

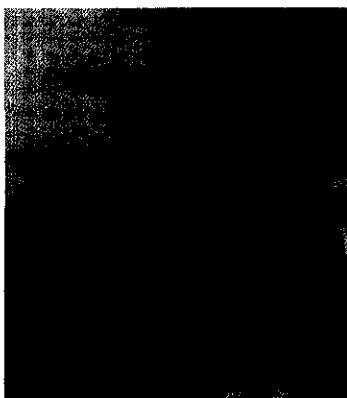
TRENT
LIMITED

A **TATA** Enterprise





MENSWEAR



WOMENSWEAR



YOUTHWEAR



ETHNICWEAR



KIDSWEAR



HOUSEHOLD ACCESSORIES



Fiftieth Annual Report 2001-2002

Board of Directors

S.N. Tata (Chairman)
N.A. Soonawala
H.N. Sethna
B.S. Bhesania
A.D. Cooper
K.N. Suntook
N.N. Tata (Managing Director)

Company Secretary

Mrs. H.R. Wadia

Registered Office

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

Bankers

Citibank N.A.

Auditors

N.M. Rajji & Co.

Share Registrars and Transfer Agents

Tata Share Registry Limited
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.

A TATA Enterprise



Fiftieth Annual Report 2001-2002

Notice

NOTICE is hereby given that the **FIFTIETH ANNUAL GENERAL MEETING OF TRENT LIMITED** will be held at the Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001, on Wednesday, 28th August, 2002 at 3.30 P.M. to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date.
2. To confirm the declaration and payment of interim dividend on equity shares.
3. To appoint a Director in place of Mr. A. D. Cooper who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. N. A. Soonawala who retires by rotation and is eligible for re-appointment.

5. **ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting the following article as Article 13A after Article 13:

Buy Back of Shares 13A: Notwithstanding anything contained in these Articles, the Board of Directors may, subject to the provisions of Section 77A, 77AA and 77B or other applicable provisions, if any, of the Act, buy-back such of the Company's own shares or securities as it may think necessary on such terms and at such time as the Board may in its discretion decide and deem fit."

6. To appoint Auditors and to fix their remuneration.

Notes:

- (a) The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item 5 set out above and the relevant details in respect of Items 3 and 4 above, pursuant to Clause 49 of the Listing Agreement, are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) The Register of Members and the Transfer Books of the Company will be closed from Saturday, 17th August, 2002 to Wednesday, 28th August, 2002, both days inclusive.
- (d) The entitlement to the discount coupons issued by the Company to the shareholders is related to their shareholding.
- (e) Pursuant to Section 205 of the Companies Act, 1956, all unclaimed/unpaid dividends up to the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period, are requested to forward their claims to the Office of the Registrar of Companies, CBD, Belapur 400 614, Telephone No.7576802.

Consequent upon the amendment of Section 205A of the Companies Act, 1956 and the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection

Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 1996 and subsequent financial years, are requested to make their claims to the Company accordingly, without any delay.

- (f) Having regard to the difficulties experienced by Shareholders in disposing of the shares held by them in physical form, Tata Share Registry Limited, Registrars of the Company has framed a Scheme for the purchase of such shares. Interested shareholders may contact Tata Share Registry Limited for further details.

By Order of the Board of Directors,

MRS. H. R. WADIA
Company Secretary

Registered Office:

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

Mumbai, 20th June, 2002

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item 5 in the accompanying Notice dated 20th June, 2002.

Item No. 5

Article 13(1) of the Articles of Association of the Company, prohibits the Company from buying its own shares.

It is proposed to introduce a new Article 13A in the Articles of Association as set out in the Resolution at Item No. 5 to enable the Company to purchase its own shares or securities in accordance with the provisions of the Companies Act, 1956. While your Company has no immediate plans for buy-back of own shares in the near future, the Resolution at Item No. 5 is being proposed for the limited purpose of bringing the Articles of Association of the Company in line with the amended provisions of the Companies Act, 1956 so that, if and when, the Company decides to progress buy-back of shares at a future date, the lack of an enabling provision in the Article of Association does not become an impediment to such a decision.

The Board commends the Resolution for acceptance by the Members.

A Copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Corporate Office at Navsari Buildings, 3rd Floor, 240, Dr. D. N. Road, Mumbai 400 001, between 11:00 A.M. and 1:00 P.M. on any working day of the Company.

DETAILS OF MR. A. D. COOPER AND MR. N. A. SOONAWALA, AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

Item No. 3

Mr. A. D. Cooper was appointed on the Board of Directors of the Company with effect from 29th May, 1984 and is a partner in S. B. Billimoria & Co., Chartered Accountants. Mr. Cooper has expertise in Financial & Management Consultancy and his qualifications are B.Com., F.C.A., A.C.M.A.

