

TRENT

A **TATA** Enterprise



Annual Report
2002-2003



going places with style

acknowledged as the **trendsetter in style**, Westside regularly announces its fashion forecast for the season.



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



Fifty-First Annual Report 2002-2003

Notice

NOTICE is hereby given that the **FIFTY-FIRST 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, 27th August, 2003 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, 2003 and the Balance Sheet as at that date.
- 2] To declare a dividend.
- 3] To appoint a Director in place of Mrs. S. N. Tata, who retires by rotation and is eligible for re-appointment.
- 4] To appoint a Director in place of Mr. K. N. Suntook, who retires by rotation and is eligible for re-appointment.
- 5] To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT the Authorised Capital of the Company be increased from Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10/- each to Rs. 25,00,00,000 by creation of 1,00,00,000 Unclassified Shares of Rs. 10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly."
- 6] To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:
 For Article 5, substitute the following Article:
 '5. The Authorised Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores) divided into 1,50,00,000 Equity Shares of Rs. 10/- each and 1,00,00,000 Unclassified Shares of Rs. 10/- each."
- 7] 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 Items 5 and 6 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, 9th August, 2003 to Wednesday, 27th August, 2003, 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 205A 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 warrant(s) for the said period, are requested to forward their claims in prescribed Form No. II to the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Office of the Registrar of Companies, Central Government Office Bldg., 'A' Wing, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur 400 614, Telephone No. 27576802.

Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies [Amendment] Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of 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. It may be noted that the unclaimed dividend for the financial year ended 31st March, 1996 is due for transfer to the Investor Education and Protection Fund.

- [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.
- [g] No Hand bags/Parcels of any kind will be allowed inside the auditorium. The same will have to be deposited outside the Auditorium on the counter provided, at the shareholders'/proxies' own risks.

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, 28th July, 2003.

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

The following Explanatory Statements set out all material facts relating to the business mentioned under Items 5 and 6 in the accompanying Notice dated 28th July, 2003.

Items 5 and 6

The present Authorised Share Capital of the Company is Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10/- each. In order to fund the Company's expansion plans both for WESTSIDE as well as Food Retailing operations, the Company may have to issue further capital in some appropriate form.

In order to facilitate the Company to issue such capital as and when necessary, it is proposed to increase the Authorised Capital of the Company from Rs. 15,00,00,000 to Rs. 25,00,00,000 by creation of 1,00,00,000 Unclassified Shares of Rs. 10/- each. Consequently, Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company are proposed to be altered.

A copy of the Memorandum and Articles of Association of the Company, incorporating the proposed changes, is available for inspection at the Company's office at Navsari Buildings, 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.



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DETAILS OF MRS. S. N. TATA AND MR. K. N. SUNTOOK, AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

Item No. 3

Mrs. S. N. Tata is the Chairman of the Company since January 1982 and has been the Managing Director of the Company from April 1964 to June 1995. On attaining the age of 65 years, she retired from the office of Managing Director of the Company but continues to be the Non-Executive Chairman of the Board of Directors of the Company. She is the Chairman of Ratan Tata Institute, a Trustee of Children of the World (India) and Indian Foundation for the Arts. Mrs. S. N. Tata is a graduate from Geneva University.

Mrs. S. N. Tata has been awarded the Udyog Rattan Award in 1988 as "the Woman of Decade" in appreciation of her contribution to the Industry. She was awarded the "Visionary of the Year" award at the recently held Images Fashion Awards.

Names of the other Public Companies in which Mrs. S. N. Tata holds directorships as on 31st March, 2003. : Trent Brands Limited (Chairman)
Tata Industries Limited

Chairman / Member of the Committees of the Board of other Companies on which Mrs. S. N. Tata is a Director as on 31st March, 2003. : None.

Item No. 4

Mr. K.N. Suntook has been appointed on the Board of Directors with effect from 22nd August, 1995. Mr. Suntook has business experience in general and legal, in particular. His qualifications are B.A., LL.B. (Advocate), F.C.S.

Names of other Public Companies in which Mr. K. N. Suntook holds directorships as on 31st March, 2003. : National Peroxide Limited, The Associated Building Company Limited (Chairman); Tata Investment Corporation Limited, The Tata McGraw-Hill Publishing Company Limited.

