

**NAHAR RETAIL TRADING SERVICES LIMITED**  
**ANNUAL ACCOUNTS**  
**2013-14**

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

### **To the Members of Nahar Retail Trading Services Limited**

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

We have audited the accompanying financial statements of Nahar Retail Trading 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

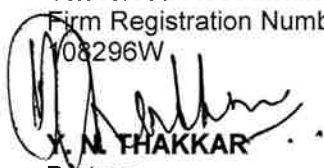
c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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  
08296W



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

Place:

Date: 21 MAY 2014

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in our report of even date to the members of Nahar Retail Trading 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.

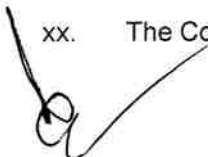
- ix. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom 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, 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 Lacs)
Income Tax	2010-11	Deputy Commissioner of Income Tax(Appeals)	28.77

- 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**

**NAHAR RETAIL TRADING SERVICES LIMITED**

**1.**

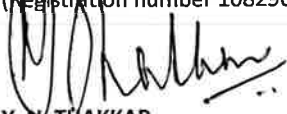
**Balance Sheet as at 31st March 2014**

**( Rupees Lakhs)**

Particulars	Note No.	Figures as at 31.03.2014	Figures as at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS :</b>			
(a) Share Capital	1.1	19.96	19.96
(b) Reserves and Surplus	1.2	367.77	326.19
		<b>387.73</b>	<b>346.15</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	1.3	700.00	720.00
(b) Deferred tax liabilities (Net)	1.4	18.82	15.42
(c) Long-term provisions	1.5	4.31	3.05
		<b>723.13</b>	<b>738.47</b>
<b>3 Current liabilities</b>			
(a) Trade payables	1.6	5.05	5.07
(b) Other current liabilities	1.7	22.34	21.04
(c) Short-term provisions	1.8	0.76	0.52
		<b>28.15</b>	<b>26.63</b>
<b>TOTAL</b>		<b>1,139.01</b>	<b>1,111.25</b>
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed assets			
Tangible assets	1.9	1,008.57	1,034.68
		<b>1,008.57</b>	<b>1,034.68</b>
<b>2 Current assets</b>			
(a) Trade receivables	1.10	4.48	2.44
(b) Cash and cash equivalents	1.11	28.75	4.53
(c) Short-term loans and advances	1.12	97.21	69.60
		<b>130.44</b>	<b>76.57</b>
<b>TOTAL</b>		<b>1,139.01</b>	<b>1,111.25</b>
Significant accounting policies and notes to accounts	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**

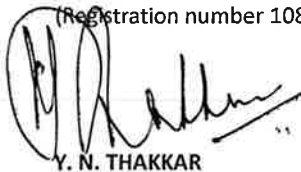
## Profit and loss statement for the year ended 31st March 2014

(Rupees Lakhs)

Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>INCOME :</b>			
I. Revenue from operations	2.1	360.92	307.97
II. Other Income	2.2	-	5.33
<b>III. Total Revenue (I+II)</b>		<b>360.92</b>	<b>313.30</b>
<b>IV. EXPENSES :</b>			
Employee benefits expense	2.3	114.42	89.33
Finance costs	2.4	71.76	74.21
Depreciation and amortization expense	1.9	26.11	26.06
Other expenses	2.5	89.75	116.46
<b>TOTAL EXPENSES</b>		<b>302.04</b>	<b>306.06</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>58.88</b>	<b>7.24</b>
<b>VI. Exceptional items</b>		<b>-</b>	<b>-</b>
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>58.88</b>	<b>7.24</b>
<b>VIII. Extraordinary Items</b>		<b>-</b>	<b>-</b>
<b>IX. Profit before tax (VII- VIII)</b>		<b>58.88</b>	<b>7.24</b>
<b>X. Tax expense:</b>			
Current tax		13.90	1.39
Deferred tax		3.40	8.46
MAT Credit		-	(1.39)
(Excess)/short provision for tax		-	(4.66)
<b>Total Tax Expenses</b>		<b>17.30</b>	<b>3.80</b>
<b>XI Profit/(Loss) for the year (IX-X)</b>		<b>41.58</b>	<b>3.44</b>
<b>XII Earnings per equity share:</b>			
(1) Basic	4.9	2,083.35	172.54
(2) Diluted		2,083.35	172.54
Significant accounting policies and notes to accounts	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



## Notes forming part of the Balance Sheet

## Note 1.1

( Rupees Lakhs)

Share Capital	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
(a) AUTHORISED :		
2,000 Equity Shares of Rs. 1000/- each	20.00	20.00
1,000 9.5 % Preference Shares of Rs. 1000/- each	10.00	10.00
	<b>30.00</b>	<b>30.00</b>
(b) ISSUED, SUBSCRIBED AND PAID UP :		
1,996 Equity Shares of Rs. 1000/- each fully paid up	19.96	19.96
	<b>19.96</b>	<b>19.96</b>

- (c) All the above shares are held by the holding Company - Trent Limited

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.