Names of other Public Companies in which Mr. A. D. Cooper holds directorships as on 31st March, 2002.	:	Lintas India Limited. Trent Brands Limited.
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Chairman/Member of the Committees of the Board of other Companies on which Mr. A. D. Cooper is a Director as on 31st March, 2002.	:	None.
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Fiftieth Annual Report 2001-2002

Item No. 4

Mr. N. A. Soonawala was appointed on the Board of Directors with effect from 29th January, 1982. His qualifications are B.Com., A.C.A.. Mr. N. A. Soonawala started his career in 1958 with ICICI from where he was deputed to the World Bank and International Finance Corporation [Washington] to study their methods of project appraisal and financing and through the World Bank to assist development banks in Africa. He joined Tata Sons Limited in 1968 and rose to the position of Finance Director from which he retired in June, 2000. He is, at present, Vice Chairman of Tata Sons Limited.

Names of other Public Companies : Tata Sons Limited (Vice Chairman); Tata Industries Limited; in which Mr. N. A. Soonawala holds directorships as on 31st March, 2002. Tata Engineering & Locomotive Co. Ltd.; Indian Hotels Co. Ltd.; Tata Tea Limited; Tata Investment Corpn. Limited (Vice Chairman); The Associated Cement Cos. Ltd.; Indian Resort Hotels Ltd.; Tata Chemicals Limited; Piem Hotels Limited; Tata Finance Limited.

Chairman/Member of the Committees : Tata Sons Ltd., Remuneration Committee [Chairman]; Tata of the Board of other Companies on Engineering & Locomotive Co. Ltd., Remuneration Committee; which Mr. N. A. Soonawala Tata Investment Corpn. Limited, Remuneration Committee and is a Director as on 31st March, 2002 Share Transfer and Investors' Grievance Committee [Chairman]; Tata Tea Limited, Remuneration Committee; Indian Hotels Co. Ltd., Remuneration Committee and Share Transfer & Investors Grievance Committee [Chairman]; The Associated Cement Companies Ltd., Compensation Committee.

By Order of the Board of Directors,

MRS. H. R. WADIA
Company Secretary

Mumbai, 20th June, 2002

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Directors' Report

Your Directors have pleasure in submitting their Report and the Statement of Accounts for the year ended 31st March 2002.

FINANCIAL RESULTS

	2001-2002 [Rupees in Crores]	2000-2001 [Rupees in Crores]
Total Income	90.60	66.13
Profit before Taxes and diminution in value of long-term investments	13.04	15.00
Provision for taxation	1.21	0.02
Profit after Taxes and before diminution in value of long-term investments	11.83	14.98
Provision for diminution in value of long-term investments	2.00	5.00
Profit after taxes and provision for diminution in value of long-term investments	9.83	9.98
Excess Tax Provision for prior years [net]	0.39	0.19
Net Profit	10.22	10.17
Balance brought forward from previous year	6.46	5.98
Balance available for appropriation	16.68	16.15
Interim Dividend	6.56	—
Final Dividend	—	7.87
Tax on Dividend	—	0.80
Transfer to General Reserve	1.03	1.02
Profit carried forward	9.09	6.46
	16.68	16.15

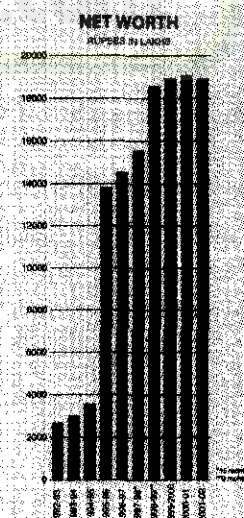
The total income of the Company for the year under review stood at Rs. 90.60 Crores, an increase of 37% over the previous year. Retail sales grew by a healthy 73%, whereas, there was a considerable reduction in Treasury Income.

The growth in Retail sales enabled the Company to make a profit, for the first time, in the Retail Business. These gains however were offset by a reduction in Treasury Income.

Profit after tax, but before diminution in value of long-term investments stood at Rs.11.83 Crores (previous year Rs. 14.98 Crores). The profits were affected by the reduced earnings from Treasury Operations due to lower interest rates which prevailed specially towards the end of the financial year.

As in the previous year, your Directors have decided to make a further provision of Rs. 2.00 Crores for diminution in value of long - term investments in certain mutual funds.

Consequently, the Net profit after provision for diminution in value of long-term investments stands at Rs.10.22 Crores.



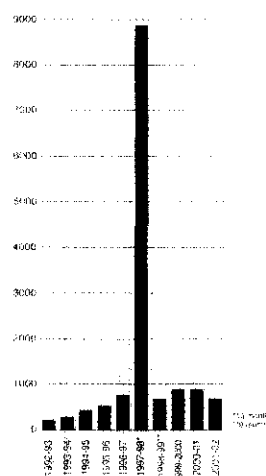


Fiftieth Annual Report 2001-2002

DIVIDEND

On 10th May 2002, the Board of Directors declared an interim dividend of Rs. 5/- per share (50%), on 1,31,17,764 shares, involving a distribution of Rs. 6.56 Crores which was paid in June 2002. Consequently, the Directors do not recommend a final dividend.