Chairman / Member of the Committees of the Board of other Companies on which Mr. K.N. Suntook is a Director as on 31st March, 2003. : Tata Investment Corporation Limited; Audit Committee and Remuneration Committee, (Chairman), Investment Committee and Asset/Liability Committee; National Peroxide Limited, Audit Committee; The Cricket Club of India, Executive Committee and Investment Committee.

By Order of the Board of Directors,

MRS. H. R. WADIA
Company Secretary

Mumbai, 28th July, 2003.

Directors' Report

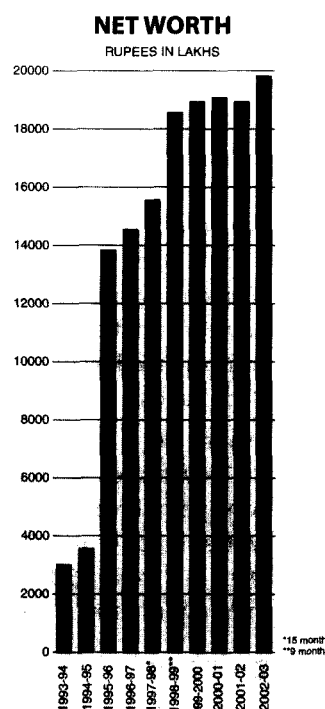
TO THE MEMBERS,

The Directors are pleased to present their Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS

	2002-2003 [Rupees in Crores]	2001-2002 [Rupees in Crores]
Total Income	120.10	90.60
Profit before taxes and diminution in value of Long Term Investments	14.45	13.04
Less : Provision for diminution in value of Long Term Investments	2.40	2.00
Less : Provision for taxation	2.20	1.21
Add : Excess/[Short] Tax Provision for prior years [Net]	7.04	0.39
Profit after Tax	16.89	10.22
Balance brought forward from previous year	9.09	6.46
Balance available for appropriation	25.98	16.68
Proposed Dividend : - Interim	—	6.56
- Proposed Dividend	7.21	—
Tax on Dividend	0.93	—
Transfer to General Reserve	1.69	1.03
Profit carried forward	16.15	9.09
	25.98	16.68

For the year under review, the total income of the Company stood at Rs.120.10 crores, recording an increase of 33% over the previous year. Retail sales grew by 45%, whereas income from Treasury was



reduced partly due to lower interest rates and a shift in investment in Mutual Funds from Dividend Option to Growth Option.

RETAILING OPERATIONS

The retailing business of the Company showed satisfactory results with net sales reaching Rs.104.57 crores, an increase of 45% over the previous year. Profit before tax of the retailing business recorded a quantum jump at Rs.2.64 crores (previous year Rs.0.17 crore). These results were achieved inspite of uncertain market conditions, which prevailed through most of the year.

During this period two new stores were successfully opened in Lajpat Nagar, New Delhi and in Nagpur. Their performance has been very satisfactory.

The current financial year has already seen the opening of two new stores, at Kala Ghoda, Mumbai in April 2003 and near Law Gardens, Ahmedabad in June 2003. This will be followed by two more stores located in Noida and North Mumbai adding a



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further 34,000 sq.ft. of retail space to our existing 1,84,500 sq.ft.

TREASURY OPERATIONS

Treasury Operations were impacted by reduced earnings due to soft interest rates, further investments into the expansion of the retail business and shift of investments in Mutual Funds from Dividend Option to Growth Option. It must be noted however, that soft interest rates have been partly compensated by the improvement in the NAV of the Debt Funds.

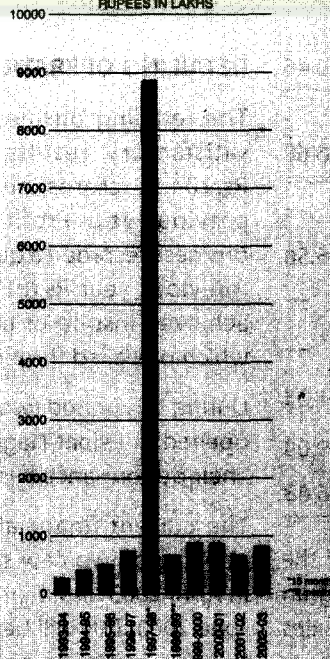
Profits were also affected by a final provision of Rs.2.40 crores towards diminution in value of Long Term Investments. An excess provision for tax written back of Rs.7.04 crores brings the net profit after tax to Rs. 16.89 crores, an increase of 65% over the previous year.

