

**FIORA SERVICES LIMITED**  
**ANNUAL ACCOUNTS**  
**2013-14**

**N. M. RAIJI & CO.**  
*Chartered Accountants*  
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## **Independent Auditor's Report**

### **To the Members of Fiora Services Limited**

#### **Report to the financial statements**

We have audited the accompanying financial statements of Fiora Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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



**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, 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.

**Report on other Legal and Regulatory Requirements**

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

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

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) 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

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

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Firm Registration Number  
108296M

  
**Y. N. THAKKAR**

Partner

Membership No. 33329

Place: Mumbai

Date: **21 MAY 2014**

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our report of even date to the members of Fiora Services Limited (the company) )

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

(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.

(c) The Company has not disposed off substantial part of fixed assets during the year.

ii. The Company did not carry any inventory during the year.

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.

(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. Accordingly, sub-clause (f) and (g) are not applicable.

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.

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.

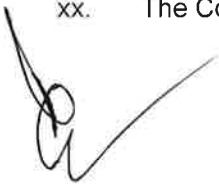
vi. The Company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.

vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

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.



- ix. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection 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, 2014 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, there are no 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.
- 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 and has not issued any debentures.
- 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 investments 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 not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The Company has applied term loans for the purposes for which they were obtained.
- 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. 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. During the year the Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.



xxi. According to the information and explanation given to us , no fraud on or by the Company, has been noticed or reported during the course of our audit.

For **N.M. RAIJI & CO.,**  
**Chartered Accountants**  
(Registration No. 108296W)



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

Place: Mumbai

Date : 21 MAY 2014

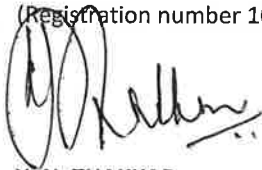
Balance sheet as at 31st March 2014

Rs. Lakhs

Particulars	Note No.	Figures as at 31.03.2014	Figures as at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1.1	151.91	151.91
(b) Reserves and surplus	1.2	2,265.12	2,251.31
		<b>2,417.03</b>	<b>2,403.22</b>
<b>2 Non-current liabilities</b>			
(a) Long-term provisions	1.3	110.36	80.27
		<b>110.36</b>	<b>80.27</b>
<b>3 Current liabilities</b>			
(a) Trade payables	1.4	125.53	136.06
(b) Other current liabilities	1.5	201.32	115.30
(c) Short-term provisions	1.6	18.09	15.77
		<b>344.94</b>	<b>267.13</b>
<b>TOTAL</b>		<b>2,872.33</b>	<b>2,750.62</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible assets	1.7	466.57	467.86
(ii) Intangible assets	1.7	27.92	30.64
(b) Non-current investments	1.8	1,094.01	1,021.46
(c) Deferred tax assets (net)	1.9	20.26	10.85
(d) Long-term loans and advances	1.10	448.79	447.40
		<b>2,057.55</b>	<b>1,978.21</b>
<b>2 Current assets</b>			
(a) Current investments	1.11	394.24	436.01
(b) Trade receivables	1.12	175.92	101.05
(c) Cash and cash equivalents	1.13	40.65	43.46
(d) Short-term loans and advances	1.14	203.97	191.88
		<b>814.78</b>	<b>772.40</b>
<b>TOTAL</b>		<b>2,872.33</b>	<b>2,750.62</b>
<b>Significant Accounting policies and Notes to Accounts</b>		1 to 4	

As per our report attached.

For **N. M. RAJI & CO.,**  
Chartered Accountants  
(Registration number 108296W)



