

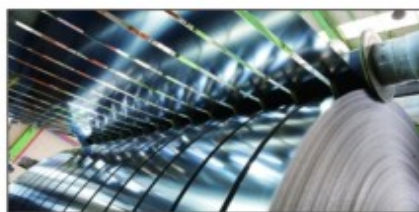
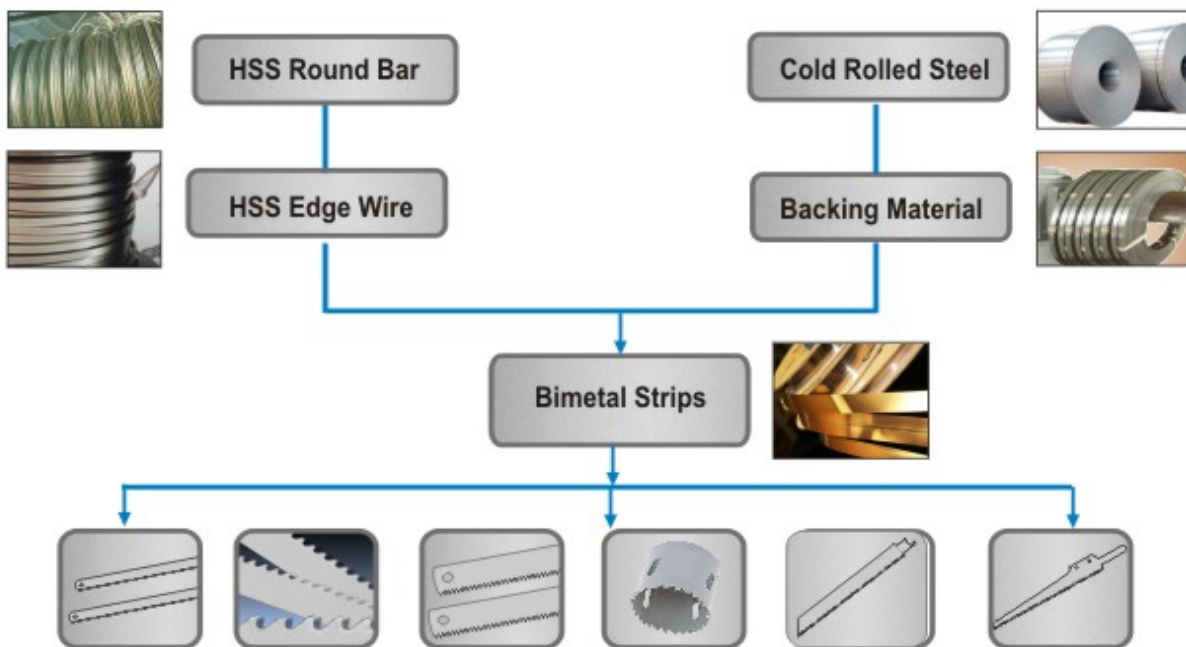
TRIDENT TOOLS LTD

Annual Report
2014 - 15



End To End Solution

Products Description	Magicut	Products Description	Magicut
HSS Edge Wire	✓	Hole Saws	✓
Backing Material	✓	Reciprocating Saw Blades	✓
Bimetal Strips	✓	Band Saw Blades	✓
Hand Hacksaw Blades	✓	Hacksaw Frames	✓
Junior Hacksaw Blades	✓	Back Plates	✓
Power Hacksaw Blades	✓	Arbors	✓



COUNTERING CHALLENGES - BUILDING LONG TERM VALUE

The real courage of a company is tested when it is able to counter challenges during turbulent times. The past year has been a difficult one for Trident Tools and the coming period does not look an easy one. Your company had gone in for a massive modernization and expansion program during the last few years and was anticipating the market to keep pace with the past trends; unfortunately it did not go in that way resulting in your company having to face a loss.

The management anticipating the difficult times swung into timely action and took several corrective actions including appointment of a new CEO, debt restructuring, etc. With a new professional CEO in place there are new management practices being put in place. In order to cope the impact of these new challenges he have come out with various new initiatives during the past year started and we are confident these will give good results in time to come. A further tightening of processes has enabled the company to become leaner and more agile than ever before. There is now a renewed focus on continuous improvements that will further help us to innovate and achieve even greater efficiencies. We accepted the change in situation and decided to counter it head-on as we were always confident that all the expansions were in the right direction and will ultimately result in building up a lot of value for its shareholders.

