2007	As at 31.3.2007
	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
Goodwill	6.00 (—)	— (6.00)	— (—)	6.00 (6.00)	— (—)	— (—)	6.00 (—)	6.00 (—)	— (6.00)
Goodwill on Consolidation	12,386.67 (901.69)	71.04 (11,484.98)	— (—)	12,457.71 (12,386.67)	— (—)	— (—)	— (—)	— (—)	12,457.71 (12,386.67)
Freehold Land	427.92 (427.92)	99.81 (—)	— (—)	527.73 (427.92)	— (—)	— (—)	— (—)	— (—)	527.73 (427.92)
Leasehold Land	8.13 (—)	— (8.13)	— (—)	8.13 (8.13)	— (—)	— (—)	4.23 (—)	4.23 (—)	3.90 (8.13)
Buildings	4,852.62 (2,542.28)	425.11 (2,388.80)	30.98 (78.46)	5,246.75 (4,852.62)	840.17 (675.07)	162.49 (38.66)	165.49 (203.76)	843.17 (840.17)	4,403.58 (4,012.45)
Plant and Machinery	2,807.72 (2,045.73)	713.38 (777.57)	92.33 (15.58)	3,428.77 (2,807.72)	702.99 (442.02)	74.99 (5.31)	285.46 (266.28)	913.46 (702.99)	2,515.31 (2,104.73)
Furniture, Fixtures, Office and Other Equipment	4,441.92 (2,859.00)	1,622.49 (1,588.45)	56.11 (5.53)	6,008.30 (4,441.92)	1,344.30 (836.20)	-1.63 (3.21)	587.08 (511.31)	1,933.01 (1,344.30)	4,075.29 (3,097.62)
Vehicles	134.41 (96.20)	33.01 (75.97)	32.34 (37.76)	135.08 (134.41)	17.65 (23.83)	1.32 (17.88)	17.28 (11.70)	33.61 (17.65)	101.47 (116.76)
Intangible Assets	22.22 (2.22)	0.82 (20.00)	— (—)	23.04 (22.22)	4.32 (1.74)	— (—)	5.05 (2.58)	9.37 (4.32)	13.67 (17.90)
Total	25,087.61 (8,875.04)	2,965.66 (16,349.90)	211.76 (137.33)	27,841.51 (25,087.61)	2,909.43 (1,978.87)	237.17 (65.07)	1,070.59 (995.63)	3,742.85 (2,909.43)	24,098.66 (22,178.18)
Capital Work-in-Progress									1,321.93 (542.95)
Total									25,420.59 (22,721.13)

Notes :

- (1) Figures in brackets are in respect of previous year.
- (2) Included in Buildings is an amount of Rs. 1,050 (2005-2006: Rs.1,050) representing value of Shares in Co-operative Housing Societies/Condominium .
- (3) Landmark Limited was incorporated as a 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, was taken over at book value by the Company.

Schedules forming part of the Consolidated Balance Sheet

Schedule 'E' (Item No.7 , Page 56)

INVESTMENTS

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Investments	18,630.83	13,575.99
(2) Share of Joint Venture [Note 13 (b), Page 72]	3,240.62	2,623.13
	<u>21,871.45</u>	<u>16,199.12</u>

Schedule 'F' (Item No.8(a), Page 56)

INVENTORIES

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
Stocks		
(1) Raw Materials	78.89	104.43
(2) Packing Materials	38.79	25.54
(3) Finished Products	13,123.97	7,757.28
(4) Stocks-in-Transit	0.28	22.08
	<u>13,241.93</u>	<u>7,909.33</u>

Schedule 'G' (Item No.8 (b), Page 56)

SUNDRY DEBTORS

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Debts outstanding for a period exceeding six months	138.73	112.08
(2) Other Debts	904.51	163.93
	<u>1,043.24</u>	<u>276.01</u>
(3) Less : Provision for Doubtful Debts	22.67	12.47
	<u>1,020.57</u>	<u>263.54</u>
Considered Good - Unsecured	1,020.57	263.54
Considered Doubtful - Unsecured	22.67	12.47
	<u>1,043.24</u>	<u>276.01</u>

Schedule 'H' (Item No.8(c), Page 56)

CASH AND BANK BALANCES

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Cash on hand (including cheques on hand Rs.3.76 lakhs) (2005-2006 : Rs. 9.03 lakhs)	342.35	163.57
(2) Balances with Scheduled Banks		
(a) Current Accounts	405.46	451.61
(b) Fixed Deposit Accounts	1,511.44	940.57
(c) Unpaid Dividend/Interest Accounts	69.51	68.41
	<u>1,986.41</u>	<u>1,460.59</u>
(3) Share of Joint Venture [Note 13(b), Page 72]	2,328.76	1,624.16
	3.67	67.22
	<u>2,332.43</u>	<u>1,691.38</u>

Schedules forming part of the Consolidated Balance Sheet

Schedule 'I' (Item No. 8(d), Page 56)

LOANS AND ADVANCES

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Security Deposits			
Deposits for Premises-Others	4,644.14		3,228.60
Other Deposits	180.30		177.88
		4,824.44	3,406.48
(2) Loans			
Other Loans		6,075.64	5,530.50
(3) Other Loans and Advances recoverable in cash or in kind or for value to be received		5,681.67	3,513.54
(4) Balances with Customs/Port Trust etc.		40.31	40.31
(5) Other Receivables		297.20	53.91
(6) Bills of Exchange		114.20	114.20
(7) Advances on Capital Account		431.85	163.81
		17,465.31	12,822.75
(8) Less : Provision for Doubtful Advances		164.29	155.83
		17,301.02	12,666.92
Considered Good - Secured		—	50.00
Considered Good - Unsecured		17,301.03	12,616.92
Considered Doubtful - Unsecured		164.29	155.83
		17,465.32	12,822.75
(9) Share of Joint Venture [Note 13(b), Page 72]		1.31	2.70
		17,302.33	12,669.62

Schedule 'J' (Item No. 9 (a), Page 56)

