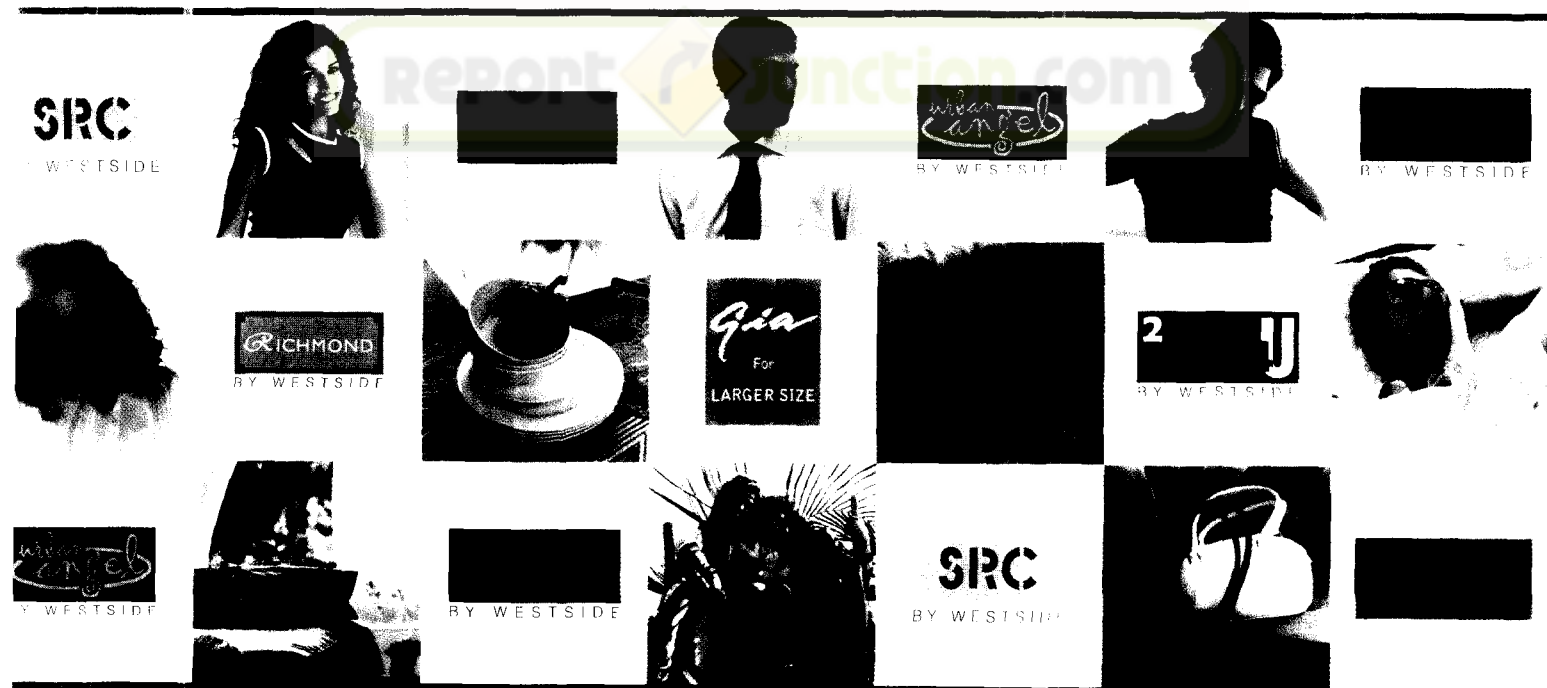


TRENT

A **TATA** Enterprise



Annual Report
2004-2005



WESTSIDE





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Board of Directors

S.N. Tata (Chairman)

N.A. Soonawala

Dr. H.N. Sethna (retired w.e.f 1st November 2004)

B.S. Bhesania

A.D. Cooper

K.N. Suntook

F. K. Kavarana (w.e.f. 1st November 2004)

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.

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Notice

NOTICE is hereby given that the **FIFTY-THIRD ANNUAL GENERAL MEETING** of **TRENT LIMITED** will be held at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001 on Tuesday, 27th September, 2005 at 3.30 p.m. to transact the following business :

- 1] To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
- 2] To confirm the declaration and payment of interim dividend on equity shares.
- 3] To appoint a Director in place of Mr. N. A. Soonawala, who retires by rotation and is eligible for re-appointment.
- 4] To appoint a Director in place of Mrs. S. N. Tata, 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 pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. F. K. Kavarana, who was appointed as an Additional Director by the Board of Directors pursuant to Article 124 and Article 128 of the Company's Articles of Association and who holds office upto the date of this meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, be and is hereby elected and appointed as a Director of the Company”.