THE CHALLENGES**THE RESPONSE**

Change in Market Scenario

Appointment of a New CEO with fresh outlook

Stagnant and de- growth in Demand

Entering New Markets
E-Commerce Strategy

Pressure in Selling Prices

Backward Integration projects implemented
Driving efficiency through process improvement

Cash Flow Issues

Debt Restructuring

Margins under pressure

Backward Integration
Innovation in product differentiation**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.

MISSION STATEMENT

To build shareholder value by delivering quality products to our customers in an innovative and cost effective way. We will realize this mission by setting the highest standards in service, safety and reliability.

MANAGEMENT & ORGANIZATION STRUCTURE

Your company has a lean top management structure supported by a strong middle management with many years of experience in the Cutting Tool industry. The management team has developed the strategy for the combined entity going forward and is highly committed to implement this strategy with a strategic partner.

Apart from the current director owners, a strong follow-up management team existing of industry and company experienced professionals has been established in the recent years who is well prepared to drive growth and to take the company to the next level of its development. The company has gradually moved from an owner driven/controlled to one that is professionally managed and is currently headed by a professional CEO

KEY FEATURES FOR YOUR COMPANY

Important conditions for further growth and improvement of the market position have been created in recent years and the company is better than ever prepared for the challenges both on a stand-alone-basis as well as platform for a business combination. We list below the salient key features for your company:

- ✓ Owner Driven Professionally Managed Company
- ✓ High-quality Product Portfolio
- ✓ A Brand that is Fast Gaining High Customer Loyalty
- ✓ Combination of a Unique Degree of Flexibility, an Outstanding Quality and Cost Efficient Production
- ✓ Leverage of High Synergy Potential through Business Combination
- ✓ Strong industry and company experienced follow-up Management Team
- ✓ Well Diversified Multi-channel Sales Structure in Highly Attractive Regions and Different Sectors
- ✓ High Growth Potential both in India and Abroad
- ✓ Leading Supplier to Public Sector Undertakings
- ✓ Some of the Worldwide Best-known Tool Manufacturers Trust Your Company
- ✓ One Stop Shop for Saws
- ✓ Regular New Product Launches
- ✓ Modern and Up To Date Manufacturing Facilities
- ✓ First-class Laboratory
- ✓ Active R & D Department from where New Products are Launched. The Company already has patents for its Mini-hole Saws and Hacksaw Frames.
- ✓ Only Company in India to manufacture Bimetal Hole Saws
- ✓ Access to Latest Production Laser Technology
- ✓ The Laser Welding Plant for Bimetal Strips is the first in India
- ✓ Manufacturing Bimetal Band saw Blades which has the largest market in the Saws Segment
- ✓ Post installation of the HSS Edge Wire project MAGICUT is now among the elite group of six companies in the world to have this technology and the first in India
- ✓ Has plans to Service End Customers Directly via E-commerce
- ✓ The only company to offer the complete offer End-to-End solutions for Saw Blades all under one roof

	Narendra R Gupta Chairman & Whole Time Director
	Ravi N Gupta Managing Director & Compliance Officer
	Satish Marathe Independent Director
	Suresh V Bhandary Independent Director
	Ranjana P Dmello Woman Director - Independent Director
	Amarnath Agrawal Chief Executive Officer

Has been instrumental in setting up various businesses. Started his career with manufacture of Engine Bearings & gradually expanded to manufacture products such as Diesel Engine Spares, Copper Alloys and Cutting Tools. Has vast experience spanning over four decades in the Industry and has travelled to most parts of the World.

Started his career with Magicut Tools Ltd and has extensive experience of this industry. After taking over management responsibility has developed various new clients. Instrumental in taking the company forward by adding various new products in the manufacturing line of the company along with all other recent development

He is a Bachelors degree in Commerce & Law. Were formerly the Chairman & Managing Director of United Western Bank and CEO of Jankalyan Bank. He is currently an Advisor to various companies

He is B.Sc. Worked in Indian Army as a Captain before joining Punjab National Bank where he has worked for 35 years. He has had the special distinction of participating in the Indo-Pak war in 1971.