LIABILITIES

	Rupees in lakhs	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Acceptances		593.41	1,749.44
(2) Sundry Creditors (Note 8, Page 69)			
Small Scale Industrial Undertakings	61.39		82.54
Others	12,757.70		8,876.87
		12,819.09	8,959.41
(3) Security Deposits Received		95.52	135.52
(4) Provision for Taxes -net of Advance Tax		616.02	857.91
(5) Investor Education and Protection Fund (Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due (Note 9, Page 69))			
(a) Unpaid / Unclaimed Dividend	69.13		68.41
(b) Unpaid / Unclaimed Matured Deposits	0.10		0.30
(c) Unpaid application Money received by the Company for allotment of Rights Issue and due for refund	1.84		2.05
(d) Unpaid Debenture Interest	0.37		—
		71.44	70.76
		14,195.48	11,773.04
(6) Share of Joint Venture [Note 13(b), Page 72]		139.17	0.11
		14,334.65	11,773.15

Schedules forming part of the Consolidated Balance Sheet

Schedule 'K' (Item No.9 (b), Page 56) PROVISIONS

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
(1) Interim Dividend	1,103.25	—
(2) Proposed Dividend	—	937.81
(3) Tax on Dividend	217.65	131.53
(4) Contingencies (Note 2(d), Page 68)	205.00	205.00
(5) Retirement Benefits	372.45	77.69
(6) Redemption Premium of Debentures	1,283.84	1,283.84
	3,182.19	2,635.87

Schedule 'L' (Item No.11 , Page 56) MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

	As at 31.3.2007 Rupees in lakhs	As at 31.3.2006 Rupees in lakhs
Others	—	5.32
	—	5.32
Share of Joint Venture [Note 13(b), Page 72]	0.07	0.07
	0.07	5.39

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 Books Private Limited (Subsidiary of Landmark Limited), Regent Management Private Limited (Subsidiary of Landmark Limited), Landmark E-Tail Private Limited (Subsidiary of Landmark Limited), Eastwest Books (Madras) private Limited (Subsidiary of Landmark Limited) and Joint Venture - Satnam Realtors Private Limited, wherein Satnam Developers and Finance Private Limited (100% subsidiary) holds 50% interest.

The Partnership Firm Landmark, a subsidiary of the Company, has been converted into the Company Landmark Limited under Part IX of the Companies Act, 1956, to carry on the business of Landmark, Partnership Firm with effect from 1.4.2006. Consequently, Landmark Limited alongwith its subsidiaries Westland Books Private Limited, Regent Management Private Limited, Landmark E-Tail Private Limited became subsidiaries of the Company with effect from 1.4.2006.

East west Books (Madras) Private Limited became a Subsidiary of Landmark limited on and from 28th February, 2007.

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

- 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.

Due to this the depreciation for the year ended 31st March 2007 is lower by Rs.37.21 lakhs and excess depreciation provided upto 31st March 2006 amounting to Rs. 125.43 lakhs has been written back. Hence profit for the period and the reserves are higher to this extent.

- b** With effect from 1st April 2006, Nahar Theatres Private Limited has decided to amortise the lease premium paid for leasehold land which had not been amortised earlier over the period of lease. Accordingly, the lease premium amortised during the period includes an amount of Rs. 4.15 lakhs for the period up to 31st March 2006. Due to this change , depreciation for the period is higher by Rs. 4.23 lakhs and the profit for the period is lower to that extent.

- c Fixed Assets in respect of Landmark Limited :** Landmark Limited was incorporated on 31st March 2006 under Chapter IX of the Companies Act, 1956 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 values. In respect of locations in existence as at 31st March 2004, the individual assets as at 31st March 2006 have been valued based on a physical verification process and as certified by an approved valuer. In respect of other locations, the value of individual assets as at 31st March 2006 have been ascertained based on cost of acquisition, less accumulated depreciation upto 31st March 2006.

- d Investments in respect of Landmark Limited :** Out of Quoted Investments aggregating to Rs 11.44 Lakhs are in the name of the partners of Landmark, erstwhile partnership firm, as at the Balance Sheet date. These have since been transferred in the name of Landmark Limited.

- e Depreciation in respect of Landmark Limited:** Depreciation 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.

- f** 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 and Landmark Limited, Westland Books Private Limited, Regent Management Private Limited, Landmark E-Tail Private Limited, East west Books(Madras) 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. 206.06 lakhs (2005-2006 : Rs.632.27 lakhs).

Share of Joint Venture Rs. 203.12 lakhs (2005-2006 : Rs. 451.85 lakhs).

- (b) Uncalled Liability on partly paid shares : Rs. Nil (2005-2006 : Rs. 12.37 lakhs).

2. Contingent Liabilities :

- (a) Sales tax, Excise and Customs demands against which the Company has filed appeals : Rs. 129.71 lakhs (2005-2006 : Rs. 146.81 lakhs) - net of tax Rs. 86.05 lakhs (2005-2006 : Rs. 97.39 lakhs).

- (b) Claims made against the Company not acknowledged as debts : Rs. 780.93 lakhs (2005-2006 : Rs.749.93 lakhs).

- (c) Income-tax demands against which the Company has filed appeals : Rs. 467.20 lakhs (2005-2006 : Rs.687.98 lakhs).

- (d) As a matter of abundant caution, a general provision for contingencies of Rs.205.00 lakhs (2005-2006 : Rs. 205.00 lakhs) has been made against items (a), (b) and (c) above, which are disputed by the Company.

3. Landmark Limited has issued during the year 5,25,000 Convertible Warrants to one of its shareholders. The Warrant holder has the option to convert each warrant to one Equity Share of Rs. 10/- each at an agreed price which option is exercisable between 30th April 2008 and 30th May 2008.

4. Managerial Remuneration (Holding Company) :

Managerial remuneration for Managing Director and Non- Whole time Directors

	2006-2007	2005-2006
	Rupees	Rupees
	in lakhs	in lakhs
(a) Salaries (including Company's Contribution to Provident Fund and Superannuation Fund)	47.44	40.66
(b) Commission	110.00	87.50
(c) Perquisites	30.12	17.01
(d) Directors' sitting fees	4.69	5.83
	192.25	151.00

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 5,000 Employee Stock Options granted to the Managing Director and retirement benefits of Rs.11.70 lakhs (2005-2006 : Rs. 11.74 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 :

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
Deferred Tax Liability		
Depreciation	709.08	689.89
Deferred Tax Assets		
(a) Retirement Benefits	119.02	20.12
(b) Other Provisions	51.76	35.23
	170.78	55.35
Net Deferred Tax Liability	538.30	634.54

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

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
(a) Auditors' Remuneration -		
Audit Fees	13.92	6.74
Fees for Taxation matters	6.85	4.55
Other Services	11.81	26.23
Reimbursement of out-of-pocket expenses	0.45	0.10
(b) Provision for doubtful debts/advances (net)	8.45	7.63
(c) Bad debts written off	—	0.36
(ii) Debenture/Share Issue Expenses include :		
Auditors' Remuneration - Other Services	0.79	3.10

7. Loss on foreign exchange fluctuation (net) debited to the profit and loss account amounted to Rs. 6.68 lakhs (2005-2006 : Rs. 3.17 lakhs).