- (d) Reconciliation of Share Capital

Particulars	As at 31.03.14		As at 31.03.13	
	Number	( Rupees Lakhs)	Number	( Rupees Lakhs)
<b>I) Equity Shares</b>				
Shares outstanding at the beginning of the year	1,996	19.96	1,996	19.96
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back/redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	1,996	19.96	1,996	19.96

- (e) Terms/Rights attached to equity shares

The Company has equity shares having par value of Rs. 1000 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

( Rupees Lakhs)

Reserves & Surplus	As at 31.03.2014		As at 31.03.2013
	( Rupees Lakhs)	( Rupees Lakhs)	( Rupees Lakhs)
<b>Capital Redemption Reserve :</b>			
Balance as per last account	1.00		1.00
<b>Closing Balance</b>		1.00	1.00
<b>Surplus</b>			
Balance as per last account	325.19		321.74
Add: Net Profit/(Loss) For the year	41.58		3.44
Amount Available for Appropriations		366.77	325.19
<b>Closing Balance</b>		<b>366.77</b>	<b>325.19</b>
		<b>367.77</b>	<b>326.19</b>

## Note 1.3

Long term borrowings:	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
<b>Loans &amp; Advances from related parties:</b>		
Unsecured Loans:		
*Trent Limited-Holding Company	700.00	720.00
	<b>700.00</b>	<b>720.00</b>

\* The Loan taken from Trent Limited, the holding company is @10% p.a. and is repayable after 3 years from 30th March 2014

## Note 1.4

Deferred Tax Liability	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Deferred Tax Liability		
Depreciation	20.36	16.69
Less:- Deferred Tax Assets		
Retirement Benefits	0.75	0.32
Other Provisions	0.79	0.95
	<b>1.54</b>	<b>1.27</b>
Deferred Tax Liability (Net)	<b>18.82</b>	<b>15.42</b>

## Note 1.5

Long Term Provisions	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Provision for Employee Benefits ( Ref Note - 4.8 Page 12 and 13 )	4.31	3.05
	<b>4.31</b>	<b>3.05</b>

Notes forming part of the Balance Sheet

## Note 1.6

( Rupees Lakhs)

Trade Payables	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Trade Payables (Ref Note 4.3,Pg. 11)	5.05	5.07
	<b>5.05</b>	<b>5.07</b>

## Note 1.7

Other current liabilities	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Withholding tax and other Statutory Payments	3.25	3.02
Employee related liabilities	4.84	3.42
Creditors for capital expenditure	0.45	0.45
Security Deposits received	0.56	0.56
Other current liabilities (due to holding company)	12.75	13.50
Income Received in advance	0.49	0.09
	<b>22.34</b>	<b>21.04</b>

## Note 1.8

Short-term provisions	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Provision for Employee Benefits ( Ref Note - 4.8 Page 12 and 13 )	0.76	0.52
	<b>0.76</b>	<b>0.52</b>

**NAHAR RETAIL TRADING SERVICES LIMITED****6.**

Notes forming part of the Balance Sheet

Note : 1.9

( Rupees Lakhs)

ASSETS	GROSS BLOCK (AT COST)		DEPRECIATION		NET BLOCK	
	As at 1.4.2013 ( Rupees Lakhs)	As at 31.03.2014 ( Rupees Lakhs)	As at 1.4.2013 ( Rupees Lakhs)	For the year ( Rupees Lakhs)	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2014 ( Rupees Lakhs)
<u>TANGIBLE ASSETS</u>						
Leasehold Land	8.13 (8.13)	8.13 (8.13)	4.72 (4.64)	0.08 (0.08)	4.80 (4.72)	3.33 (3.41)
Building	1,124.05 (1,124.05)	1,124.05 (1,124.05)	175.34 (157.05)	18.33 (18.28)	193.67 (175.34)	930.38 (948.71)
Plant & Machinery	162.20 (162.20)	162.20 (162.20)	79.64 (71.94)	7.70 (7.69)	87.34 (79.64)	74.86 (82.56)
<b>Total</b>	<b>1,294.38</b> <b>(1,294.38)</b>	<b>1,294.38</b> <b>(1,294.38)</b>	<b>259.70</b> <b>(233.64)</b>	<b>26.11</b> <b>(26.06)</b>	<b>285.81</b> <b>(259.70)</b>	<b>1,008.57</b> <b>(1,034.68)</b>

