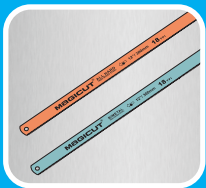


**MAGICUT<sup>®</sup>**

# TRIDENT TOOLS LTD



**END-TO-END SOLUTIONS**  
*for all Sawing Needs...*



## Annual Report 2013 - 14

## KEY Performance Indicator

### Turnover



26.63% (YoY)

13-14	66.96	
12-13	52.88	
11-12	40.16	
10-11	21.56	
09-10	23.14	

Rs. In Crores

### Export



38.52% (YoY)

13-14	14.24	
12-13	10.28	
11-12	11.56	
10-11	6.69	
09-10	3.48	

Rs. In Crores

### Profit Before Tax



5.98 % (YoY)

13-14	2.66	
12-13	2.51	
11-12	1.87	
10-11	0.89	
09-10	0.63	

Rs. In Crores

### Cash Profit



34.52 % (YoY)

13-14	4.91	
12-13	3.65	
11-12	2.09	
10-11	0.98	
09-10	0.69	

Rs. In Crores

### EBIDTA



25.91 % (YoY)

13-14	10.01	
12-13	7.95	
11-12	4.61	
10-11	2.8	
09-10	1.74	

Rs. In Crores

### Networth \*



41.77 % (YoY)

13-14	34.01	
12-13	23.99	
11-12	15.46	
10-11	9.39	
09-10	8.76	

Rs. In Crores

YoY : Year-on-Year

\*Includes Unsecured Promoter Loans to be converted into equity subject to necessary approvals

## Vision Statement

Become a Fully Integrated Company where Together we produce our Raw Material namely Edge Wire and Backing Material which will be converted into Bimetal Strips that will then be used for Manufacturing Bandsaw Blades, Hacksaw Blades, Hole Saws, Reciprocating Saw Blades and Jigsaw Blades thus Facilitating End to End Solutions.

## History & Milestones

- 1948: Late Mr. R.C. Gupta opened a Hardware Shop for Retailing and Later Wholesaling
- 1963: Started Factory for Engine Bearings
- 1971: Started Factory for Copper Alloy Products
- 1982: Started the Cutting Tools Factory Magicut Tools Pvt Ltd at Palghar for the manufacture of HSS Hacksaw Blades & Tool Bits
- 1996: Export department established and now exporting to 45 countries across the globe
- 2000: Starting of manufacturing of HSS Hacksaw Blades & Tool Bits in Trident Tools Pvt Ltd at Mumbai
- 2008: Trident Tools Pvt Ltd merged into Magicut Tools Ltd and name changed to Trident Tools Ltd
- 2009: Launched Bimetal Hole Saws, a product manufactured for the first time in India
- 2010: All Activities Centralized at Palghar
- 2010: Expansion cum Modernization project to enhance Production Capacity
- 2010: Largest manufacturer and exporter of Hand Hacksaw Blades from India
- 2011: Establishment of Bandsaw Weld Centre.
- 2012: Launching of Reciprocating Saw Blades
- 2012: Mini-Hole Saws launched
- 2012: Backward Integration to Manufacture Bimetal Strips
- 2013: Bimetal Bandsaw Production started
- 2013: Quickcut Engineering Company Pvt Ltd merged into Trident Tools Ltd
- 2013: Addition of Hacksaw Frames, Junior Hacksaw Blades, Arbors and Hole Saw Back Plates into the range
- 2014: Takeover of business of Narendra & Sons Strip LLP
- 2014: Manufacture HSS Edge Wire and Backing Material



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## Annual General Meeting

Date : September 30, 2014

Time : 02.00 P.M

Registered office : Gut No 171, Tembhode Shirgaon Road, Dhansar Village, Palghar- 401404, INDIA

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### Registered Office & Factory

Gut No 171, Tembhode Shirgaon Road  
Dhansar Village  
Palghar – 401 404  
INDIA

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### Corporate Office

Hercules Estate, Ashok Nagar  
A.C. Road, Kandivali East  
Mumbai – 400 101  
INDIA

**Corporate Information****Board of Directors**

Narendra R Gupta  
Ravi N Gupta  
Suresh Bhandary  
Satish Marathe

- Chairman & Whole Time Director
- Managing Director & Compliance Officer
- Independent Director
- Independent Director

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**Committees****Audit Committee**

Suresh Bhandary  
Satish Marathe  
Narendra R. Gupta

- Chairman
- Member
- Member

**Investor Grievance Committee**

Satish Marathe  
Suresh Bhandary  
Narendra R. Gupta

- Chairman
- Member
- Member

**Remuneration Committee**

Narendra R. Gupta  
Satish Marathe  
Suresh Bhandary

- Chairman
- Member
- 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 LETTER



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

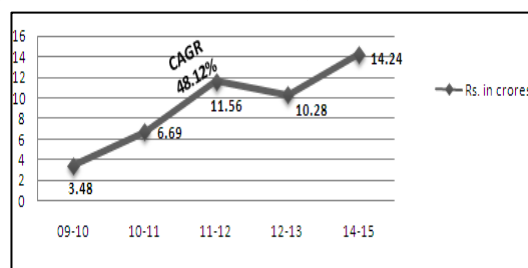
## Dear Fellow Shareowners

In FY 2013 -14 emerging markets, including India, had to face multiple challenges of rising current account deficit, depreciation of the local currency and additional pressure due to capital outflows. GDP growth in India and China were low as compared to the high growth rates in the past, however, both these economies continue to hold a great promise for leading global growth in future. The global economic situation showed signs of strengthening, where with US economy speeding up, but the environment in the Euro zone remained weak with some early signs of improvement.