**Y. N. THAKKAR**  
Partner  
Membership Number: 33329  
Mumbai  
Dated: **21 MAY 2014**

For and on behalf of the Board,



Directors

Mumbai  
Dated: **21<sup>st</sup> May 2014**

Profit and loss statement for the year ended 31st March 2014

Rs. Lakhs

Particulars	Refer Note No.	Figures for the year ended 31.03.2014	Figures for the year ended 31.03.2013
I. Revenue from operations	2.1	2,955.29	2,480.13
II. Other income	2.2	143.84	143.59
<b>III. Total Revenue (I + II)</b>		<b>3,099.13</b>	<b>2,623.72</b>
<b>IV. Expenses:</b>			
Employee benefits expense	2.3	1,761.03	1,379.49
Depreciation and amortization expense	1.7	91.22	72.36
Other expenses	2.4	1,242.47	1,135.38
<b>Total expenses</b>		<b>3,094.72</b>	<b>2,587.23</b>
<b>V. Profit/(loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>4.41</b>	<b>36.49</b>
VI. Exceptional items		-	-
<b>VII. Profit/(loss) before extraordinary items and tax (V - VI)</b>		<b>4.41</b>	<b>36.49</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit/(loss) before tax (VII- VIII)</b>		<b>4.41</b>	<b>36.49</b>
<b>X. Tax expense:</b>			
(1) Current tax		0.90	7.00
(2) MAT Credit		(0.90)	(7.00)
(3) Deferred tax		(9.40)	(0.98)
(4) (Excess)/short provision for tax		-	(1.63)
<b>Total Tax Expenses</b>		<b>(9.40)</b>	<b>(2.61)</b>
<b>XI. Profit/(Loss) for the year (IX - X)</b>		<b>13.81</b>	<b>39.10</b>
<b>XII. Earnings per equity share: (Basic and Diluted)</b>	4.5		
Before Extra-Ordinary Item (Rs.)		9.09	25.74
After Extra-Ordinary Item (Rs.)		9.09	25.74
<b>Significant Accounting policies and Notes to Accounts</b>	1 to 4		

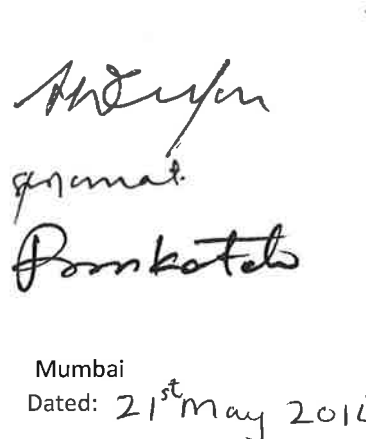
As per our report attached.

**For N. M. RAJI & CO.,**  
Chartered Accountants  
(Registration number 108296W)



**Y. N. THAKKAR**  
Partner  
Membership Number: 33329  
Mumbai  
Dated: **21 MAY 2014**

For and on behalf of the Board,



Mumbai  
Dated: **21<sup>st</sup> May 2014**

Directors



Notes forming part of the Balance Sheet

**Note 1.1**

Sl no.	Share Capital	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
a	<b>Authorised Capital:</b> 2,00,000 Equity Shares of Rs.100/- each	200.00	200.00
b	<b>Issued, subscribed &amp; paid up capital:</b> 1,51,905 Equity Shares of Rs. 100/- each fully paid-up	151.91	151.91
		<b>151.91</b>	<b>151.91</b>

**c Reconciliation of Share Capital**

Particulars	As at 31 Mar 2014		As at 31 March 2013	
	Number of equity shares	Rs. Lakhs	Number of equity shares	Rs. Lakhs
Shares outstanding at the beginning of the year	151,905	151.91	151,905	151.91
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	151,905	151.91	151,905	151.91

**d The details of shareholders holding more than 5 % shares as at 31.03.2013 is as under:**

Name of Shareholder	As at 31 Mar 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Trent Brands Limited	136,530	89.88%	136,530	89.88%
Tata Investment Corporation Limited	10,500	6.91%	10,500	6.91%

As per the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- e The Company has equity shares having par value of Rs. 100 per share. Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other right as available to the equity shareholders as per the provisions of Companies Act 1956 read together with the Memorandum of Association and Articles of Association of the company as applicable.

Notes forming part of the Balance Sheet

## Note 1.2

Sl no.	Reserves and Surplus	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
<b>1</b>	<b>Capital Redemption Reserve</b>		
	Opening Balance	25.00	25.00
	Add: Transfer during the year	-	-
	Closing Balance	<b>25.00</b>	<b>25.00</b>
<b>2</b>	<b>Securities Premium</b>		
	Opening Balance	45.00	45.00
	Add: Received during the year	-	-
	Closing Balance	<b>45.00</b>	<b>45.00</b>
<b>3</b>	<b>General Reserve</b>		
	Opening Balance	400.06	400.06
	Add: Transfer during the year	-	-
	Closing Balance	<b>400.06</b>	<b>400.06</b>
<b>4</b>	<b>Surplus</b>		
	Opening Balance	1,781.25	1,742.15
	Add: Net Profit/( Loss) For the current year	13.81	39.10
	Amount available for appropriations:	<b>1,795.06</b>	<b>1,781.25</b>
	Closing Balance	<b>1,795.06</b>	<b>1,781.25</b>
		<b>2,265.12</b>	<b>2,251.31</b>