- 6] To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

“RESOLVED THAT in supersession of the Special Resolution passed by the Shareholders at the Annual General Meeting of the Company held on 14th September, 2000 and in accordance with the provisions of Sections 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall also include a Committee thereof) or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant, either directly or through a trust, to such employees as are in the permanent employment of the Company and to the Directors of the Company, at the time the grant is made, as may be decided solely by the Board, whether in India or abroad, whether Shareholders of the Company or not, an option to subscribe to such number of Equity Shares of the Company, of the face value of Rs.10/- each under the Employees' Stock Option Scheme (hereinafter referred to as the “Scheme”) and thereafter to issue, allocate or allot, either directly or through a trust, such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, as set out in the Explanatory Statement hereto, not exceeding 2,00,000 Equity Shares of the Company and the Equity Shares, whenever so issued, allocated and allotted, shall rank *pari passu* in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue Price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem

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necessary or desirable for such purpose, including to withdraw, suspend or revive the Scheme from time to time and to make and accept any modifications in the proposal, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue."

- 7] To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with the provisions of Sections 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Articles of Association of the Company and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant, either directly or through a trust, to such employees as are in the permanent employment of the Company's subsidiaries, at the time the grant is made, as may be decided solely by the Board, whether in India or abroad, whether Shareholders of the Company or not, an option to subscribe to such number of Equity Shares of the Company, of the face value of Rs.10/- each under the Employees' Stock Option Scheme (hereinafter referred to as the "Scheme") and thereafter to issue, allocate or allot, either directly or through a trust, such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, as set out in the Explanatory Statement hereto, not exceeding 20,000 Equity Shares, within the aggregate limit of 2,00,000 Equity Shares of the Company as referred to in Resolution at Serial No. 6 above and the Equity Shares, whenever so issued, allocated and allotted, shall rank *pari passu* in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue Price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, including to withdraw, suspend or revive the Scheme from time to time and to make and accept any modifications in the proposal, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue."

- 8] 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 to 7 set out above and the relevant details in respect of Items 3, 4 and 5 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 Friday, 19th August 2005 to Friday, 2nd September, 2005, both days inclusive, for the purpose of Annual General Meeting.
- [d] The entitlement to discount coupons issued by the Company to the shareholders is related to their shareholding.



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- [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. 022-27576802.

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 shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by IEPF.

Accordingly, the Company has transferred to IEPF all unclaimed/unpaid dividends upto the fifteen month period ended 30th June, 1998.

Members who have not yet encashed their dividend warrant(s) for the nine month period ended 31st March, 1999 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 nine month period ended 31st March, 1999 is due for transfer to the IEPF on 26th August, 2006.

- [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, 16th August, 2005.

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

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 7 in the accompanying Notice dated 16th August, 2005.

Item No. 5

Mr. F.K. Kavarana was appointed as an Additional Director of the Company w.e.f. 1st November, 2004. He holds office as Additional Director upto the date of this AGM. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member signifying an intention to propose Mr. Kavarana as a candidate for the office of Director. Mr. Kavarana is therefore eligible for appointment to office of Director, whose office shall not be liable to retire by rotation.

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Mr. F.K. Kavarana is a Director of Tata Sons Ltd. and Tata Industries Ltd., the apex holding companies of the Tata Group. He is Chairman of several Tata Companies in India and abroad.

The Board considers that the Company would benefit immensely from Mr. Kavarana's rich experience in the fields of finance and management and therefore recommends his appointment.

None of the Directors except Mr. Kavarana is deemed to be interested or concerned in passing of this resolution.

Item Nos. 6 and 7

In the context of today's competitive environment, Stock Option Schemes, designed to foster a sense of ownership and belonging amongst the personnel, are globally accepted as a means of rewarding deserving employees of a company.

The retail scenario in India is getting increasingly competitive with new domestic entrants, all firming up plans to start operations.

