

# MAGICUT<sup>®</sup>

## Trident Tools Limited

### Annual Report 2011 - 12

*Celebrating 30 years of Excellence*



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## Annual General Meeting

Date : September 27, 2012

Time : 02.00 P.M

Registered office : Survey No. 26,Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401,404

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### Registered Office & Factory

Survey no. 26,Tembhode,  
Shirgaon Road, Dhansar Village,  
Palghar – 401 404

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### Corporate Office

Hercules Estate, Ashok Nagar, A.C. Road,  
Kandivali (E),Mumbai – 400 101

## Corporate Information

### Board of Directors

Narendra R. Gupta	- Chairman & Whole Time Director
Ravi N. Gupta	- Managing Director & Compliance Officer
Suresh Bhandary	- Independent Director
Satish Marathe	- Independent Director

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### Committees

#### Audit Committee

Suresh Bhandary	- Chairman
Satish Marathe	- Member
Narendra R. Gupta	- Member

#### Investor Grievance Committee

Satish Marathe	- Chairman
Suresh Bhandary	- Member
Narendra R. Gupta	- Member

#### Remuneration Committee

Narendra R. Gupta	- Chairman
Satish Marathe	- Member
Suresh Bhandary	- Member

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### Statutory Auditors

**Girish Patel & Co.**  
F-103/104, Patel Nagar,  
M.G.Road, kandivali (w)  
Mumbai-400 067

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### Banker

**Punjab National Bank**

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### Registrar & Share Transfer Agent

**Sharex Dynamic India Private Limited**  
Unit No. 1, Luthra Ind. Premises, Safed Pool,  
Andheri Kurla Road, Andheri East, Mumbai – 400 072.

**CHAIRMAN'S STATEMENT**

**Narendra R. Gupta**  
**Chairman & Whole Time Director**

**Dear Fellow Shareholders**

It is a privilege and an honour to present to you Trident Tools Limited (MAGICUT), Annual Report and the audited accounts for the financial year ended 31<sup>st</sup> March, 2012.

F.Y. 2011-12 was a challenging year where the global economy witnessed lower economic growth resulting from the Euro Zone Debt Crisis, High Oil prices and other crisis. The European economies stagnated and the US witnessed a downgrade in credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. Despite these constraints and the challenging environment, the company performed reasonably well.

For all of us at MAGICUT, it was a satisfactory year strategically and operationally. Operationally, MAGICUT has recorded an all-round superior performance where our actions to strengthen market (profitability) position, improve efficiencies and tighten cost have paid handsome returns. Company's business demonstrated a significant improvement benefiting from economic conditions, aggressive marketing and brand promoting efforts. Our focus is on three key aspects of value creation, i.e., profitability, assets- productivity and growth.

Am very glad to address you with an excellent performance by your company during the financial year 2011-12 and our main objective to go one step ahead and create value.

During this eventful year, your company achieved a Gross Turnover of ₹40,15,72,101/- and a Net Profit of ₹77,27,402/-

The overall revenues have notched an impressive 86.25% year-on-year growth while operating profit have risen by 64.67% to ₹4,60,95,571/- from the previous year ₹2,79,93,438/-. Better working capital management across the business has led to surge in pre-tax profit by 109.66% to ₹1,86,66,310/-.

The overall financial position of the company remains strong. More importantly, the performance of our company has shown healthy improvement quarter on quarter. Our business has demonstrated considerable improvement in terms of volume and pricing during the year, thus clearly pointing towards changing fortunes of our business, with the economy gearing towards improvement.

**Structural Plan**

To align the interest of shareholders and employees, and to manage capital better the company has made a strategic move to go for a backward integration plan for manufacturing of Bimetal Strips. We are glad to inform you that, our company is the first company in India who is manufacturing this product and amongst few all over the world. With this your company will not only have higher value addition by reducing raw material cost but will also be generating more revenues through direct sale of these Bimetal strips in Domestic and International

**Markets.**

We are further glad to inform you that the above project was scheduled to be started during September 2012, but with the highly efficient management team and well-organized employees our company has succeeded to complete the above project well before estimated time and started its manufacturing activity during end of July 2012.

The Company is planning to go for additional expansions both in products and markets all over the world during the current year. Trident Tools Limited leads and sets the yardstick for fast-growing industry and is determined to live up to its stakeholders' expectations, including shareholders, customers, governments and all the members of the communities we operate in.