8. The information given in schedule 'J' item 2, "Liabilities" regarding small scale undertakings has been determined to the extent such parties have been identified on the basis of information available with respective Companies. This has been relied upon by the auditors.

9. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

10. **Retirement Benefits** : Effective from April 2006 Trent Limited and its subsidiary Fiora Services Limited has adopted the Revised Accounting Standard -15 "Employee Benefits" (AS-15) issued by the Institute of Chartered Accountants of India. In accordance with the transitional provisions in the revised AS-15, additional obligation amounting to Rs.178.02 Lakhs (Net of Deferred tax Asset of Rs.90.32 Lakhs) has been adjusted against the opening balance in General Reserve. The charge for the current year on account of above change does not have a material impact on the profit.

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

	2006-2007				
	Retailing	Current Investment	Others	Unallo-cated	Total Company
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
A SEGMENT REVENUE					
1. External Revenue	59,091.35 (40,057.54)	390.63 (290.09)	2,130.18 (—)	1,574.72 (1,563.06)	63,186.88 (41,910.69)
2. Intersegment Revenue	36.37 (—)	— (—)	1,656.59 (—)	— (—)	1,692.96 (—)
3. Total Revenue	59,127.72 (40,057.54)	390.63 (290.09)	3,786.77 (—)	1,574.72 (1,563.06)	64,879.84 (41,910.69)
4. Less: Intersegment Revenue	36.37 (—)	— (—)	1,656.59 (—)	— (—)	1,692.96 (—)
NET SEGMENT REVENUE	59,091.35 (40,057.54)	390.63 (290.09)	2,130.18 (—)	1,574.72 (1,563.06)	63,186.88 (41,910.69)
B RESULTS					
1. Segment Results	3,296.15 (2,824.65)	384.77 (290.09)	221.97 (—)	1,449.43 (1,507.38)	5,352.32 (4,622.12)
2. Interest Expense	— (—)	— (—)	— (—)	715.43 (439.83)	715.43 (439.83)
3. Exceptional Items (Income)/ Expense	— (—)	— (—)	— (—)	(125.43) (75.00)	(125.43) (75.00)
4. Provision for Taxation	— (—)	— (—)	— (—)	1,316.62 (1,226.65)	1,316.62 (1,226.65)
5. Short/(Excess) tax provision for prior years (Net)	— (—)	— (—)	— (—)	(82.94) (0.10)	(82.94) (0.10)
6. Net Profit	3,296.15 (2,824.65)	384.77 (290.09)	221.97 (—)	(374.25) (234.20)	3,528.64 (2,880.54)
C SEGMENT ASSETS	31,655.58 (33,149.02)	8,611.75 (3,548.18)	2,567.06 (—)	38,354.98 (24,762.31)	81,189.37 (61,459.51)
D SEGMENT LIABILITIES	11,908.46 (10,591.29)	— (—)	2,119.71 (—)	26,144.24 (22,439.40)	40,172.41 (33,030.69)
E CAPITAL EXPENDITURE	3,706.98 (16,529.58)	— (—)	37.66 (—)	— (0.05)	3,744.64 (16,529.63)
F DEPRECIATION	1,041.69 (990.66)	— (—)	24.95 (—)	3.95 (4.97)	1,070.59 (995.63)
G AMORTISATION OF STORE LAUNCH EXPENSES	— (54.52)	— (—)	— (—)	— (—)	— (54.52)
H NON CASH EXPENSES					
Provision for Contingencies	— (—)	— (—)	— (—)	— (75.00)	— (75.00)
Employee Stock Options Scheme	153.87 (64.75)	— (—)	— (—)	— (—)	153.87 (64.75)

Notes:

- 1 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the Company's organisation structure as well as the differential risks and returns of these segments. Others include Trading and Services.
- 2 Segment Revenue, Results, Assets and Liabilities figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred at corporate level, which relate to the Company as a whole. Other unallocable income includes income from Long Term Investments of surplus funds. Unallocated assets mainly relates to Long Term Investments including Investments in Subsidiaries.
- 3 Figures in brackets are in respect of previous year.

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

12. RELATED PARTY TRANSACTIONS :

Related parties are as certified by the Management.

12.1	Other Related Parties with whom transactions have taken place during the year:	
	Associates:	Tata Sons Limited (Holds more than 20% of the Share Capital of the Company)
	Joint Venture	Satnam Realtors Private Limited
12.2	Directors of the Company	
	Managing Director	Mr. N. N. Tata Mrs. S. N. Tata (upto 30 th October 2006) Mr. F. K. Kavarana
	Non Executive Directors	Mr. N. A. Soonawala Mr. B. S. Bhesania Mr. A. D. Cooper Mr. K. N. Suntook Mr. Zubin Dubash

Details of remuneration to directors is disclosed in Note No. 4 on Balance Sheet and Profit and Loss account.

	2006-2007 Rupees in lakhs	2005-2006 Rupees in lakhs
12.3 Sales to and Other recoveries from related parties		
Associates	2.00	21.50
12.4 Purchase/other services from related parties		
Associates	308.57	245.90
12.5 Interest/Dividend received from related parties		
a) Associates	42.11	34.81
b) Joint Venture	480.09	329.04
12.6 Interest/Dividend paid to related parties		
a) Associates	206.32	173.13
b) Joint Venture	—	0.30
c) Directors	2.01	1.52
12.7 Redemption of Preference Shares		
Associates	430.00	—
12.8 Loan Given		
Joint Venture	560.99	1,464.00
12.9 Loan Taken		
Joint Venture	—	40.00
12.10 Loan Repaid		
Joint Venture	—	40.00
12.11 Security deposit given during the year		
a) Associates	—	30.00
b) Joint Venture	212.00	—
12.12 Security deposit receivable as on 31.03.2007		
a) Associates	30.00	30.00
b) Joint Venture	212.00	—
12.13 Amount received in respect of Rights Issue of Partly Convertible Debentures on Allotment		
Associates	—	2,596.98
12.14 Debentures Outstanding as on 31.3.2007		
Directors	—	0.13
12.15 Outstanding balance Of Loan as on 31.03.2007 Receivable by Company		
a) Joint Venture	5,945.99	5,385.00
b) Directors	—	59.67
12.16 Outstanding balance as on 31.03.2007 Receivable by Company		
Joint Venture	266.00	—
12.17 Payable by Company		
a) Associates	83.27	42.44
b) Joint Venture	—	3.89
12.18 Issue of Equity Shares		
Associates	5,088.82	—
12.19 Warrant Application Money		
Associates	321.32	—
12.20 ESOP granted during the year (No. of Options)		
Directors	—	5,000
12.21 Sitting Fees		
Directors	5.28	6.15