## Note 1.3

Sl no.	Long-term provisions	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
<b>1</b>	Provision for employee benefits (refer note no.4.7,pg.14)	103.51	78.04
<b>2</b>	Rent Equalisation Provision	6.85	2.23
		<b>110.36</b>	<b>80.27</b>

Notes forming part of the Balance Sheet

**Note 1.4**

Sl no.	Trade payables	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
(a)	Trade payables Others (Refer note 4.3, pg. no. 13)	125.53	136.06
		<b>125.53</b>	<b>136.06</b>

**Note 1.5**

Sl no.	Other Current Liabilities	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
(a)	Employee related liabilities	156.90	94.95
(b)	Creditors for capital expenditure	6.15	3.14
(c)	Withholding tax & Other Statutory Payments	38.27	17.21
		<b>201.32</b>	<b>115.30</b>

**Note 1.6**

Sl no.	Short Term Provisions	As at 31.03.2014 Rs. Lakhs	As at 31.03.2013 Rs. Lakhs
(a)	Provision for employee benefits (refer note no.4.7,pg.14)	18.09	15.74
(b)	Rent Equalisation Provision	-	0.03
		<b>18.09</b>	<b>15.77</b>

**FIORA SERVICES LIMITED**
**6**

Notes forming part of the Balance Sheet

Note 1.7

**FIXED ASSETS**

Particulars	Gross Block (At Cost)				Depreciation			Net Block	
	Op. Bal As on 1.4.2013	Additions/ Adjustments	Deletions/ Adjustments	Cl. Bal As on 31.03.2014	As on 1.4.2013	For the period	Deductions	Cl. Bal As on 31.03.2014	As on 31.03.2014
<b>TANGIBLE ASSETS</b>									
Buildings	166.32 (98.97)	25.36 (73.65)	- (6.30)	191.68 (166.32)	64.51 (46.29)	31.83 (23.47)	- (5.25)	96.34 (64.51)	95.34 (101.81)
Plant & Equipments	119.29 (81.17)	9.49 (42.68)	- (4.56)	128.78 (119.29)	15.01 (10.73)	6.14 (5.37)	- (1.10)	21.15 (15.00)	107.63 (104.29)
Furniture, Fixtures	124.08 (103.46)	13.02 (25.27)	- (4.65)	137.10 (124.08)	45.27 (37.87)	9.29 (9.65)	- (2.24)	54.56 (45.28)	82.54 (78.80)
Vehicles	61.60 (66.54)	11.23 -	5.56 (4.94)	67.27 (61.60)	17.52 (16.07)	6.47 (6.13)	4.95 (4.68)	19.04 (17.52)	48.23 (44.08)
Office Equipments	101.09 (74.00)	7.03 (31.01)	- (3.92)	108.12 (101.09)	18.95 (15.96)	5.20 (4.37)	- (1.38)	24.15 (18.95)	83.97 (82.14)
Computers	127.97 (110.38)	11.12 (17.59)	- -	139.09 (127.97)	71.23 (54.97)	19.00 (16.26)	- -	90.23 (71.23)	48.86 (56.74)
Sub Total	700.35 (534.52)	78.25 (190.20)	5.56 (24.35)	773.04 (700.35)	232.49 (181.88)	77.93 (65.25)	4.95 (14.65)	306.47 (232.49)	466.57 (467.86)
<b>INTANGIBLE ASSETS</b>									
Computer software	38.13 (32.64)	10.57 (5.49)	- -	48.70 (38.13)	7.49 (0.38)	13.29 (7.11)	- -	20.78 (7.49)	27.92 (30.64)
Sub Total	38.13 (32.64)	10.57 (5.49)	- -	48.70 (38.13)	7.49 (0.38)	13.29 (7.11)	- -	20.78 (7.49)	27.92 (30.64)
<b>TOTAL</b>	738.48 (567.16)	88.82 (195.69)	5.56 (24.37)	821.74 (738.48)	239.98 (182.27)	91.22 (72.36)	4.95 (14.65)	327.25 (239.98)	494.49 (498.50)
Capital Work in Progress									- -
Total									494.49 (498.50)

Notes: (1) Buildings include improvement to leasehold premises.

(2) Figures in brackets are in respect of previous year.