For the purpose of the above the company is planning to raise additional funds via right issue of shares subject to approval, permission and all the compliance of section 81(1A) of Companies act 1956, notice of the same is given for the consents of the shareholders in this Annual General meeting.

**Summary**

In essence, the company's growth over the next few years will be driven by the new line of products and markets which appears to have strong growth prospects. We have a positive outlook and that coupled with well-thought strategies planned for this business will ensure improved volume and profitability in our operations. Efficient utilization of physical and strategic assets will be the key driver for creation of value in future. Our Strategies are geared to deliver enhanced value for shareholders in future.

At this juncture, would like to take the opportunity of placing on record appreciation of all our employees and members of the management team at Trident Tools as it was only because of their dedication and commitment that we have been able to reach our set goals. Our employees are integral to our success and thank all members of the team for standing together in our effort.

The future holds immense promise for us and we are geared to measure up to every challenge that leaps at us. We have made a good start and shall take our learning into the next year with confidence, spirit and passion.

With Warm Regards

Sd/-

Narendra R. Gupta  
Chairman & Whole Time Director

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF TRIDENT TOOLS LIMITED WILL BE HELD ON 27<sup>TH</sup> SEPTEMBER 2012 AT SURVEY NO.26, TEMBHODE SHIRGAON ROAD, DHANSAR VILLAGE, PALGHAR - 401 404 AT 2.P.M. TO TRANSACT THE FOLLOWING BUSINESS.

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### Ordinary Business:

1. **To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2012 and Profit & Loss Account for the year ended on that date along with the schedules, annexure and report of directors placed before this meeting be and are hereby received, considered and approved.

To declare dividend on equity shares for the year ended March 31<sup>st</sup>, 2012:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, the recommendation of the Board of Directors for payment of dividend on 67,50,000 fully paid Equity Shares of ₹10/- each at the rate of 3% (Paisa 0.30 per share) to those holders of shares whose names appear on the register of members at the time of Annual General Meeting of the Company, be and is hereby approved and the dividend so declared".

2. **To re-appoint Auditors and fix their remuneration:**

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 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Girish Patel & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses."

3. **Resolution to be passed under Section 293(1)(d) to enhance the power of Board of Directors of the Company to borrow funds:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in supersession of the Resolution passed at the Extra-Ordinary General Meeting of the Company held on 16<sup>th</sup> January 2012 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors of the Company for borrowing moneys for and on behalf of the Company from time to time as and when required by the Company provided, that the money to be borrowed together with the money already borrowed (apart from the temporary loans obtained from time to time by the Company from its Bankers in the ordinary course of business) and remaining un-discharged at any given time shall not

exceed ₹100 Crore (Rupees One hundred Crore Only) notwithstanding that such borrowings exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary expedient and incidental thereto for giving effect to this resolution."

**4. Resolution to be passed under Section 293(1)(a) to empower of Board of Directors of the Company to create charge over the assets of the Company:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgage / charge and / or also to create liens, charges and all other encumbrances of whatsoever nature on all or any of the Company's immovable and movable properties and the whole or substantially the whole of all or any of the undertakings of the Company, where-so-ever situate, present and future, together with power to take over the management of the business and concern of the Company in certain events, in such form and in such manner as the Board may think fit and proper, in favour of Banks / Institutions / other lenders / trustees of the holders of securities, aggregating to a nominal value not exceeding ₹100 Crores (Rupees One Hundred Crores only) to be issued from time to time in one or more tranches under its borrowing powers, to secure the principal amount together with interest, compound interest and all costs, charges and expenses and all other monies as may become due and payable by the Company, in that behalf and to vary or modify existing securities, from time to time, in such manner and in such form on all or any of the properties or part of any of the property and the undertakings of the Company, both present and future, as may be decided by the Board and as agreed to by the said banks / institutions / other lenders / trustees of the holders of securities issued hereunder and the existing or future series of debentures / bonds or other lenders, bankers and Financial Institutions, both present and future, to secure existing series of debentures, loans, financial facilities as may be obtained by the Company from time to time and as may be deemed appropriate by the Board;

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be necessary expedient and incidental thereto for giving effect to this resolution."