DIVIDEND DISTRIBUTION
(RUPEES IN LAKHS)

**RETAIL OPERATIONS**

Despite the persistent lack of buoyancy which prevailed all along the year and throughout the country, retail sales were 73% higher than the previous year.

This growth was achieved not only by adding two new stores, but also by a very good performance of the already existing five stores. This was driven by the Company's continuous quest for innovation and styling in all its retail activities, whilst at the same time the "Value for Money" equation was vigorously pursued and implemented.

There was also a considerable drive towards improvement in all business processes through the Tata Business Excellence Model on which your Company embarked in the last financial year and

which is bearing highly successful results in all areas of operations.

In the month of April 2001, the Company opened a 12,000 sq. ft. store in Karol Bagh, New Delhi, followed in June by the opening of the Kolkata store, admeasuring 18,000 sq. ft. The Delhi store is gaining popularity with West Delhi customers. The Kolkata store, situated in a prestigious complex on Camac Street, met with instant success and has made a name for itself in record time.

Due to delays in construction and various other reasons, our second store in Lajpat Nagar, New Delhi could not be opened in the year under review. The opening has now been planned for August 2002.

The Company also plans to open stores in Nagpur and Ahmedabad and a second store in Mumbai in the current financial year. Other locations are also under discussion.

Shareholders will be glad to know that our Retail Business achieved a profit after depreciation and interest. But for the delay in the opening of the second Delhi store, the results would have been better.

TREASURY INCOME

Shareholders will notice that income generated by Treasury Operations continued to decline, in line with the general reduction in interest rates and the reduction in surplus funds for Treasury Operations. In addition, the Company, in anticipation of an improvement in the equity market, continued to hold investments in balance /equity related funds but these funds did not pay any dividend during the year. The value of the Company's investment in these funds improved marginally during the year but continued to be below cost.

Therefore, your Directors, decided to make a further provision of Rs. 2.00 Crores in the year under review.

SUBSIDIARY COMPANY : TRENT BRANDS LTD.

This Company has declared an interim dividend of Rs. 1.30 Crores (previous year Rs. 2.92 Crores). Accounts of the Company are appended to this Report.

BUSINESS ASSOCIATES

The performance of the Retail Business could not have been achieved without the support of the many vendors from all parts of India who have greatly supported your Company in its endeavor to provide continuous improvement in the quality and styling of its products.

The Directors wish to place on record their appreciation to all its vendors for their continued support.

CORPORATE GOVERNANCE

As in the past, the Company continued to attach extreme importance to Good Corporate Governance in all its activities, with emphasis on integrity, accountability and transparency.

Included in the Accounts is the Auditors' Certificate regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. A separate section in this Report deals with the details required under this clause.

COMMUNITY INITIATIVES

Several initiatives continue to be in operation for the benefit of deprived communities located around our stores, with the accent primarily on children, education and welfare. Our customers joined the Company in collecting funds through sale of diyas and stars on festive occasions. Assistance was also extended to a number of Non-Government Organisations through the sale of their products from our stores, on a non-profit basis. All these activities will be expanded in the future.

PERSONNEL

Increased focus has been placed on Human Resource Development during the year. With the expansion plan of the Company, training of employees has been stepped up in order to provide as many opportunities as possible for our staff to

develop and take on larger responsibilities in the years ahead.

The Directors wish to express their gratitude to all employees and the management team for their sustained high commitment and dedication.

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is annexed and forms an integral part of this Report.

ENERGY TECHNOLOGY & FOREIGN EXCHANGE

The relevant information required to be given under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is not applicable to the Company's business.

The details of Foreign Exchange Earnings and Outgo are as per Note Nos. 14, 12 and 13 on the Balance Sheet and Profit and Loss Account.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. A. D. Cooper and Mr. N. A. Soonawala retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

The Auditors of the Company, M/s. N. M. Rajji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that -

(i) in the preparation of the annual accounts, the applicable accounting standards have been



Fiftieth Annual Report 2001-2002

followed and that there are no material departures;

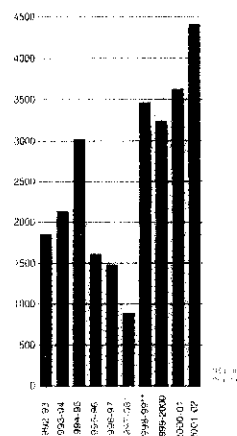
- [ii] they have, in the selection of the accounting policies consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- [iii] they have, taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- [iv] they have prepared the Annual Accounts on a going concern basis.

On behalf of the Board of Directors,

Simone N. Tata
SIMONE N. TATA
CHAIRMAN

Mumbai, 20th June, 2002

GROSS FIXED ASSETS
RUPEES IN LAKHS



TURNOVER
RUPEES IN LAKHS