She has diversified exposure to various management practices in areas such as training and development, HR, consulting and soft skills. She is also a prominent voice for women's role in leadership and the Learning and Development industry

He is M.Sc Physics Has a Work Experience of more than 45 Years. Has been associated with the Cutting Tools industry since 1973 starting his career with Indian Tools and thereafter joining Miranda Tools in 1984 from where he became CEO in 2003 the company had grown significantly until he retired in 2013. He was instrumental in adding a new range, expanding capacity, new customers, etc.

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Annual General Meeting

Date	: September 30, 2015
Time	: 03.30 P.M
Registered office	: Gut No 171, Tembhode Shirgaon Road, Dhansar Village, Palghar– 401404, India

Registered Office & Factory

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

Corporate Office

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

Corporate Information

Board of Directors	Mr. Narendra R Gupta Mr. Ravi N Gupta Mr. Satish K Marathe Mr. Suresh V Bhandary Ms. Ranjana P Dmello	- Chairman & Whole Time Director - Managing Director & Compliance Officer - Independent Director - Independent Director - Additional Independent Director – Woman Director
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Key Managerial Personnel	Mr. Narendra R Gupta Mr. Ravi N Gupta Mr. Amarnath P Agrawal Ms. Nikita B Bavishi	- Chairman & Whole Time Director - Managing Director & Compliance Officer - Chief Executive Officer - Company Secretary
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Committees

Audit Committee	Mr. Satish K Marathe Mr. Narendra R. Gupta Mr. Suresh V Bhandary	- Chairman - Member - Member
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Nomination and Remuneration Committee	Mr. Suresh V Bhandary Mr. Narendra R Gupta Mr. Satish K Marathe	- Chairman - Member - Member
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Stakeholders Relationship Committee	Mr. Satish V Marathe Mr. Suresh K Bhandary Mr. Narendra R Gupta Mr. Ravi N Gupta	- Chairman - Member - 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.
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Letter from the Chairman



Dear Fellow Stakeholders

I am writing to you today in the midst of what continues to be a challenging period for the manufacturing sector and specifically for your company. During the last few years your company has made considerable progress and has built today probably the only End-to-End Solutions Company for Saw Blades in the world. Your company has invested substantially in building up capacities, addition of new related products and backward integration projects and all these should have given excellent returns; however that was not to be.

The last twelve months saw the manifestation of several global macro risks that could have a long and deep impact on the world economy that is likely to influence the shape of the economic cycle in the future. The world today is dealing with the cascading impacts the global economy has had to find a course through uncharted waters. After a sustained period of super normal growth in the last two decades, the Chinese economy sharply declined during the last year. Further, a sharp depreciation of many currencies has improved their competitive position and increased exports from these countries. Along with an uncertain external landscape that has resulted in a slowdown of exports for your company there have been lot of challenges back home where the India market has stagnated, there has been an increase of grey market imports, continuous dumping of finished products, in India, depreciation of Euro resulting in cheaper European imports, and so on. In fact over the past few years, the entire sector has been challenged to adapt to this 'new normal'. All of the above have distorted the old structure and adversely impacted the long-term economic competitiveness.

A competitive and efficient domestic industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'. Investments in the manufacturing sector are capital intensive and long term in nature, whose economic viability is dependent on the fundamental growth assumptions of the domestic economy. Dealing with a radically altered business landscape, and dramatically increased risk, the management team faced a difficult choice in changing course. As your company focused on these new challenges our business performance was severely impacted – effectively a shortage of liquidity leading to an underutilization of capacity and thereby significantly lower volumes. While this led to a very disappointing business performance for the fiscal, we did achieve significant progress in addressing certain key issues.

There was a significant shortage of working capital that negatively impacted our business execution. We understood well that the road ahead is not going to be easy. However with the progress we have made and the work that remains underway we remain confident of achieving long-term sustainability. The challenges we faced were real and immediate and we completed, with the help of our bank, a Debt Restructuring exercise. Your company further appointed a new CEO Mr. Amarnath Agrawal early this year. Mr. Agrawal in his previous job was the CEO of a similar company/market leader namely Miranda Tools an Ashok Piramal group company. When CEO of Miranda Tools, the company grew up significantly under him. Since taking over Trident Tools he has put in place many things and we are sure the company will come back on track soon and get back to the projected growth levels. It is our belief that these are very important steps towards the road to recovery. While our business performance took an enormous hit, we by putting in place these changes are now better prepared to manage today's challenges and prepare the company to exploit tomorrow's opportunities and restore the business to a position of strength over the medium term.