Notes forming part of the Balance Sheet

**Note 1.8**

Sl no.	Non Current Investments	As at 31.03.2014		As at 31.03.2013	
		No. of shares/ units	Rs. Lakhs	No. of shares/ units	Rs. Lakhs
	<b>Long term Non Trade (Unquoted &amp; fully paid unless otherwise stated)</b>				
	<b>Investment in Mutual Funds:</b>				
	IDFC Dynamic Bond Fund plan B Growth	-	-	3,993,201	521.46
	Birla Sun life Interval income fund plan	-	-	5,000,000	500.00
	<b>Total Investments in Mutual funds</b>		-		1,021.46
	<b>Investment in Equity Shares:</b>				
	Tata International Limited	3,000	1,094.01		-
	<b>Total Investment in Equity Shares</b>		1,094.01		-
	<b>Total Non current investments</b>		<b>1,094.01</b>		<b>1,021.46</b>
	<b>AGGREGATE BOOK VALUE OF INVESTMENTS</b>				
	QUOTED (Market Value:Nil; 2013-14 Rs.Nil)		-		-
	UNQUOTED		1,094.01		1,021.46
			<b>1,094.01</b>		<b>1,021.46</b>

**Note 1.9**

Sl no.	Deferred Tax Asset	As at 31.03.2014		As at 31.03.2013	
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1	<b>Deferred Tax Asset</b>				
	Unabsorbed Depreciation	-		0.54	
	Retirement Benefits	33.99		29.67	
	Others	2.25		2.52	
			<b>36.24</b>		<b>32.73</b>
2	<b>Deferred Tax Liabilities</b>				
	Depreciation	15.98		21.88	
			<b>15.98</b>		<b>21.88</b>
	<b>Deferred Tax Assets (Net )</b>		<b>20.26</b>		<b>10.85</b>

Note :- In respect of Deferred tax assets on unabsorbed depreciation, the same has been recognised, based on the current tax laws entailing the benefit over the lifetime of the Company against any taxable source of Income. As a matter of prudence, no Deferred tax asset has been created on the additional unabsorbed depreciation for the year being carried forward.

Notes forming part of the Balance Sheet

Note 1.10

Sl no.	Long-term Loans and Advances	As at	As at
		31.03.2014	31.03.2013
		Rs. Lakhs	Rs. Lakhs
1	Security deposits	82.49	88.49
2	Loan to supervisory staff	30.90	24.41
3	MAT Credit Outstanding	335.40	334.50
		<b>448.79</b>	<b>447.40</b>
	Secured, considered good;	-	-
	Unsecured considered good;	448.79	447.40
		<b>448.79</b>	<b>447.40</b>

Note 1.11

Sl no.	Current Investments	As at 31.03.2014		As at 31.03.2013	
		No. of shares/ units	Rs. Lakhs	No. of shares/ units	Rs. Lakhs
	<b>Non-trade Investment in Mutual Funds: (unquoted and fully paid unless otherwise stated)</b>				
1	Tata Liquid SHIP Appreciation	-	-	12,720	275.00
2	Tata Floater Fund Growth	-	-	9,604	161.01
3	Birla Sunlife Cash Plus Inst.prm. Grwoth	192,103	394.24		
	<b>Total current investments</b>		<b>394.24</b>		<b>436.01</b>
	<b>AGGREGATE BOOK VALUE OF INVESTMENTS</b>				
	QUOTED		-		-
	UNQUOTED		394.24		436.01
			<b>394.24</b>		<b>436.01</b>

Note 1.12

Sl no.	Trade receivables	As at	As at
		31.03.2014	31.03.2013
		Rs. Lakhs	Rs. Lakhs
1	Debts Outstanding for a period exceeding six months	4.39	1.69
2	Other Debts ( Due from Trent Limited - ultimate holding company Rs. 143.18/- lakhs net, Previous Year Rs.57.07/- lakhs net)	171.60	99.43
		175.99	101.12
	Less : Provision for Doubtful Debts	0.07	0.07
		<b>175.92</b>	<b>101.05</b>
	Secured, considered good;	-	-
	Unsecured considered good;	175.92	101.05
		<b>175.92</b>	<b>101.05</b>

Notes forming part of the Balance Sheet

**Note 1.13**

SI no.	Cash & Cash equivalents	As at	As at
		31.03.2014	31.03.2013
		Rs. Lakhs	Rs. Lakhs
1	Balances with scheduled banks (a) Current Accounts	35.73	39.24
		35.73	39.24
2	Cash on hand	4.92	4.22
		<b>40.65</b>	<b>43.46</b>

**Note 1.14**

SI no.	Short-term Loans and Advances	As at	As at
		31.03.2014	31.03.2013
		Rs. Lakhs	Rs. Lakhs
1	Security deposits	76.10	76.18
2	Loans and advances	11.50	39.17
3	Advances Payment To Creditors	6.85	9.10
4	Prepaid expenses	46.03	40.71
5	Advance payment of taxes - net of provision	63.49	26.73
		<b>203.97</b>	<b>191.88</b>
Secured, considered good;		-	-
Unsecured considered good;		203.97	191.88
Doubtful		-	-
		<b>203.97</b>	<b>191.88</b>