**Note:**

i) Figures in brackets are in respect of previous year.

Notes forming part of the Balance Sheet

## Note 1.10

Trade Receivables	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Debts outstanding for more than six months	2.15	-
Debts outstanding for not more than six months	2.33	2.44
	<b>4.48</b>	<b>2.44</b>
Secured, considered good;	4.48	2.44
Unsecured considered good;	-	-
Doubtful	4.48	2.44

## Note 1.11

Cash and Cash Equivalents	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Balances with Scheduled Banks In Current Accounts	28.75	4.53
	<b>28.75</b>	<b>4.53</b>

## Note 1.12

Short-term loans and advances	As at 31.03.2014 ( Rupees Lakhs)	As at 31.03.2013 ( Rupees Lakhs)
Advance Income Taxes - Net Of Provision	87.97	62.47
MAT Credit Outstanding	4.01	4.01
Prepaid expenses	3.05	1.80
Prepaid asset-Gratuity	1.17	0.43
Others	1.01	0.89
	<b>97.21</b>	<b>69.60</b>

Notes forming part of Profit and Loss Account

( Rupees Lakhs)

## Note 2.1

Revenue From Operations	For the year ended 31 March 2014 ( Rupees Lakhs)	For the year ended 31 March 2013 ( Rupees Lakhs)
Franchise Commission	360.00	307.05
Service Fees	0.92	0.92
	<b>360.92</b>	<b>307.97</b>

## Note 2.2

Other Income	For the year ended 31 March 2014 ( Rupees Lakhs)	For the year ended 31 March 2013 ( Rupees Lakhs)
Interest	-	0.48
Profit On Sale Of Current Investments(net)	-	4.85
	-	<b>5.33</b>

## Note 2.3

( Rupees Lakhs)

Employee benefits expense	For the year ended 31 March 2014	For the year ended 31 March 2013
	( Rupees Lakhs)	( Rupees Lakhs)
Payments to and provisions for employees		
(a) Salaries, Wages, Exgratia, etc.	95.40	75.65
(b) Contribution to Provident and Gratuity Fund	10.00	6.49
(c) Workmen and Staff Welfare Expenses	9.02	7.19
	<b>114.42</b>	<b>89.33</b>

## Note 2.4

Finance costs	For the year ended 31 March 2014	For the year ended 31 March 2013
	( Rupees Lakhs)	( Rupees Lakhs)
Interest Expenses:		
Interest on loan from holding company	71.76	74.21
	<b>71.76</b>	<b>74.21</b>

## Note 2.5

Operating and other expenses	For the year ended 31 March 2014	For the year ended 31 March 2013
	( Rupees Lakhs)	( Rupees Lakhs)
(a) Repairs to Building	2.95	3.44
(b) Repairs to Machinery	0.02	0.04
(c) Repairs Others	1.79	0.98
(d) Rates and taxes	14.15	28.56
(e) Insurance	1.63	1.59
(f) Professional and Legal Charges	1.84	7.15
(g) Stationery & Printing	2.54	2.58
(h) Postage, Telegrams and Telephones	3.15	3.13
(i) Cleaning expenses	18.25	17.55
(j) Security expenses	16.70	13.52
(k) General Expenses	5.47	4.95
(l) Freight and forwarding charges	0.43	1.20
(m) Stock loss	20.83	26.88
(n) Packing material consumed	-	4.89
	<b>89.75</b>	<b>116.46</b>

## Notes Forming Part of the Balance sheet and Profit and Loss Account

## 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**

3.2.1 Fixed Assets are stated at cost less depreciation. Cost comprises of cost of acquisition and any attributable cost of bringing the asset to condition for its intended use.