With a view to retain key talent as also to further the sense of belonging and participation in the Company, it is proposed to offer to the Director/s, senior and middle management (hereinafter referred to as the "Employees"), Stock Options, as may be decided by the Board of Directors (the Board)/Compensation Committee constituted by the Board. The Stock Options would be granted in addition to the existing compensation payable to the Employees.

Under the Employee Stock Option Scheme (hereinafter referred to as the "Scheme"), the Employees will be given an option to acquire a certain number of Equity Shares at the exercise price set out in item 4 below. On exercise of the option, the Employees will pay the exercise price per share and the shares will be allotted to them.

The Scheme will be in accordance with the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, prescribed by Securities and Exchange Board of India (SEBI) as may be prevailing from time to time (hereinafter referred to as the "SEBI Guidelines").

The salient features of the Scheme are set out below :

1. Total number of Stock Options/Shares to be issued under the Scheme:

Up to 2,00,000 (Two Lakh) Stock Options in the aggregate; [(each stock option after it is vested) being exercisable for one fully paid up Equity share of Rs. 10/- each on payment to the Company at a price(s) to be determined in accordance with the Scheme] will be available for being granted to the Employees of the Company and its subsidiaries.

In case of bonus and rights issues and split of shares, the aggregate number of Stock Options would increase pro-rata.

Vested Stock Options that lapse due to non-exercise or unvested Stock Options that get cancelled due to resignation of any Employee or for any other reason whatsoever would be available for re-grant at a future date.

2. Identification of classes of employees entitled to participate under the Scheme of the Company:

- (i) Permanent management employees of the Company working in India or out of India;
- (ii) Director/(s) of the Company;
- (iii) Permanent management employees and Director/(s) of the subsidiary companies working in India or out of India,



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as may be decided by the Compensation Committee on completion of the appraisal process for employees covered in (i) and (iii) above as set in Item 6 below and for Directors covered in (ii) and (iii) above as may be decided by the Board/the Compensation Committee, are entitled to participate in the Scheme, subject to the following exclusions:

- (i) An employee who is a promoter or belongs to the promoter group.
 - (ii) A Director who either by himself or through relative(s) or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
3. Requirement of vesting, period of vesting and maximum period within which Stock Options shall be vested :
The vesting of options shall commence after a period of one year from the date of grant, and may extend upto a maximum period of five years (as may be determined by the Compensation Committee) from the date of grant. The vesting may occur in tranches as may be stipulated by the Compensation Committee at its discretion and may include the performance appraisal of the Employee(s).
 4. Exercise Price/Pricing Formulae :
Exercise Price means price payable by the Employee(s) for exercising the Stock Option granted to him in pursuance of the Scheme and that will be the face value of the Equity Share of the Company i.e. Rs. 10/- per share.
 5. Exercise Period and process of exercise :
The exercise period for the options shall commence from the date of vesting and will expire after four years from the date of vesting or as may be decided by the Compensation Committee from time to time.
Against each vested Stock Option, an Employee shall be entitled to be allotted one fully paid up Equity Share on payment to the Company an amount of Rs. 10/- per share.
 6. Appraisal Process for determination of eligibility of Employees :
Stock Options will be granted on the basis of performance and managerial grade and/or any other criteria as may be approved by the Board/Compensation Committee.
 7. Maximum number of stock options to be issued per Employee and in the aggregate :
The number of stock options that may be granted per Employee under the Scheme shall be determined by the Board/Compensation Committee from time to time within the aggregate limit of 2,00,000 Stock Options; number of Stock Options to an Employee shall not exceed 10,000 Stock Options in a year.
 8. Disclosure and Accounting policies :
The Company shall comply with the disclosure and accounting policies prescribed by SEBI and with any other applicable regulations.
 9. Method of stock option valuation :
The Company intends to use the intrinsic value method to calculate the employees compensation cost subject to the applicable legal provisions.
In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of stock options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

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10. Bonus and Rights Issues and Split of Shares :

A fair and reasonable adjustment will be made to the number of stock options for bonus and rights issues and for split of shares between the date(s) of grant of stock options and exercise(s) of stock options.

Section 81 of the Companies Act, 1956, provides, *inter alia*, that whenever it is proposed to increase the Subscribed Capital of a company by a further allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section unless the shareholders in general meeting decide otherwise.