## Note 2.1

Sl no.	Revenue from operations	For the year ended 31 Mar 2014 Rs. Lakhs	For the year ended 31 March 2013 Rs. Lakhs
1	Buying agency commission	1,103.58	1,008.25
2	Agency commssion	634.26	653.04
3	Service fees	1,217.45	818.84
		<b>2,955.29</b>	<b>2,480.13</b>

## Note 2.2

Sl no.	Other income	For the year ended 31 Mar 2014 Rs. Lakhs	For the year ended 31 March 2013 Rs. Lakhs
1	Interest On Loans & Advances	1.12	0.85
2	Interest On Deposits With Banks	1.59	2.22
3	Interest On Income Tax Refunds	-	33.30
4	Profit On Sale of Current Investments	35.75	44.81
5	Profit On Sale of Long Term Investments	104.07	54.12
6	Rent Received	0.70	8.29
7	Profit on Sale of asset	0.37	-
8	Miscellaneous Income	0.14	0.00
9	Insurance Claim Received	0.10	-
		<b>143.84</b>	<b>143.59</b>



Notes forming part of the Profit & Loss Account

**Note 2.3**

Sr. No.	Employee benefits expense	For the year ended 31 Mar 2014 Rs. Lakhs	For the year ended 31 March 2013 Rs. Lakhs
	<b>Payments to and provisions for employees</b>		
(a)	Salaries, Wages, Exgratia, etc.	1,598.36	1,230.70
(b)	Contribution to Provident and Gratuity Fund	72.92	66.33
(c)	Workmen and Staff Welfare Expenses	89.75	82.46
		<b>1,761.03</b>	<b>1,379.49</b>

**Note 2.4**

Sr. No.	Other expenses	For the year ended 31 Mar 2014 Rs. Lakhs	For the year ended 31 March 2013 Rs. Lakhs
(a)	Power and Fuel	59.46	48.99
(b)	Repairs to Building	20.84	15.87
(c)	Repairs Others	68.36	61.43
(d)	Rent	185.75	159.45
(e)	Rates and Taxes	14.24	6.77
(f)	Insurance	0.84	1.77
(g)	Advertisement	0.03	0.03
(h)	Travelling Expenses	100.32	66.91
(i)	Professional and Legal Charges	89.15	26.48
(j)	Stationery and Printing	24.88	48.81
(k)	Bank Charges	0.19	1.29
(l)	Postage, Telegrams and Telephones	67.88	77.70
(m)	General Expenses	118.49	110.79
(n)	Cleaning expenses	34.37	28.42
(o)	Local conveyance	38.88	31.93
(p)	Security charges	73.97	58.42
(q)	Business support service expenses	63.46	55.39
(r)	Warehouse outsourcing expenses	237.60	175.68
(s)	Designing outsourcing expnses	43.04	67.94
(t)	Directors fees	0.09	0.13
(u)	Loss on sale/ discard of fixed assets	-	6.69
(v)	Loss on foreign exchange fluctuations	-	0.04
(w)	packing material & other consumables	0.63	26.46
(x)	Freight	-	57.99
		<b>1,242.47</b>	<b>1,135.38</b>

## Note 3

## SIGNIFICANT ACCOUNTING POLICIES

**3.1 Basis of preparation of accounts**

The financial statements are prepared on the accrual basis of accounting and in accordance with the Accounting Standards notified by the Companies(Accounting Standards) Rules,2006 and referred to in Section 211(3C) of the Companies Act,1956.

**3.2 Fixed Assets and Depreciation**

- a. Fixed Assets are stated at cost less depreciation. Costs comprise of cost of acquisition, cost of improvement and any attributable cost of bringing the asset to condition for its intended use.
- b. Depreciation is provided on straight line method in accordance with the provisions of schedule XIV of the Companies Act, 1956
- c. Improvements to leasehold premises are depreciated over the period of lease remaining as at the date of the capitalisation.
- d. Intangible Assets are amortised over their useful life not exceeding ten years.

**3.3 Investments**

- a. 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.
- b. Current Investments are stated at lower of cost or fair value.

**3.4 Income**

- a. Buying Commission, agency commission and service fees are accounted on accrual basis and are exclusive of service tax, if any.
- b. Interest income is accounted on accrual basis.
- c. Dividend income is accounted when right to receive payment is established.