3.2.2 Lease Premium on lease hold is amortised over the period of lease.

3.2.3 Depreciation on tangible assets other than leasehold land is provided in accordance with the provisions of Schedule XIV to the Companies Act, 1956 on " Straight Line" method.

**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**

3.4.1 Franchisee commission is accounted on accrual basis and are exclusive of service tax, if any.

3.4.2 Interest income is accounted on accrual basis.

3.4.3 Rent is accounted on accrual basis.

**3.5 Provisions and Contingencies**

3.5.1 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.

3.5.2 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.

**3.6 Taxation**

3.6.1 Current Tax: Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961

3.6.2 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 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.



Notes on the Balance Sheet and Profit and Loss Account

Note 4

- 4.1 a) Claims made against the Company not acknowledged as debts : Rs. 200.00 lakhs (2012-13: Rs. 200.00 lakhs).  
 b) Income-tax demands against which the Company has filed appeals : Rs. 22.65 lakhs (2012-2013: Rs. 1.00 lakhs)

4.2 Note 2.5 Item (k) General Expenses include :

Auditors' Remuneration :  
 Audit fees  
 Fees for Taxation matters  
 Other services

2013-14 ( Rupees Lakhs)	2012-13 ( Rupees Lakhs)
0.22	0.22
0.10	0.10
0.25	0.25

- 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.
- 4.4 Loan repayable to Trent Limited-Holding Company - Rs. 700.00 lakhs  
 Maximum Outstanding during the year Rs. 720.00 Lakhs
- 4.5 The Company is in the business of Retailing. Considering the organisation structure, nature of business and risk and return profile, the retailing business is considered as a single segment in accordance with Accounting Standard AS-17 "Segment Reporting"
- 4.6 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

4.7 RELATED PARTY TRANSACTIONS:

Related parties are -

4.7.1 Parties where control exists

Holding Company: Trent Limited  
 [ 100% of the Share Capital is held by Trent Limited ]

4.7.2 Directors of the Company

S.V.Phene  
 H.R.Wadia(Resigned wef 20.05.2013)  
 A D Cooper(Appointed Wef 16.11.2013 )  
 Kamal Taneja  
 P.Venkatesalu  
 S.W.Kamat

	2013-14 (Rs.)	2012-13 (Rs.)
Directors sitting fees	0.20	-

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

Fellow Subsidiary - Fiora Services Limited

4.7.4 Interest paid to

Holding Company - Trent Limited

4.7.5 Sale of services to\*

Holding Company - Trent Limited

4.7.6 Other Expenses paid to\*

Holding Company - Trent Limited

Fellow Subsidiary - Fiora Services Limited

4.7.7 Loan repaid

Holding Company - Trent Limited

2013-14 ( Rupees Lakhs)	2012-13 ( Rupees Lakhs)
71.76	74.21
404.50	345.00
20.83	26.88
0.67	0.67
20.00	60.00

\* Including service tax, if applicable

	2013-14 ( Rupees Lakhs)	2012-13 ( Rupees Lakhs)
4.7.8 Outstanding loan payable as at end of the year to Holding Company - Trent Limited	700.00	720.00
4.7.9 Outstanding other balance payable as at end of the year to Holding Company - Trent Limited	12.75	13.50
<b>4.8 EMPLOYEE BENEFITS</b>		
<b>(a) Defined benefit plans - Gratuity (As per actuarial valuation as on March 31, 2014)</b>		
	<b>GRATUITY LIC administered Trust (2013-14)</b>	<b>GRATUITY LIC administered Trust (2011-12)</b>
	<b>( Rupees Lakhs)</b>	<b>( Rupees Lakhs)</b>
<b>I Change in Obligation during the year ended March 31,2014</b>		
1 Present value of obligations as at beginning of year	1.98	1.65
2 Interest cost	0.23	0.20
3 Current Service Cost	0.84	0.75
4 Actuarial (gain)/Loss on obligations	(0.04)	(1.31)
5 Benefits Paid	(0.21)	-
6 Liabilities taken over from other trust	(0.67)	0.69
7 Present value of Defined Benefit Obligation at the end of the year	2.13	1.98
<b>II Change in Assets during the Year ended March 31, 2014</b>		
1 Plan assets at the beginning of the year	2.41	2.24
2 Expected return on plan assets	0.18	0.17
3 Contributions by Employer	0.85	-
4 Actual benefits paid	(0.21)	-
4 Assets acquired from other trust	-	-
5 Actuarial Gains/ (Losses)	0.07	0.00
7 Plan Assets at the end of the year	3.30	2.41
<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	2.13	1.98
2 Fair value of plan assets as at March 31, 2014	3.30	2.41
3 Fund status (Surplus/(Deficit))	1.17	0.43
4 Net Assets /(Liability) as at March 31,2014	1.17	0.43
<b>IV Expenses recognized in the statement of Profit &amp; Loss for the year ended March 31, 2014</b>		
1 Current Service cost	0.84	0.75
2 Interest Cost	0.23	0.20
3 Expected return on plan assets	(0.18)	(0.17)
4 Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment)	(0.11)	(1.31)
5 Expenses recognised in statement of Profit & loss	0.78	(0.52)
<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%