Despite global and domestic challenges, your company continued its growth path and achieved a record high revenue of ₹66,96,00,058/- and a Net Profit of ₹1,58,30,141/-. The overall revenues have notched an impressive 26.63% year-on-year growth while EBIDTA have risen by 25.91% to ₹10,00,45,923/- from the previous year ₹7,94,97,322/-. Better working capital management across the business has led to surge in after-tax profit by 25.09% to ₹1,58,30,141/-.

The financial position of your company has enriched significantly as evident by the surge in Cash Profit by 34.52% and the same will further increase since as a result of higher international sales, new expansions towards backward integration project, increase in production efficiency by implementing new U-Line production processes and reduction of interest rates by the banks on account of improvement in the company's ratings will result in further enhancement of the margins during the current year.

Your company has focused a lot on the international markets and it has been a major source of growth and the continued development of exports is an indicator of the growing demand of the company's products and services across the world. MAGICUT achieved its highest ever exports of ₹14,23,49,463/- during the year, contributing to 21.25 % of revenues. Your company has a well-planned strategy in place for international sales as a result it has grown with a CAGR of 48.12% during the last five years when. Today your company's products are available across six continents spread over more than 45 countries with 30 of these countries buying MAGICUT brand products. For its outstanding Export performance your company received a **STAR PERFORMER'S** Award as well.



**Cumulative Exports**

Your company has during the last few years upgraded and invested substantially in its new production lines and has incorporated the technologically advanced U-Line production process which it is gradually putting in place for all its products. This process has resulted into reduction of energy costs, decrease in labour costs, efficient production of smaller batches, higher productivity and superior quality.

Today your company is the only company in the world to have complete Horizontal, Vertical and Backward Integration for Bimetal Saws at a single location. Trident Tools had in 2012 started manufacturing its own raw material, namely Bimetal Strips and during this year has gone into further Backward Integration with the manufacture of Edge Wire and Backing Material. MAGICUT already manufactures the complete range of finished goods and has now become an END to END producer for Bimetal Saws from producing of Raw Material to various Finished Saws. Each of these products can be sold and the company's growth over the next few years will be driven by more focus on the Right Product Mix along with sales to large OEMs and exports.

Our Vision was to – “Become a Fully Integrated Company where we Produce our Raw Material namely Edge Wire and Backing Material which will be Converted into Bimetal Strips that will then be used for Manufacturing Bandsaw Blades, Hacksaw Blades, Hole Saws, Reciprocating Saw Blades and Jigsaw Blades thus Facilitating End to End Solutions” which now stands completed and the aim is on Efficient Capacity Utilisation and Sale of products whose raw material is manufactured in-house. Moreover with the completion of the Edge Wire project MAGICUT is among the elite group of six companies in the world to have this technology and the first in India.

We have an extremely positive outlook for the future as your company has a very High Growth Potential both in India and abroad. Your company has shown healthy improvement quarter on quarter and the business has demonstrated considerable improvement in terms of volume and pricing, thus clearly pointing towards changing fortunes of our business, with the economy gearing towards improvement.

To summarize would like to briefly mention here the Key Salient Features of your Company as follows:

- High-quality Product Portfolio with a Brand that is Fast Gaining High Customer Loyalty both within India and overseas
- Modern and Up To Date Manufacturing Facilities having a First-class Laboratory
- Active R & D Department from where New Products are Launched with the Company already has regular patents
- Implementation of the U-Line manufacturing process
- Largest range of Saws that is the biggest from India with the current Annual Capacity for Hacksaw Blades being the largest in Asia
- Strong industry and company experienced follow-up Management Team
- Well Diversified Multi-channel Sales Structure in Highly Attractive Regions and Different Sectors
- Strong growth in Exports with MAGICUT among the few brands in the tool industry from India who have been able to sell products under their own brand in more than 30 countries.
- Large customer base in India with dealers across the country and direct sales to leading PSU's such as BHEL, Steel Units, Railways, etc.
- End to End Solutions enabling your company to Leverage High Synergy Potential through Business Combination where it can supply to its supplier, end customers and competitors as well
- MAGICUT as a result of its backward integration projects has become an extremely cost effective high quality producer and has the benefits of large scale production at one place.
- The EBIDTA will become amongst the best in the industry as MAGICUT will have complete End to End Solutions for the whole range of Bimetal Saw Blades

Would also 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 Ltd will be held on 30<sup>th</sup> September 2014 at Gut No 171, Tembhode Shirgaon Road, Dhansar Village, Palghar - 401 404 at 2.p.m. to transact the following business.**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendation of the Audit Committee, M/s. Girish Patel & Co., Chartered Accountants, Mumbai (Firm Registration No. 103221W) the retiring Auditors of the Company, be reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the next AGM of the Company to be held in the year 2015 at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

### **SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Satish Marathe (DIN 02135738), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the next AGM of the Company to be held in the year 2015.”

4. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Suresh Bhandary (DIN 02381272), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the next AGM of the Company to be held in the year 2015.”

5. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following

**Increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company:-**

**“RESOLVED THAT** pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing ₹15,05,00,000/- (Rupees Fifteen crores five lacs only) divided into 1,50,50,000 (one crore fifty lakhs fifty



thousand) Equity Shares of ₹10/- (Rupees ten only) each to ₹25,00,00,000/- (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crore fifty lakhs) Equity Shares of ₹10/- (Rupees ten only) 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 ₹25,00,00,000/- (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crore fifty lakhs) Equity Shares of ₹10/- (Rupees ten only) 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.”

6. To consider and if thought fit, to pass, with or without modification(s), as an SPECIAL RESOLUTION, the following

**Issuance of warrants convertible into Equity Shares on preferential basis;**

**RESOLVED THAT** pursuant to the provisions of Section 42, Section 62, Section 188 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India including amendments thereof, as may be applicable on preferential issue of Warrants Convertible into Equity Shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred on the Board by these resolution, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchange, Govt. of India or such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals, and which may be agreed to by or any other authority as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot up to 65,00,000 (Sixty-Five Lakhs) Warrants Convertible into Equity Shares of the Company, of ₹23.71 (Rupees Twenty Three and Seventy One paisa only) each to the following promoters, including persons acting in concert and other acquirers on preferential basis convertible into 1 (One) Equity Shares of ₹10 (Rupees Ten only) each fully paid-up at price of ₹23.71 (Rupees Twenty Three and Seventy One paisa only) including premium of ₹13.71 (Rupees Thirteen and Seventy one paisa only) determined in accordance with the SEBI Guidelines.

<b>A. Promoters &amp; Promoters Group;</b>			
<b>Sr. No.</b>	<b>Name of the proposed allottee</b>	<b>No. of warrants proposed to be allotted</b>	<b>Amount in (₹)</b>
<b>1.</b>	Bhola Commedeal Private Limited	65,00,000	15,41,15,000
	Total	65,00,000	15,41,15,000

**Assuming all warrants are converted to equity shares.**

RESOLVED FURTHER THAT the pricing of the equity shares and equity shares to be allotted on conversion of the above said warrants, each warrant convertible into one equity share of ₹10/- each, has been calculated in accordance with the SEBI Guidelines on the 'Relevant Date' which is -30<sup>th</sup> August, 2014;

- a) 65,00,000 Warrants of ₹10/- each shall be convertible into 65,00,000 equity shares of the face value of ₹10/- each on payment of aggregate price including premium of ₹13.71/- (Rupees Thirteen and Seventy one paise only) on the following terms and conditions.
- b) Exercise of option for conversion of the warrants shall be at the sole option of the warrant holder(s) at any time within a period of 18 months from the date of allotment of warrants in accordance with the SEBI Guidelines for preferential issue.
- c) The warrant holder(s) shall pay on or before the date of allotment of warrants an amount equivalent to 25% of the value of the warrant. The said amount shall be adjusted against the price payable subsequently for acquiring the shares by exercise of option for conversion by the warrant holder(s).
- d) The warrant holder(s) shall pay on or before the date of conversion of such warrants into equity shares, pay the balance 75% of the consideration applicable with respect to the number of Warrants converted.
- e) The amount referred to in point (c) shall be forfeited, if the option to convert the shares is not exercised by the warrant holder(s) within the stipulated time.
- f) The equity shares and warrants shall be locked in for a period of three years from the date of their allotment in case of allotment made to the promoters and their relatives. In case of allotment made to persons other than promoters, the same shall be locked-in for a period of one year. However, the lock in on shares acquired by conversion of warrants shall be reduced to the extent the warrants have already been locked-in.
- g) The allotment of equity shares and convertible warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the company within a period of 15 days from the date of such approvals.
- h) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the company indicating the form in which such unutilized monies have been invested.

**RESOLVED FURTHER THAT** the resultant equity shares issued on conversion of warrants shall upon allotment have the same rights of voting as the existing shares and be treated for all other purposes *paripassu* with the existing equity shares of the company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all such acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the company shall ensure that whilst any warrants remaining exercisable, it will at all times, keep available and reserved such part of its authorised but un-issued share capital as would enable all outstanding warrants to be satisfied in full.

**RESOLVED FURTHER THAT** the company do apply for listing of the new shares as may be issued on conversion of warrants with the Bombay Stock Exchange Limited.

**RESOLVED FURTHER THAT** the company do make an application to the National Securities Depositories Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the new equity shares to be issued and resultant equity shares on conversion of warrants on preferential basis.”

**RESOLVED FURTHER THAT** the relevant date for determining the pricing is 30 days prior to the date of the AGM at which the approval of the shareholders in terms of relevant Section of the Companies Act, 2013 is obtained.