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

13. The Subsidiaries and Interest in Joint Venture considered in Consolidated Financial Statements are:

(a) Particulars of Subsidiaries	Country of Origin	Proportionate ownership interest
Trent Brands Limited	India	100.00 %
Fiora Services Limited	India	
Held by Trent Limited		25.67 %
Held by Trent Brands Limited (Subsidiary)		64.20%
Satnam Developers & Finance Private Limited	India	100.00 %
Nahar Theatres Private Limited	India	100.00 %
Fiora Link Road Properties Limited	India	100.00 %
Landmark Limited		
Held by Trent Limited	India	78.00 %
Held by Subsidiaries of Trent Limited	India	0.95%
Westland Books Private Limited		
Held by Landmark Limited (Subsidiary)	India	100.00 %
Regent Management Private Limited		
Held by Landmark Limited (Subsidiary)	India	100.00 %
Landmark E -Tail Private Limited		
Held by Landmark Limited (Subsidiary)	India	100.00 %
East West Books (Madras) Private Limited		
Held by Landmark Limited (Subsidiary)	India	52.17 %
(w.e.f 28th February 2007)		
(b) Interest in Joint Venture		
Satnam Realtors Private Limited		
Held by Satnam Developers and Finance Private Limited (Subsidiary)	India	50.00 %

	As at 31.03.2007 (Rupees in lakhs)	As at 31.03.2006 (Rupees in lakhs)
I Assets		
1. Investments	3,240.62	2,623.13
2. Current Assets, Loans & Advances		
a) Cash and Bank	3.67	67.22
b) Loans and Advances	1.31	2.70
3. Miscellaneous Expenditure (to the extent not written off)	0.07	0.07
II Liabilities		
1. Unsecured Loans	3,106.00	2,692.50
2. Current Liabilities	139.17	0.11
III Capital Commitments	203.12	451.85

14. EARNINGS PER SHARE (EPS) :

	2006-2007	2005-2006
(a) Weighted Average Number of shares outstanding during the year.		
i) For Basic Earnings Per Share	1,48,01,193	1,41,84,244
ii) For Diluted Earnings Per Share		
No of shares for Basic EPS as per a(i)	1,48,01,193	1,41,84,244
Add: Weighted average outstanding warrants/options deemed to be issued for no consideration	2,11,270	2,94,678
No of shares for Diluted Earnings Per Share	1,50,12,463	1,44,78,922
(b) Net Profit/(loss) after Tax available for Equity Share Holders (Rupees in lakhs)	3,393.96	2,812.99
(c) Earnings Per Share (Rs.) (Face Value of Rs. 10/-)		
Basic	22.93	19.83
Diluted	22.61	19.43

15. Previous year's figures have been regrouped wherever necessary.
Signatures to Schedules '1' to '4' and 'A' to 'M' and Notes.

As per our report attached.

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

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH } Directors

N. N. TATA Managing Director

Consolidated Cash Flow for the year ended 31st March 2007

	Rupees in lakhs	1.4.2006 to 31.03.2007 Rupees in lakhs	1.4.2005 to 31.3.2006 Rupees in lakhs
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxes and Exceptional Items		4,636.89	4,182.29
Adjustments for :			
Depreciation	1,070.59		995.63
Provision for doubtful debts written off	10.23		—
Unrealised foreign exchange gains	(54.41)		—
Interest (Net)	57.39		(5.65)
Employee Stock Option	153.87		64.75
(Profit)/Loss on Fixed Assets sold/discarded (Net)	60.32		(86.64)
(Profit)/Loss on sale of Long Term Investments	(590.07)		(529.85)
Diminution in the value of Long Term investment	1.00		—
Dividend from Long Term Investments	(382.76)		(339.78)
Goodwill and Preliminary expenses written off	5.33		—
Liability no longer required written back	(0.50)		(9.69)
		330.99	88.77
Operating Profit Before Working Capital Changes		4,967.88	4,271.06
Adjustments for :			
(Increase)/Decrease in Current Investments	(5,120.85)		4,218.94
(Increase)/Decrease in Inventories	(4,650.34)		(2,304.18)
(Increase)/Decrease in Trade and Other Receivables	(2,469.59)		490.08
Increase/(Decrease) in Trade and Other Payables	2,421.12		2,814.51
		(9,819.66)	5,219.35
Cash generated from operations		(4,851.78)	9,490.41
Direct Taxes Paid		(1,494.30)	(1,600.67)
Net Cash from Operating Activities		(6,346.08)	7,889.74
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(3,952.66)		(2,268.39)
Sale of Fixed Assets	8.39		158.90
Purchase of Long Term Investments	(12,576.61)		(26,439.62)
Sale of Long Term Investments	12,761.33		11,114.47
Loans given (Net)	(1,820.02)		(4,331.15)
Share of Profit from Partnership	—		0.08
Interest received	393.47		415.30
Dividend from Long Term Investments	371.10		341.56
Net cash (used in)/from Investing Activities		(4,815.00)	(21,008.85)
C CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Securities (Net of issue expenses)	10,358.75		11,647.50
Unclaimed Share application money	(0.21)		2.05
Proceeds from Borrowings	4,039.07		5,242.00
Repayment of Borrowings	(525.74)		(2,009.93)
Interest Paid	(1,101.44)		(513.44)
Dividend Paid	(1,129.37)		(964.15)
Contribution from Minority towards capital in partnership	—		83.70
Profit share of Minority in Partnership	—		(73.34)
Dividend Paid to Minority	(42.33)		—
Contribution from Minority	130.74		—
Net cash used in Financing Activities		11,729.45	13,414.39
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		568.37	295.28
CASH AND CASH EQUIVALENTS AS AT 01.04.2006		1,691.38	884.54
CASH AND CASH EQUIVALENTS ON CONSOLIDATION ADJUSTMENT		72.68	511.56
CASH AND CASH EQUIVALENTS AS AT 31.03.2007		2,332.43	1,691.38