- VI Method of valuation
- VII Expected employer's contribution next year
- VIII Actuarial Assumptions
  - 1 Discount Rate
  - 2 Expected rate of return on plan assets
  - 3 Mortality Table
  - 4 Retirement Age

Projected Unit Credit method

9.20%	8.50%
7.50%	7.50%
LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
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.2.51 Lakhs (Previous Year-Rs 0.28 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 :

- 1 Government administered Provident Fund / Family Pension Fund
- 2 Employees State Insurance Fund

2013-14 ( Rupees Lakhs)	2012-13 ( Rupees Lakhs)
4.93	3.62
3.99	3.24

4.9 EARNINGS PER SHARE [EPS]

- [a] Weighted Average Number of Equity shares outstanding during the year
- [b] Net Profit /(Loss) (Rupees Lakhs)
- Net Profit /(Loss) after tax available for Equity Share holders (Rupees Lakhs)
- [c] Basic and Diluted Earnings Per Share (Rupees)  
(Face value of Rs. 1000/-)

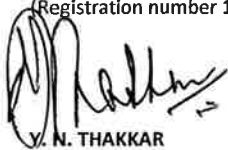
2013-14	2012-13
1,996.00	1,996.00
41.58	3.44
41.58	3.44
2,083.35	172.54

4.10 Previous years 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 31.3.2014		1.4.2012 TO 31.3.2013	
	( Rupees Lakhs)	( Rupees Lakhs)	( Rupees Lakhs)	( Rupees Lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/ (Loss) before Taxes and Extra-Ordinary Items		58.88		7.24
Adjustments for :				
Depreciation & Amortisation	26.11		26.06	
Interest received	-		(0.48)	
Interest paid	71.76		74.21	
(Profit)/Loss on sale of Current Investments	-		(4.85)	
		97.87		94.94
Operating Profit Before Working Capital Changes		156.75		102.18
Adjustments for :				
Decrease/(increase) in short-term loans and advances	(2.11)		(0.58)	
Decrease/(increase) in Trade Receivables	(2.04)		(2.44)	
(Decrease)/increase in trade payables	(0.01)		1.01	
(Decrease)/increase in other current liabilities	1.30		(13.36)	
(Decrease)/increase in long term provisions	1.27		(0.40)	
(Decrease)/increase in short term provisions	0.23		(0.09)	
		(1.36)		(15.86)
Cash generated from operations		155.39		86.32
Direct Taxes Paid		(39.40)		(26.48)
Net Cash from Operating Activities		115.99		59.84
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale of Current Investments		-		44.85
Net cash (used in)/from Investing Activities		-		44.85
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of loan	(20.00)		(60.00)	
Interest received on income tax refund	-		0.48	
Interest paid	(71.76)		(74.21)	
Net cash (used in)/from Financing Activities		(91.76)		(133.73)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		24.22		(29.04)
OPENING CASH AND CASH EQUIVALENTS (Note 1.12)		4.53		33.57
<b>CLOSING CASH AND CASH EQUIVALENTS (Note 1.12)</b>		28.75		4.53

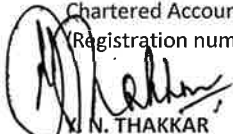
**Notes:**

- i) All figures in brackets are outflows.
- ii) Previous years figures have been regrouped wherever necessary (note 4.11)
- iii) Of the above cash and cash equivalent balance, the amount of Rs.1.14 lakhs (2012-13: Rs.1.14 lakhs) is not available for use by the Company.

As per our report attached.

For and on behalf of the Board,

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



N. THAKKAR

Partner  
Membership Number: 33329

Mumbai

Dated: 21 MAY 2014



Directors

Mumbai

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