**3.5 Retirement Benefits****a. Defined Contribution Plans**

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

**b. Defined Benefit Plans**

- (i) Company's Contribution towards Gratuity made under the Group Gratuity Scheme with Life Insurance Corporation of India (LIC) is determined based on the amount recommended by LIC as per actuarial valuation.
- (ii) Provision for Long term compensated absences (Leave encashment) has been made on the basis of actuarial valuation.

**3.6 Taxation**

- a. **Current Tax:** Current Tax comprises of Provision for Income Tax and Wealth Tax which is determined in accordance with the provisions of Income Tax Act, 1961 and the Wealth Tax Act, 1957.
- b. **Deferred Tax:** Deferred tax, subject to the consideration of prudence, is recognised on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized. In case of unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognised to the extent that there is virtual certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

**3.7 Provisions/Contingencies**

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

**3.8 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 the Profit and Loss Account.

**Note 4**

4.1 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.Nil (2012-13: NIL)

4.2 Contingent Liabilities and Claims not acknowledged as debts - Rs.Nil (2012-13- Rs. Nil)

4.3 There are no Micro, Small and Medium Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

<b>4.4 Note 2.4 Item 2(l) General Expenses include:</b>	<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
	Rs. Lakhs	Rs. Lakhs
(i) Auditors Remuneration		
- Audit fees	0.84	0.84
- Taxation matters	0.28	0.28
- Other services	0.52	0.51

<b>4.5 EARNINGS PER SHARE (EPS)</b>	<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
a) Weighted Average Number of shares outstanding during the year	1.52	1.52
b) Face Value per share	100	100
c) Net profit after Tax before extra ordinary items available for Equity share holders	13.81	39.10
d) Basic and Diluted Earning Per Share (before extra ordinary items)	9.09	25.74
e) Net profit after Tax after extra ordinary items available for Equity share holders	13.81	39.10
f) Basic and Diluted Earning Per Share (after extra ordinary items)	9.09	25.74

4.6 The company has entered into lease agreements for assets taken on operating lease which range between 3 years and 5 years. These are renewable by mutually agreeable terms. The future minimum lease payments under non-cancellable operating leases are as under:

	<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
	Rs. Lakhs	Rs. Lakhs
i) Not Later than one year	67.26	66.82
ii) Later than one year and not later than five years	142.73	209.98
iii) Later than five years	-	-

## 4.7 EMPLOYEE BENEFITS

Rs. Lakhs

## (a) Defined benefit plans - Gratuity (As per actuarial valuation as on March 31, 2014)

	GRATUITY LIC administered Trust (2013-14)	GRATUITY LIC administered Trust (2012-13)
<b>I Change in Obligation during the year ended March 31,2014</b>		
1 Present value of obligations as at beginning of year	64.47	46.58
2 Interest cost	5.77	4.75
3 Current Service Cost	12.32	9.95
4 Actuarial (gain)/Loss on obligations	(1.25)	4.27
5 Benefits Paid	(6.96)	(1.81)
6 Liabilities Assumed on Acquisition/ (Settled on Divestiture)	8.49	0.73
7 Present value of Defined Benefit Obligation at the end of the year	82.83	64.47
<b>II Change in Assets during the Year ended March 31, 2014</b>		
1 Plan assets at the beginning of the year	57.99	43.03
2 Expected return on plan assets	4.72	3.55
3 Contributions by Employer	11.44	13.13
4 Assets acquired on Acquisition/(Distributed on Divestiture)	2.19	-
5 Actual benefits paid	(6.96)	(1.81)
6 Actuarial Gains/ (Losses)	1.86	0.09
7 Plan Assets at the end of the year	71.23	57.99
<b>III Net Asset/(Liability) recognized in the Balance Sheet as at March 31, 2014</b>		
1 Present Value of Defined Benefit Obligation as at March 31, 2014	82.83	64.47
2 Fair value of plan assets as at March 31, 2014	71.23	57.99
3 Fund status (Surplus/(Deficit))	(11.60)	(6.48)
4 Net Assets /(Liability) as at March 31,2014	(11.60)	(6.48)
<b>IV Expenses recognized in the statement of Profit &amp; Loss for the year ended March 31, 2014</b>		
1 Current Service cost	12.32	9.95
2 Interest Cost	5.77	4.75
3 Expected return on plan assets	(4.72)	(3.55)
4 Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment)	(3.12)	4.18
5 Expenses recognised in statement of Profit & loss	10.26	15.32
<b>V The major categories of plan assets as a percentage of total plan</b>		
1 Government of India Securities	N.A.	N.A.
2 Corporate Bonds	N.A.	N.A.
3 Special Deposit Scheme	N.A.	N.A.
4 Equity Shares of Listed Companies	N.A.	N.A.
5 Property	N.A.	N.A.
6 Insurer Managed Funds	100%	100%
7 Other	N.A.	N.A.
Total	100%	100%
<b>VI Method of valuation</b>	<b>Projected Unit Credit method</b>	
<b>VII Expected employer's contribution next year</b>	<b>10.00</b>	<b>10.00</b>
<b>VIII Actuarial Assumptions</b>		
1 Discount Rate	9.20%	8.05%
2 Expected rate of return on plan assets	7.50%	7.50%
3 Mortality Table	LIC (1994-96) Ultimate	
4 Retirement Age	58 Years	58 Years