Notes: i) All figures in brackets are outflows.
ii) Of the above cash and cash equivalent balance, the amount of Rs.75.08 lakhs (2005-2006: Rs.71.20 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. RAIJI & CO.,
Chartered Accountants

Y. N. THAKKAR
Partner

Mumbai, 29th June 2007

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
ZUBIN DUBASH Directors

N. N. TATA Managing Director

Summarised Financial Statement of 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 Books Private Limited	Eastwest Books Private Limited	Regent Management Private Limited	Landmark E-Tail Private Limited
	As At 31st March 2007	As At 31st March 2006	As At 31st March 2007	As At 31st March 2006	As At 31st March 2007	As At 31st March 2006	As At 31st March 2007	As At 31st March 2006	As At 31st March 2007	As At 31st March 2006	As At 31st March 2007	As At 31st March 2007	As At 31st March 2007	As At 31st March 2007	As At 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
Capital	325.00	151.91	5.00	5.00	20.96	20.96	20.96	20.96	5.00	5.00	2,129.80	5.00	46.00	1.00	1.00
Reserves and Surplus	1,067.29	469.52	20.36	14.13	286.05	173.33	286.05	173.33	2.50	6.50	153.19	404.55	154.37	9.00	-
Total Assets	1,392.29	621.43	25.36	8,541.63	1,060.92	971.79	1,060.92	971.79	7.50	11.50	4,795.46	614.66	280.41	10.00	1.00
Total Liabilities	1,392.29	621.43	25.36	8,541.63	1,060.92	971.79	1,060.92	971.79	7.50	11.50	4,795.46	614.66	280.41	10.00	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	For the year ended
	31st March 2007	31st March 2006	31st March 2007	31st March 2006	31st March 2007	31st March 2006	31st March 2007	31st March 2006	31st March 2007	31st March 2006	31st March 2007	31st March 2007	31st March 2007	31st March 2007	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
Turnover *	200.02	547.97	488.52	329.21	99.35	97.53	99.35	97.53	0.11	0.16	13,774.82	2,259.79	1,611.12	10.97	28.94
Profit/(Loss) Before Tax	180.90	9.71	9.49	19.32	1.59	(33.53)	1.59	(33.53)	(0.11)	(0.16)	611.48	265.60	57.68	(0.31)	(5.28)
Provision For Taxation	25.00	5.66	3.25	7.00	14.30	11.20	14.30	11.20	-	-	213.18	101.33	11.95	0.02	0.22
Excess/(Short) Provision For Prior Years (Net)	-	(0.02)	-	-	125.43	-	125.43	-	-	-	-	-	-	(0.84)	-
Net Profit/(Loss)	155.90	540.91	6.24	12.32	112.72	(43.73)	112.72	(43.73)	(0.11)	(0.16)	398.30	164.27	45.73	(1.17)	(5.50)
Interim Dividend Percentage	80%	60%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	40%	Nil	Nil	3500%	Nil
Amount	260.00	195.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	200.00	Nil	Nil	35.00	Nil

* Represents income from operation and other income.

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

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments : (at Cost less provision for diminution in value) Face Value of Rs 10 each,Unquoted and fully paid-up unless otherwise stated								
(a) In Subsidiary Companies :								
Fiora Services Ltd. (Equity shares of Rs. 100/- each)	97,530	203.42	—	—	—	—	97,530	203.42
Landmark Ltd.	—	—	40,000	103.24	—	—	40,000	103.24
Landmark Ltd. (1% Cumulative Convertible Preference Share of Rs 100/-)	—	—	1,550	1.55	—	—	1,550	1.55
Total Investments in Subsidiary Companies		203.42						308.21
(b) In Partnership Firm								
Landmark - Capital Account	—	4.00	—	—	—	4.00	—	—
Landmark - Right In Partnership	—	99.25	—	—	—	99.25	—	—
Total Investment in Partnership Firm		103.25						
(c) In Other Shares								
ACC Ltd.	—	—	4,000	35.28	2,000	16.07	2,000	19.21
Aftek Ltd. (Equity shares of Rs. 2/- each)	—	—	50,000	29.49	—	—	50,000	29.49
Alok Industries Ltd.	65,000	47.77	15,000	8.76	80,000	56.54	—	—
Amara Raja Batteries Ltd.	9,000	13.09	—	—	9,000	13.09	—	—
Andhra Pradesh Paper Mills Ltd.	33,500	38.85	5,000	5.98	31,245	36.38	7,255	8.45
Andhra Sugars Ltd.	15,000	25.50	—	—	15,000	25.50	—	—
Ansal Properties & Infrastructure Ltd. (Equity shares of Rs. 5/- each)	—	—	5,000	49.03	5,000	49.03	—	—
Arvind Products Ltd.	1,35,481	25.24	—	—	1,35,481	25.24	—	—
Ashok Leyland Ltd. (Equity shares of Rs. 1/- each)	—	—	1,35,000	62.72	1,35,000	62.72	—	—
Bajaj Hindustan Ltd. (Equity shares of Rs. 1/- each)	—	—	11,000	34.20	11,000	34.20	—	—
Balrampur Chini Mills Ltd. (Equity shares of Rs. 1/- each)	30,000	49.88	—	—	30,000	49.88	—	—
Bank of Baroda Ltd.	—	—	10,000	24.33	10,000	24.33	—	—
Bharat Electronics Ltd.	5,850	30.30	2,000	23.28	2,000	10.36	5,850	43.22
BHEL	—	—	1,200	28.86	—	—	1,200	28.86
BPCL	4,000	15.08	—	—	4,000	15.08	—	—
Century Textiles & Industries Ltd.	6,500	20.75	—	—	6,500	20.75	—	—
Chambal Fertilisers & Chemicals Ltd.	1,90,000	44.09	—	—	—	—	1,90,000	44.09
Cipla Ltd. (Equity shares of Rs. 2/- each)	3,200	8.76	—	—	3,200	8.76	—	—
Control Print (India) Ltd.	45,000	42.53	2,860	1.92	—	—	47,860	44.45
Crompton Greaves Ltd. (Equity shares of Rs. 2/- each)	—	—	10,000	21.03	10,000	21.03	—	—
Deepak Fertilizers & Petrochemicals Corpn Ltd.	50,000	43.54	—	—	10,000	8.71	40,000	34.83
Dishman Pharmaceuticals & Chemicals Ltd. (Equity shares of Rs. 2/- each)	24,500	47.67	—	—	10,335	20.11	14,165	27.56
Elder Pharmaceuticals Ltd.	—	—	11,000	39.55	—	—	11,000	39.55
EMCO Ltd.	2,500	13.93	—	—	2,500	13.93	—	—
Excel Crop Care Ltd. (Equity shares of Rs. 5/- each)	27,500	61.59	—	—	—	—	27,500	61.59
GAIL (India) Ltd.	7,000	12.41	—	—	7,000	12.41	—	—
Gammon India Ltd. (Equity shares of Rs. 2/- each)	4,000	16.73	18,000	68.90	22,000	85.63	—	—
Gateway Distriparks Ltd.	—	—	22,500	37.15	22,500	37.15	—	—
Graphite India Ltd. (Equity shares of Rs. 2/- each)	13,950	16.89	55,800	—	—	—	69,750	16.89
(Share Split -Conversion of Face Value From Rs 10/- per share to Rs 2/- per share)								
Great Eastern Shipping Co. Ltd.	12,000	26.00	15,000	45.21	27,000	71.21	—	—
Greenply Industries Ltd. (Equity shares of Rs. 5/- each)	38,000	33.19	26,000	27.86	19,000	18.02	45,000	43.02
Gujarat Ambuja Cement Ltd. (Equity shares of Rs. 2/- each)	25,000	23.82	52,000	56.58	32,000	31.95	45,000	48.45