The Members of the Company at the Annual General Meeting (AGM) held on 14th September 2000 had approved of introduction of an Employees' Stock Option Scheme on the terms and conditions contained in the Explanatory Statement annexed to the Notice of the said AGM held on 14th September, 2000. However the said Scheme was not then implemented by the Company.

Approval of Members is now being sought, in supersession of the earlier resolution passed on 14th September, 2000 in terms of Section 81(1A) of the Companies Act, 1956 and also in terms of SEBI Guidelines, for issue of Equity shares of the Company to the Employees under the Scheme.

Directors of the Company may be deemed to be interested or concerned in the Resolutions to the extent that Stock Options/Equity Shares could be granted/issued to them under the Scheme.

The Board recommends the Resolutions for approval of the Members.

DETAILS OF MR. N. A. SOONAWALA, MRS. S. N. TATA AND MR. F. K. KAVARANA AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Item No. 3

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 the other Public Companies in which Mr. N. A. Soonawala holds Directorships as on 31st March, 2005	:	Tata Sons Ltd. (Vice Chairman), Tata Industries Ltd., Tata Motors Ltd., Indian Hotels Co. Ltd., Tata Tea Ltd., Tata Investment Corporation Ltd., The Associated Cement Cos. Ltd., Indian Resort Hotels Ltd.*
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*Resigned w.e.f. 13th May, 2005

Chairman/Member of the Committees of the Board of other Companies on which Mr. N. A. Soonawala is a Director as on 31st March, 2005	:	Tata Sons Ltd., Remuneration Committee and Audit Committee (Chairman); Tata Motors Ltd., Remuneration Committee; Tata Investment Corporation Ltd., Remuneration Committee and Share Transfer and Investors' Grievance Committee (Chairman); Tata Tea Ltd., Remuneration Committee; Indian Hotels Co. Ltd., Remuneration Committee and Share Transfer and Investors' Grievance Committee (Chairman); The Associated Cement Companies Ltd., Compensation Committee.
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Item No. 4

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 India Foundation for the Arts. Mrs. S.N. Tata is a graduate from Geneva University.

Names of the other Public Companies in which : Trent Brands Limited (Chairman)
Mrs. S.N. Tata holds Directorships as on : Tata Industries Limited*
31st March, 2005

Chairman/Member of the Committees of the Board of: None
other Companies on which Mrs. S.N. Tata is a
Director as on 31st March, 2005

*Resigned w.e.f. 1st April, 2005.

Item No. 5

Mr. F.K. Kavarana is a Director of Tata Sons Ltd. and Tata Industries Ltd., the apex holding companies of the Tata Group. He is Chairman of several Tata Companies in India and abroad. Between 1994 and 2000, he was Executive Director of Tata Engineering & Locomotive Co. Ltd. (now Tata Motors Ltd.), India's largest automobile manufacturer. Prior to that he was Vice-Chairman & Managing Director of Tata International AG, Switzerland, responsible for the Tata Group's overseas operations and investments.

Before joining the Tata Group in 1975, he held key positions with McKinsey & Co. Inc., in London and Washington D. C. – as well as the Bowater Corporation in London and Europe. He has advised leading international financial institutions, including the World Bank, as well as industrial companies on strategic and organizational issues.

Mr. F.K. Kavarana graduated with B.Com (Hons) degree from the University of Bombay in 1963, and with an MBA from the Wharton School, University of Pennsylvania in 1970. He is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Names of the other Public Companies in which : Tata Sons Ltd., Tata Industries Ltd., Tata Tea Ltd., Titan
Mr. F.K. Kavarana holds Directorships Industries Ltd., Tata Projects Ltd., Tata Infotech Ltd.,
as on 31st March, 2005 Tata AIG Life Insurance Co. Ltd., Tata AIG General
Insurance Co. Ltd., Sitel India Ltd., Tata Asset
Management Ltd., Center for Entrepreneurship.

Chairman/Member of the Committees of the Board of: Tata Sons Ltd., Audit Committee; Titan Industries Ltd.,
other Companies on which Mr. F.K. Kavarana Shareholders' Grievance Committee (Chairman); Tata
is a Director as on 31st March, 2005 Industries Ltd., Audit Committee and Remuneration
Committee; Tata Infotech Ltd., Shareholders' Grievance
Committee; Tata AIG Life Insurance Co. Ltd., Audit
Committee (Chairman); Tata AIG General Insurance
Co. Ltd., Audit Committee (Chairman).