**5. To increase Authorized Share Capital of the Company :**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 16 and Section 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from ₹7,00,00,000 (Rupees Seven Crores) divided into 70,00,000 equity shares of ₹10 (Rupees Ten) each to ₹20,00,00,000 (Rupees Twenty Crores) divided into 20,00,000 (Twenty Lakhs) equity shares of ₹10/- (Rupees Ten), each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and instead thereof, the following as new Clause V:

"The Authorised Share Capital of the Company is ₹20,00,00,000 (Rupees Twenty Crores) divided into 20,00,000 (Twenty Lakhs) equity shares of ₹10/- (Rupees Ten) each with the rights, privileges and conditions attaching thereto as may be 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 there to respectively such preferential, deferred, guaranteed,

qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

### Special Business:

#### 6. Proposal to make Rights Issue of Shares under Section 81(1A) of Companies Act, 1956

**"RESOLVED THAT** in terms of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of Articles of Association of the Company and subject to the consent of the Securities and Exchange Board of India (SEBI) and all other concerned authorities and Departments, if and to the extent necessary, and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee of the Board), subject to the consent of shareholders in ensuing Annual General Meeting accorded to the Board to create, offer and issue to the equity shareholders of the Company as on the records date (to be fixed for the purpose) equity shares of ₹10/- each of the Company for a sum of up to ₹10,00,00,000 (Rupees Ten Crores ) or such sum as may be determined by the Board of Directors in this regard, in the ratio to be determined by the Board ( the "Rights Issue") and for cash at such premium as may be per share as may be fixed and determined by the Board prior to the issue and offer thereof to such category of persons in consultation with SEBI or such other Authorities as may be prescribed or in accordance with such guidelines or other provisions of law as may be prevailing at that time and otherwise earning pari passu with the equity shares of the Company as then issued and to retain over subscription if any in respect of such issue to such extent as may be then permissible, and at such time or times as the Board at its absolute discretion and in the best interest of the company may deem fit on such other terms and conditions as may be mentioned in the draft Letter of Offer to be issued by the Company in respect of the Rights Issue.

**RESOLVED FURTHER THAT** Mr. Ravi N. Gupta, be and is hereby appointed as Compliance Officer for the purpose of Rights Issue.

**RESOLVED FURTHER THAT** Mr. Narendra R. Gupta, Chairman, Mr. Ravi N. Gupta, Managing Director be and hereby authorised to do all such acts, deeds, matters and things as may be necessary for the purpose of Rights Issue as aforesaid including but not limited to the following:

To fix record date(s) for the purpose of the Rights Issue for ascertaining the names of members who will be entitled to the aforesaid offer of equity shares in consultation with the stock exchange with which the Company's Shares are listed.

To decide and determine final size of Rights Issue the price per share either prior to or after filing of the draft Letter of Offer with SEBI and the rights entitlement ratio for equity shares including terms of the Rights Issue.

To decide treatment to be given to the fractional entitlement if any , including rounding upwards or downwards or ignoring such fractional entitlements or issue of fractional coupons and the terms and conditions for consolidation of fractional entitlements into a whole share and application to the company for the same as well as to decide the dispose off the shares representing the fractional coupons which are no so consolidated and presented to the Company for allotment of whole shares or treating fractional entitlement in the manner as may be approved by SEBI and the stock exchanges;

To decide the opening and closing dates for the Rights Issue and to extend, vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI, stock exchanges or other authorities from time to time;



To finalise the draft Letter of Offer, Letter of Offer, Composite Application Form, abridged Letter of Offer (If approved) and other documents and to file the same with SEBI , stock exchanges and other concerned authorities and issue the same to equity shareholders of the Company;

To appoint Lead Managers to the Right Issue, Bankers, Registrar, Legal Advisors, Monitoring Agency, Consultants, Advisors, Underwriters, Printers and such other agencies as may be desired and to remunerate such agencies in cash or otherwise including by way of payment of commission, brokerage , fees, reimbursement of expenses incurred in relation to the issue of securities and other expenses, if any;

To finalize the basis of allotment of equity shares in consultation with Lead Managers, Registrars and designated stock exchanges and other stock exchanges where the existing shares are listed , if necessary ;  
To issue and allot the equity shares in one or more trenches and to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to the issue of equity shares;