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

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Gujarat Heavy Chemicals Ltd.	—	—	28,000	49.67	28,000	49.67	—	—
HEG Ltd.	25,000	42.12	—	—	25,000	42.12	—	—
Hindalco Industries Ltd. (Equity shares of Rs. 1/- each)	10,000	14.64	25,000	41.39	35,000	56.03	—	—
Hindalco Industries Ltd. (Equity shares of Rs. 1/- each - partly Paid Re 0.25 per share)	2,862	0.69	—	—	2,862	0.69	—	—
Hindustan Construction Co. Ltd. (Equity shares of Rs. 1/- each)	—	—	30,000	45.40	30,000	45.40	—	—
Hindustan Lever Ltd. (Equity shares of Rs. 1/- each)	22,000	39.63	32,000	72.73	15,000	27.55	39,000	84.81
Hindustan Oil Exploration Co. Ltd.	—	—	27,954	43.45	—	—	27,954	43.45
Hotel Leela Ventrue Ltd. (Equity shares of Rs. 2/- each)	—	—	55,000	36.04	55,000	36.04	—	—
ICICI Bank Ltd.	15,000	84.52	—	—	9,000	50.71	6,000	33.81
IDFC Ltd.	47,000	33.12	22,000	21.28	25,000	17.62	44,000	36.79
Indian Oil Corporation Ltd.	9,200	41.15	—	—	9,200	41.15	—	—
Indian Pertochemicals Corporation Ltd.	7,500	13.97	11,500	31.07	8,000	16.64	11,000	28.40
Indo Count Industries Ltd.	1,15,071	40.22	—	—	1,15,071	40.22	—	—
Infosys Technologies Ltd. (Equity shares of Rs. 5/- each)	—	—	1,000	20.96	—	—	1,000	20.96
ITC. Ltd. (Equity shares of Rs. 1/- each)	28,000	36.09	30,000	52.40	17,000	21.91	41,000	66.58
IVRCL Infrastructure & Projects Ltd. (Equity shares of Rs. 2/- each)	—	—	12,500	50.42	12,500	50.42	—	—
J K Cement Ltd.	—	—	25,000	49.89	25,000	49.89	—	—
J K Industries Ltd. (Issued 12750 shares in lieu of 17000 shares held in JK Industries as per Scheme of Arrangement)	—	—	12,750	18.90	—	—	12,750	18.90
J K Paper Ltd.	65,000	46.61	—	—	65,000	46.61	—	—
Jaiprakash Associates Ltd.	—	—	22,200	121.28	15,200	77.87	7,000	43.41
Kamat Hotels (India) Ltd.	27,443	36.79	—	—	3,443	4.62	24,000	32.17
Kernex Microsystems (India) Ltd.	—	—	16,000	44.45	16,000	44.45	—	—
Kesoram Industries Ltd.	—	—	15,000	68.11	15,000	68.11	—	—
Kohinoor Foods Ltd. (Satnam Overseas Ltd.)	51,000	45.04	5,000	4.26	—	—	56,000	49.30
Lokesh Machines Ltd.	—	—	10,000	26.39	—	—	10,000	26.39
Lupin Ltd.	3,000	23.70	1,000	10.73	4,000	34.43	—	—
M.T.N.L	31,050	49.62	7,000	12.35	—	—	38,050	61.97
Mahindra GESCO Developers Ltd.	—	—	5,100	45.61	5,100	45.61	—	—
Mangalam Cement Ltd.	—	—	23,251	47.25	—	—	23,251	47.25
Maruti Udyog Ltd. (Equity shares of Rs. 5/- each)	—	—	4,000	33.39	—	—	4,000	33.39
Mcnally Bharat Engineering Co. Ltd.	33,000	36.96	8,100	10.60	763	0.88	40,337	46.69
McLeod Russel India Ltd. (Equity shares of Rs. 5/- each)	—	—	15,000	18.46	15,000	18.46	—	—
Micro Technologies (India) Ltd.	—	—	15,000	32.85	15,000	32.85	—	—
Nagarjuna Construction Co. Ltd. (Equity shares of Rs. 2/- each)	7,500	27.64	15,500	25.26	10,000	28.33	13,000	24.56
NTPC Ltd.	35,100	26.42	30,000	41.16	35,100	26.42	30,000	41.16
Netflir Finco Ltd. (Issued 4250 shares in lieu of 17000 shares held in JK Industries as per Scheme of Arrangement)	—	—	4,250	6.30	—	—	4,250	6.30
Oil & Natural Gas Corporation Ltd.	4,600	29.46	5,050	33.28	5,100	31.74	4,550	31.01
Omax Autos Ltd.	25,000	37.24	—	—	25,000	37.24	—	—
Orchid Chemicals & Pharmaceuticals Ltd.	—	—	12,500	33.80	12,500	33.80	—	—
Panacea Biotec Ltd. (Equity shares of Rs. 1/- each)	10,000	26.89	3,728	10.39	13,728	37.27	—	—
Petronet LNG Ltd.	—	—	50,000	25.31	50,000	25.31	—	—
Phillips Carbon Black Ltd.	—	—	17,000	24.06	17,000	24.06	—	—
Prajay Engineers Syndicate Ltd.	—	—	17,000	36.30	17,000	36.30	—	—
Punjab National Bank Ltd.	3,500	14.52	6,000	30.07	3,500	14.52	6,000	30.07
Rashtriya Chemicals & Fertilizers Ltd.	75,000	32.14	—	—	75,000	32.14	—	—
Reliance Capital Ventures Ltd.	3,000	0.31	—	—	3,000	0.31	—	—