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

## (b) Compensated Absence Liability recognised as expense for the year is Rs. 22.97 Lakhs (2012-13:Rs.23.19 Lakhs).

The above is based on the Actuarial Valuation Report. The Report considers assumptions with respect to discount rate, salary escalation, retirement age, mortality, rates of leaving service, leave availment pattern, disability and other relevant factors. The method used is Projected Unit Credit Method.

## (c) Defined Contribution plans

Company's Contributions to Defined Contribution Plans as expense for the year is as under :

	<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
	Rs. Lakhs	Rs. Lakhs
1 Government administered Provident Fund / Family Pension Fund	57.67	46.30
2 Employees State Insurance / Labour Welfare Fund	2.54	2.49

4.8 RELATED PARTY TRANSACTIONS:

a. Parties where control Exists

Trent Brands Limited - Holding Company / Trent Limited - Ultimate holding Company  
(89.88% (2012-13: 89.88%) Equity Share Capital is held by Trent Brands Limited, 100% subsidiary of Trent Limited as at 31st March, 2014)

b. Other Related parties with whom transactions have taken place during the year:

Fellow Subsidiary - Trent Hypermarket Limited

Fellow Subsidiary - Nahar Retail Trading Services Limited

Fellow Subsidiary - Landmark Limited (Merged with Trent Limited w.e.f 01st April, 2013)

Fellow Subsidiary - Fiora Link Road Properties Limited (Merged with Trent Limited w.e.f 01st April, 2013)

c. Directors of the Company

- Mr. P. K. Anand(Resigned wef 28.02.14)
- Mr. D. B. Engineer(Resigned wef 16.11.13)
- Mrs. H. R. Wadia (Resigned wef 20.05.13)
- Mr. A.D.Cooper (Appointed wef 17.02.14)
- Mr. P.Venkatesalu
- Mr. S. W. Kamat

d. Directors sitting fees

e. Buying, Agency Commission and Service Fees received \*

a) Ultimate Holding Company

Trent Limited

b) Holding Company

Trent Brands Limited

c) Fellow Subsidiaries

Trent Hypermarket Limited

Landmark Limited

Nahar Retail Trading Services Limited

f. Purchase/other services from Holding Company \*

a) Ultimate Holding Company

Trent Limited

g. Purchase of Investment

a) Ultimate Holding Company

Trent Limited

h. Sale of investments

a) Fellow Subsidiary

Fiora Link Road Properties Limited

i. Sale of fixed asset

a) Fellow Subsidiary

Trent Hypermarket Limited

j. Outstanding balance receivable as on 31.03.2014

a) Ultimate Holding Company

Trent Limited

b) Fellow Subsidiary

Landmark Limited

Trent Hypermarket Limited

	2013-14 (Rs.)	2012-13 (Rs.)
	Rs. Lakhs	Rs. Lakhs
d. Directors sitting fees	0.09	0.12
e. Buying, Agency Commission and Service Fees received *		
a) Ultimate Holding Company		
Trent Limited	2,660.57	2,070.35
b) Holding Company		
Trent Brands Limited	0.47	-
c) Fellow Subsidiaries		
Trent Hypermarket Limited	490.83	469.77
Landmark Limited	-	82.71
Nahar Retail Trading Services Limited	0.67	0.67
f. Purchase/other services from Holding Company *		
a) Ultimate Holding Company		
Trent Limited	45.39	62.58
g. Purchase of Investment		
a) Ultimate Holding Company		
Trent Limited	1,080.00	-
h. Sale of investments		
a) Fellow Subsidiary		
Fiora Link Road Properties Limited	-	6.55
i. Sale of fixed asset		
a) Fellow Subsidiary		
Trent Hypermarket Limited	-	1.23
j. Outstanding balance receivable as on 31.03.2014		
a) Ultimate Holding Company		
Trent Limited	143.18	57.07
b) Fellow Subsidiary		
Landmark Limited	-	37.67
Trent Hypermarket Limited	2.19	4.67