That apart your company today has conflict between liabilities and business priorities and therefore it has become critical that we re-balance this equation, and we have made liability management our foremost priority and it is important to point out that we made steady progress in other areas. During the coming year there is a desire to reduce loans and increase the share capital for which there is a proposal to convert unsecured loans of the promoters into equity subject to the necessary approvals from Securities and Exchange Board of India (SEBI)/ BSE Limited (BSE). Your company will further try to raise additional equity from some strategic investors or HNI's to ease the liquidity issue.

As we enter the new financial year, we are a leaner, more agile and outcome-oriented organization. However, there is more that needs to be done – we have committed ourselves to continuing transformation, reducing net debt, optimally managing liquidity, improving contribution margins, and focusing 100 per cent – each single day – on driving business execution. With a new government at the centre where the focus is on development and industrialization we are hopeful the situation will soon change for the better and when it does your company is sitting ready as it has the required capacities already created and with the production of its own raw material there is limited dependence and huge possibilities.

Your company achieved the milestone of becoming the first Indian plant and only the sixth in the world to produce HSS Edge Wire. In spite of facing many challenges your company remained committed to executing its vision of “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 Ban saw Blades, Hacksaw Blades, Hole Saws, Reciprocating Saw Blades and Jigsaw Blades thus Facilitating End to End Solutions”.

The change in industry scenario is not only in terms of the business landscape, but also in terms of how we do business. The challenges being faced have become the ‘New Normal’ and we strongly believe this changing landscape will give us considerable benefits. As a result of having the complete end to end solutions we have the option to ‘Make vs. Buy’ choices, and resulting in bringing down costs and helping us to create more cost effective solutions for our customers. While independent analysts project challenging times, they are united in their forecast of a strong domestic outlook in the medium to long term. Your company’s management will continue to focus on operational and commercial excellence across all its operations and also leverage its asset footprint to drive customer centricity with its differentiated product portfolio to overcome the market challenges. Looking ahead there is no doubt that we continue to face significant challenges, but am confident in equal measure that we are better prepared than ever before and that we have a strong, sustainable long-term outlook. This journey has demanded extra ordinary patience and understanding from all our stakeholders – our employees, customers, vendors, our shareholder family and, most important, and our domestic lenders. We the Management Team of the Company, and every member of the Magicut family remains grateful for your support and, with it, we are confident of Countering Challenges and Building Long-term Value for all our stakeholders.

Thanks & Best Wishes,

Narendra R Gupta
Chairman

DIRECTORS' REPORT

The Directors present the Annual Report of your Company together with the audited financial statements for the financial year ended 31st March 2015.

FINANCIAL PERFORMANCE

The standalone audited financial results for the year ended 31st March 2015 are as under:

Particulars	For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2014
Income	546,555,730	632,569,611
Expenditure	630,540,531	577,671,848
Profit/ (Loss) before Depreciation and Tax	(83,984,801)	54,897,763
Depreciation	35,274,808	28,331,352
Profit / (Loss) before Tax	119,259,609	26,566,411
Deferred Tax/Current Tax	18,230,365	10736270
Profit/ (Loss) after Tax	(137,489,973)	15,830,141

OPERATIONS REVIEW

The company achieved revenue from operation of Rs. 546,555,730 and a net loss of Rs. 137,489,973 during 2014-15 against a revenue of Rs. 632,446,338 and net profit of Rs. 15,830,141 for the year 2013-14. The company made a loss after many years of profit can be attributed to decrease in sales value due to change in economic situation and liquidity issues.

DEBT RESTRUCTURING PROPOSAL

The banker of the Company namely Punjab National Bank has accepted the Debt Restructuring proposal.

DIVIDEND

In view of losses incurred during the year 2014-15, the Board of Directors does not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has transferred no Amount to Reserve during the Year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments, if any, affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of report.

ANNUAL RETURN

The extract of annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in prescribed form MGT-9 for the financial year 2014-15 is attached in **Annexure I**

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business activity during the year under review.