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

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Reliance Communication Ventures Ltd. (Equity shares of Rs. 5/- each)	13,000	38.74	7,000	25.17	12,000	35.69	8,000	28.22
Reliance Energy Ventures Ltd.	3,000	1.74	—	—	3,000	1.74	—	—
Reliance Industries Ltd.	3,000	12.36	—	—	3,000	12.36	—	—
Reliance Natural Resources Ltd. (Equity shares of Rs. 5/- each)	3,000	0.17	—	—	3,000	0.17	—	—
Rolta India Ltd.	—	—	18,000	49.58	—	—	18,000	49.58
RPG Transmission Ltd.	—	—	7,962	15.34	—	—	7,962	15.34
Sanghvi Movers Ltd.	8,000	59.02	—	—	2,796	20.63	5,204	38.39
Satyam Computer Services Ltd. (Equity shares of Rs. 2/- each)	4,000	32.87	4,000	12.10	4,500	30.75	3,500	14.22
Shanthi Gears Ltd. (Equity shares of Rs. 1/- each)	—	—	31,028	19.78	31,028	19.78	—	—
Sharon Bio-Medicine Ltd.	54,960	50.29	—	—	30,960	28.33	24,000	21.96
Shreyas Shipping & Logistics Ltd.	22,525	46.12	—	—	22,525	46.12	—	—
Shringar Cinemas Ltd.	25,000	15.53	—	—	25,000	15.53	—	—
Simbhaoli Sugar Mills Ltd.	34,000	51.52	10,000	15.24	44,000	66.77	—	—
Siro Plast Ltd.	64,900	47.59	—	—	13,183	9.67	51,717	37.92
Southern Iron & Steel Co. Ltd.	1,70,000	47.07	—	—	1,70,000	47.07	—	—
Srei Infrastructure Finance Ltd.	72,500	45.22	—	—	72,500	45.22	—	—
State Bank of India	12,000	58.12	—	—	9,500	46.01	2,500	12.11
Steel Authority of India Ltd.	50,000	30.90	65,000	57.72	95,000	70.77	20,000	17.84
Sterlite Industries (India) Ltd. (Equity shares of Rs. 2/- each)	—	—	9,500	50.98	—	—	9,500	50.98
TIL Ltd.	—	—	8,216	20.51	—	—	8,216	20.51
Tamilnadu News Prints& Papres Ltd.	45,000	42.68	11,819	11.22	35,000	33.19	21,819	20.70
Tata Chemicals Ltd.	2,000	1.83	—	—	—	—	2,000	1.83
Tata Investment Corporation Ltd.	12,375	18.59	—	—	—	—	12,375	18.59
Tata Iron & Steel Company Ltd.	22,700	73.38	—	—	—	—	22,700	73.38
Tata Teleservices Ltd. (Hughes)	80,000	15.87	—	—	—	—	80,000	15.87
TVS Srichakra Ltd.	25,736	19.81	—	—	10,000	7.70	15,736	12.11
Union Bank Of India	20,000	25.17	20,000	25.15	40,000	50.33	—	—
Varun Shipping Co. Ltd.	25,000	18.55	37,000	30.60	62,000	49.16	—	—
Venus Remedies Ltd.	—	—	7,000	26.35	—	—	7,000	26.35
Vijay Shanthi Builders Ltd.	—	—	22,000	37.46	—	—	22,000	37.46
VST Trillers Tractors Ltd.	—	—	15,000	24.53	—	—	15,000	24.53
Webel SL Energy System Ltd.	24,000	49.26	—	—	24,000	49.26	—	—
Total Investment in Other Co.-Long Term		2,239.50						1,834.92
(d) In Mutual Funds								
DSP Merrill Lynch Liquidity Fund—Growth	6,66,756	110.60	—	—	6,66,756	110.60	—	—
HDFC Cash Mgmt Fund-Savings Plan-Dividend	—	—	87,80,278	933.55	87,80,278	933.55	—	—
HDFC Equity Fund-Dividend	3,26,664	75.40	46,202	16.33	—	—	3,72,865	91.73
HDFC Top 200 Fund-Dividend	3,38,517	74.76	44,579	16.93	—	—	3,83,096	91.69
HSBC Equity Fund-Dividend	8,45,629	174.73	60,424	16.91	—	—	9,06,053	191.64
Tata Liquid SHIP-Dividend	7,220	82.00	28,999	332.47	36,219	414.47	—	—
Total investment in Mutual Fund		517.49						375.06
Total Investments		3,063.66						2,518.19
Aggregate book value of Investments								
Unquoted		824.16						683.27
Quoted [Market value Rs.1,892.04 Lakhs (2005-2006:Rs.2,713.56 Lakhs)]		2,239.50						1,834.92
Total		3,063.66						2,518.19