\* including service tax

4.9 EXPENDITURE IN FOREIGN CURRENCY:

	<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
	Rs. Lakhs	Rs. Lakhs
(a) Travelling expenses	8.73	12.98
(b) Consultancy Fees (Net of tax deducted at source)	12.67	20.91
<b>Total</b>	<b>21.40</b>	<b>33.88</b>

4.10 The Company has taken credit of MAT, which it is entitled on future taxable profits.

4.11 There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

4.12 The Company is in the business of providing Services. Considering the organisation structure, nature of business and risk and return profile, the service business is considered as a single segment in accordance with the Accounting Standard AS – 17 “Segment Reporting”.

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

Signatures to Notes 1 to 4

As per our report attached.

**For N. M. RAJI & CO.,**  
Chartered Accountants  
(Registration number 108296W)



**Y. N. THAKKAR**  
Partner  
Membership Number: 33329  
Mumbai  
Dated: **21 MAY 2014**

For and on behalf of the Board,



Directors

Mumbai  
Dated: **21<sup>st</sup> May 2014**

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

Sl no.	Particulars	1.4.2013 to 31.03.2014		1.4.2012 to 31.03.2013
		Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before Taxes and Extra-Ordinary Items		4.41	36.49
	Adjustments for :			
	Depreciation & Amortization	91.22		72.36
	Finance cost	-		-
	Interest income	(2.71)		(36.37)
	(Profit)/Loss on Fixed Assets sold (Net)	(0.37)		6.69
	(Profit)/Loss on sale of investments	(35.75)		(44.81)
	(Profit)/Loss on sale of long term investments	(104.07)		(54.12)
	Rent Equalisation Reserve	4.59		(0.31)
			(47.09)	(56.56)
	<b>Operating Profit Before Working Capital Changes</b>		<b>(42.68)</b>	<b>(20.07)</b>
	Adjustments for :			
	(Increase)/Decrease in Trade Receivables	(74.87)		(97.26)
	Decrease/(increase) in long-term loans and advances	(0.49)		70.10
	Decrease/(increase) in short-term loans and advances	24.68		(109.37)
	(Decrease)/increase in trade payables	(10.53)		56.35
	(Decrease)/increase in other current liabilities	82.99		24.72
	(Decrease)/increase in long term provisions	25.47		13.93
	(Decrease)/increase in short term provisions	2.35		3.01
			49.60	(38.54)
	Cash generated from operations		6.92	(58.61)
	Direct taxes/advance tax paid (net)	(37.78)		213.86
			(37.78)	213.86
	<b>Net Cash from Operating Activities</b>		<b>(30.86)</b>	<b>155.25</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of fixed assets	(84.80)		(152.55)
	Proceeds from sale of fixed assets	1.10		3.04
	Purchase of non-current investments	(1,094.01)		(1,021.46)
	Purchase of current investments	(774.12)		(1,725.76)
	Proceeds from sale/maturity of current investments	851.63		2,177.25
	Proceeds from sale/maturity of non current investments	1,125.53		560.67
	Interest received others	2.71		36.37
	<b>Net cash (used in)/from Investing Activities</b>		<b>28.04</b>	<b>(122.44)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Dividends / Dividend Taxes Paid	-		(42.02)
	<b>Net cash (used in)/from Financing Activities</b>		<b>-</b>	<b>(42.02)</b>
<b>D</b>	<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(2.81)</b>	<b>(9.21)</b>
	OPENING CASH AND CASH EQUIVALENTS (Note 1.13)		43.46	52.67
	<b>CLOSING CASH AND CASH EQUIVALENTS (Note 1.13)</b>		<b>40.65</b>	<b>43.46</b>

Notes: i)Cash and cash equivalents consists of cash on hand and balances with bank.

ii)All figures in brackets are outflows.

iii)Previous year's figures have been regrouped wherever necessary.

As per our report attached

For and on behalf of the Board,

For N.M.RAJI & CO.,

Chartered Accountants

(Registration number 108296W)

Y.N.THAKKAR

Partner

Membership Number: 33329

Mumbai

Dated: 21 MAY 2014

*(Handwritten signatures)*

Directors

Mumbai

Dated: 21<sup>st</sup> May 2014