To issue Letter of Allotment and Share Certificates, to the proposed allottees either in dematerialised form or in physical form as may be required by the allottees;

To enter names of the allottees in the Register of members of the Company;  
Issue new shares (including new certificates if required) representing the equity shares issued as part of Rights Issue with new distinctive numbers as laid down in companies (Issue of Share Certificates) Rules, 1960 and also to inform the depositories to take the necessary action to give effect to the above and do all such acts, deeds, matters and things or desirable in connection with or incidental to the Rights Issue;  
To settle any question, difficulty, or doubt that may arise in connection with the Rights Issue including the issue and allotment of the equity shares as aforesaid and to do all such acts, deeds and things as the Committee may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt and making the said Right Issue and allotment of equity shares;

To decide the mode and manner of allotment of shares if any not subscribed and left/ remaining after allotment of rights shares and additional shares applied by the shareholders and renounces;

To open Bank Account(s) to receive applications along with application monies in respect of the issue of the shares and to make refunds;

To file necessary returns, make declarations/ announcements, furnish information etc, to the concerned authorities in connection with the Rights Issue;

To sign and execute any other document, agreement, undertaking in connection with the Rights Issue; and

To take all such other steps as may be necessary in connection with this Rights Issue.

**RESOLVED FURTHER THAT** the following persons viz.

Mr. Narendra R. Gupta	Chairman
Mr. Ravi N. Gupta	Managing Director

Be and are hereby severally authorised to do all such acts, matters, deeds and things and to execute all such deeds, documents and agreements etc, as may be required for the purpose of the proposed Rights Issue including but not limited to following:

To obtain the requisite approvals, consents and sanctions from SEBI, stock exchanges, RBI, Registrars of Companies , Government of India, Foreign Investment Promotion Board (“FIPB”), lenders of the Company etc.;

To file necessary certificates / returns / forms with SEBI, stock exchanges, RBI, Registrars of Companies, Government of India and other authorities;

To issue Public Advertisement and Notices;

To apply to the stock exchanges for obtaining in principle approval for listing and for permission to trade the equity shares and to do all such acts, deeds, matters and things and to sign all such papers, documents and agreements, as may be necessary to seek the listing of such equity shares on the Bombay Stock Exchange Limited with power to settle any query, difficulty or doubt that may arise in regard to the Rights Issue;

To apply to the concerned depositories for the admission of equity shares in to the depository system; and

To incur necessary expenses such as fees of various agencies, filing fees, stamp duty etc.

**RESOLVED FURTHER THAT** Mr. Ravi N. Gupta, Managing Director & Compliance Officer shall do all such acts, deeds as may be required."

#### **Annexure to Notice - Explanatory Statement under Section 173(2) of the Companies Act, 1956**

##### **Item No. 3&4:**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies up to some higher limits. Accordingly in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, taking the audited figures of the Balance Sheet as on 31st March, 2012 as basis, the Board of Directors of the Company can borrow up to ₹100 Crores apart from bank borrowings for working capital purposes. In super session of approval of members taken on 16<sup>th</sup> January 2012, in order to finance the growth in the business of the Company it is proposed to enhance the power of Board of Directors to borrow up to a sum not exceeding ₹100 crores in terms of Section 293(1)(d) of the Companies Act, 1956. Hence the approval of the members of the Company is being sought for the resolution set-out under Item no.3 by way of Ordinary Resolution.

In view of aforesaid proposal to borrow funds from time to time, the Company may have to secure the borrowing by way of mortgage / charge over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 293(1)(a) of the Companies Act, 1956, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence approval of the Members of the Company is being sought for the resolution set out under Item no. 4 by way of an Ordinary Resolution.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No. 3 and 4 of the Notice as Ordinary Resolutions in terms of Section 293(1)(d) and 293(1) (a) respectively of the Companies Act, 1956.

None of the Directors is concerned or interested in the resolution.

##### **Item No. 6:**

The Company proposes to raise Capital through Rights Issue.

In terms of provisions of section 81(1), the Company proposes to raise funds by issue of shares to the existing Shareholders of the Company up to ₹10,00,00,000/- (Rupees Ten Crores Only) or such sum as may be determined by the Board of Directors to meet various business requirements of the Company.

Interest of the Directors: None of the Directors are interested or concerned in the proposed resolution except to the extent of their shareholding held in the Company.