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

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments : (at Cost less provision for diminution in value) Face Value of Rs 10 each, Unquoted and fully paid-up unless otherwise stated								
(a) In Shares:								
Trent Ltd. (Quoted)	1,59,943	131.85	—	—	—	—	1,59,943	131.85
Total Investment in Shares		131.85						131.85
(b) In Subsidiary Company :								
Landmark Ltd.	—	—	2,500	6.45	—	—	2,500	6.45
Landmark Ltd. (1% Cumulative Convertible Preference Share of Rs 100/-)	—	—	100	0.10	—	—	100	0.10
Total Investments in Subsidiary Company		—						6.55
(c) In Partnership Firm								
Landmark - Capital Account		0.25	—	—	—	0.25	—	—
Landmark - Right In Partnership		6.20	—	—	—	6.20	—	—
Total Investment in Partnership Firm		6.45						—
Total Long Term Investments		138.30						138.40
Current Investments (at lower of cost and fair value)								
Birla Floating Rate Fund-Short Term Plan-Growth	11,61,473	125.00	—	—	—	—	11,61,473	125.00
HSBC Floating Rate Fund-Short Term-IP-Growth	14,88,893	150.00	—	—	—	—	14,88,893	150.00
Tata Floating Rate Fund Short Term-Income-Bonus	16,10,424	162.11	86,208	8.74	492,543	49.60	12,04,089	121.25
Total of Current Investments		437.11						396.25
Total Investments		575.41						534.65
Aggregate book value of Investments								
Unquoted		443.56						402.80
Quoted [Market value Rs.1,093.05 Lakhs (2005-06 Rs. 1,449.08 Lakhs)]		131.85						131.85
Total		575.41						534.65

Details of Investments - Subsidiary
SATNAM DEVELOPERS AND FINANCE PRIVATE LIMITED

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments: (at cost less provision for diminution in value)								
Other Investments :								
Landmark Ltd. (Equity shares of Rs.10/- each)	—	—	2,500	6.45	—	—	2,500	6.45
Landmark Ltd. (1% Cumulative Convertible Preference shares of Rs 100/- each)	100	0.10	—	—	—	—	100	0.10
Investment in Partnership firm								
Landmark - Capital a/c	—	0.25	—	—	—	0.25	—	—
Landmark - Right in partnership	—	6.20	—	—	—	6.20	—	—
		<u>6.45</u>						<u>6.55</u>
Total Other Investments		6.45						6.55
Trade Investments:								
Satnam Realtors Private Ltd (unquoted) (Equity shares of Rs.10/- each)	5,000	0.50	—	—	—	—	5,000	0.50
		<u>0.50</u>						<u>0.50</u>
Total Trade Investments		0.50						0.50
Current Investments:								
Units -Magnum Instt. Income Fund-Savings Growth	—	—	30,42,605	350.00	30,42,605	347.00	—	—
		<u>—</u>						<u>—</u>
Total Current Investment		—						—
Total Investments		<u>6.95</u>						<u>7.05</u>
Aggregate book value of Investments								
Unquoted		<u>6.95</u>						<u>7.05</u>
Quoted		—						—
Total		<u>6.95</u>						<u>7.05</u>

Details of Investments - Subsidiary
FIORA LINK ROAD PROPERTIES LIMITED

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments: (at cost less provision for diminution in value)								
Other Investments :								
Landmark Ltd. (Equity shares of Rs.10/- each)	—	—	2500	6.45	—	—	—	6.45
Landmark Ltd. (1% Cumulative Convertible Preference shares of Rs 100/- each)	—	—	100	0.10	—	—	—	0.10
Investment in Partnership firm								
Landmark - Capital a/c	—	0.25	—	—	—	0.25	—	—
Landmark - Right in partnership	—	6.20	—	—	—	6.20	—	—
		<u>6.45</u>						<u>6.55</u>
Total		<u>6.45</u>						<u>6.55</u>

**Details of Investments - Subsidiary
 LANDMARK LIMITED**

	Balance as at 1.4.2006		Purchased during the year		Sold during the year		Balance as at 31.3.2007	
	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
Long Term Investments : (at Cost less provision for diminution in value) Face Value of Rs 10 each, Unquoted and fully paid-up unless otherwise stated								
(a) In Subsidiary Companies :								
Westland Books Pvt. Ltd. (FV Rs.100/- each)	5,000	75.50	—	—	—	—	5,000	75.50
Eastwest Books (Madras) Pvt. Ltd. (FV Rs.100/- each)			240,000	114.77	—	—	240,000	114.77
Regent Management Pvt. Ltd. (FV Rs.100/- each)	1,000	1.00					1,000	1.00
Landmark E-Tail Pvt. Ltd. (FV Rs.100/- each)	1,000	1.00	—	—	—	—	1,000	1.00
		77.50						192.27
Less:Provision for diminution in value of Investment								1.00
Total Investment in Subsidiary Companies		77.50						191.27
(b) In Joint Ventures								
Emami Landmark Stores Pvt. Ltd.	2,42,501	99.00	—	—	2,42,501	99.00	—	—
(c) In Other Shares (Quoted and fully paid)								
ACC Limited	568	1.14	—	—	—	—	568	1.14
EIH 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	—	—	—	—	126	0.09
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.	400	0.36	—	—	—	—	400	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.	14	0.00	—	—	—	—	14	0.00
Nagarjuna Fertilisers & Chemicals Ltd.	200	0.07	—	—	—	—	200	0.07
NIIT Ltd.	112	0.03	—	—	—	—	112	0.03
NIIT Technologies Ltd.	168	0.05	—	—	—	—	168	0.05
Reliance Capital Ltd.	59	0.02	—	—	—	—	59	0.02
Reliance Communication Ltd.	1,556	0.55	—	—	—	—	1,556	0.55
Reliance Energy Ltd.	116	0.04	—	—	—	—	116	0.04
Reliance Industries Ltd.	1,556	0.55	—	—	—	—	1,556	0.55
Reliance Natural Resources Ltd.	1,556	0.55	—	—	—	—	1,556	0.55
Sakthi Sugars Ltd.	100	0.07	—	—	—	—	100	0.07
State Bank of India	81	1.30	—	—	—	—	81	1.30
Tata Motors Ltd.	16	0.06	—	—	—	—	16	0.06
Ultratech Cement Ltd.	31	0.09	—	—	—	—	31	0.09
Total Quoted Investments		16.52						16.52
Mutual funds								
Morgan Stanley - GF Units	500	0.44	—	—	—	—	500	0.44
UTI Master Share	1,300	0.20	—	—	—	—	1,300	0.20
LIC Mutual Fund		7.29	—	—	—	7.29	—	—
Chola Liquid Fund		50.00	—	—	—	50.00	—	—
Total Investment in Mutual Funds		57.93						0.64
Total Investments		250.95						208.42