DIVIDEND

The Directors recommend the payment of a dividend of Rs.5.50 per share on 1,31,17,764 Equity Shares of Rs.10/- each for the year ended 31st March, 2003.

DIVIDEND DISTRIBUTION

RUPEES IN LAKHS



SUBSIDIARIES

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Annual Reports of the subsidiary companies for the year ended 31st March, 2003 have not been attached with the Balance Sheet of the Company. The Company will make these documents/details available upon request by any member of the Company interested in obtaining the same. However, pursuant to Accounting Standard 21 issued by the Institute of the Chartered Accountants of India, the Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries.

Trent Brands Limited

The Company did not declare any dividend in the year under review.

Flora Services Limited

During the year under review, Flora Services Limited became a subsidiary of Trent Limited. Flora Services Limited is engaged in the business of rendering sourcing activities, clearing & forwarding and other related services to Trent Limited.

CORPORATE GOVERNANCE

The Board of Directors and the entire management is dedicated to the principles of Good Corporate Governance and lays strong emphasis on accountability, transparency and integrity. The Company follows the Code of Conduct and standards framed by the Tata Group, which sets standards of behaviour, professionalism and ethical values, including compliance to regulatory requirements.

COMMUNITY INITIATIVES

It is the Company's belief that being a good corporate citizen and contributing to key communities is an integral part of the way it wants to do business. Initiatives such as collecting money from the Company's customers by selling Diyas and Stars and setting up large tables with prominent signage of "Community Assistance" on which products made by Non-Government Organisations (NGO) are sold

on a non-profit basis, during the festive season continue to be taken. NGOs are carefully selected on the basis of the Company's aim of assisting children and mothers. Technical assistance is also given to NGOs in helping them to produce products in line with the customers tastes and at commercial prices, as also advising them on export formalities. The Company endeavours to ensure that none of its suppliers employ child labour. It also insists that fair wages are paid to the workers. It is also starting to educate its suppliers on waste disposal so as not to cause pollution to water or environment. Collection of unused medicines is an on-going process in various office locations. Large amounts of these medicines are thus obtained and donated to the Ram Krishna Mission.

PERSONNEL

On-going improvements in systems and their application through the Tata Business Excellence Model have helped the Company, Management and Staff to substantially improve efficiencies at all levels. The Management is extremely grateful to all its employees and wish to extend to them its very sincere appreciation for their enthusiasm and dedicated efforts, which has enabled the Company to grow and be at the forefront of the retail industry.

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

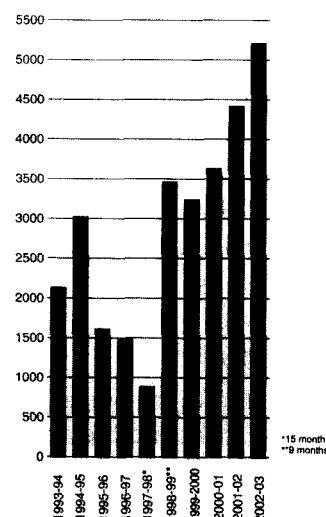
The relevant information required to be given under section 217(1)(e) of the Companies Act, 1956, read with the Companies [Disclosure of Particulars in the Report of the Board of Directors] Rules, 1988, is not applicable to the Company's business.

The details of Foreign Exchange Earnings and Outgo are as per Note Nos. 15, 13 and 14 on the Balance Sheet and Profit and Loss Account.

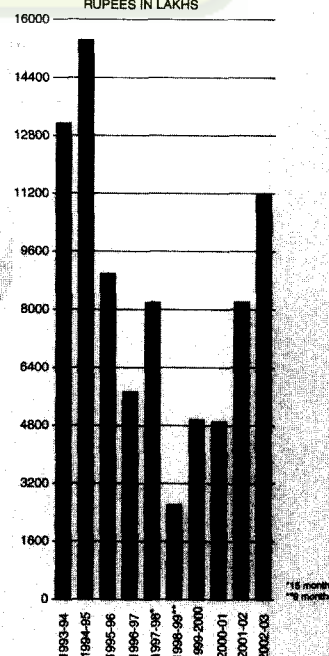
DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association,

GROSS FIXED ASSETS
RUPEES IN LAKHS



TURNOVER
RUPEES IN LAKHS



Mrs. S. N. Tata and Mr. K. N. Suntook 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 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, 30th June, 2003.

