

Notice

NOTICE is hereby given that the **FIFTY - FOURTH ANNUAL GENERAL MEETING of TRENT LIMITED** will be held at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001 on Friday, 8th September, 2006 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 2006 and the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
- 2] To declare a dividend.
- 3] To appoint a Director in place of Mr. K. N. Suntook, who retires by rotation and is eligible for re-appointment.
- 4] To appoint a Director in place of Mr. B. S. Bhesania, 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 Mr. Zubin S. Dubash, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27th October 2005 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

- 6] To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification of Resolution No. 5 passed at the Annual General Meeting of the Company held on 3rd September 2004 and in accordance with the provisions of the Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”) read with Schedule XIII of the Act, the Company hereby approves of the revision in the perquisites and allowances payable to Mr. N. N. Tata, Managing Director, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from April 1, 2006 for the remainder of the tenure of his contract as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

- 7] 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 309 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”), a sum not exceeding one per cent per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Whole-time Director) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing 1st April, 2006 and expiring with the financial year ending 31st March, 2011.”

- 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 Items Nos. 5 to 7 set out above and the relevant details of directors seeking appointment / re-appointment under Items Nos. 3 to 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- [c] The Register of Members and the Transfer Books of the Company will be closed from Tuesday 8th August 2006 to Tuesday 29th August 2006, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Meeting, payment of such dividend will be made on or after 9th September, 2006 as under:
- (i) To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 7th August 2006.
 - (ii) To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 7th August 2006.
- [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 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 the IEPF.
- Accordingly, the Company has transferred to IEPF all unclaimed / unpaid dividends in respect of the Financial Years 1995-96 to 1997-98.
- Members who have not yet encashed their dividend warrant[s] for the financial year 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 financial year ended 31st March 1999 is due for transfer to IEPF on 26th September 2006.
- [f] Having regard to the difficulties experienced by shareholders in disposing of the shares held by them in physical form, TSR DARASHAW LIMITED, Registrars of the Company, has framed a Scheme for the purchase of such shares. Interested shareholders may contact TSR DARASHAW 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, 2nd August, 2006

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

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 2nd August, 2006.

Item No. 5

Mr. Zubin Dubash was appointed as an Additional Director of the Company w.e.f. 27th October 2005. As per the provisions of Section 260 of the Act, Mr. Dubash holds office as Additional Director upto the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment. The Company has received a notice pursuant to Section 257 of the Act, along with the requisite deposit from a member signifying an intention to propose Mr. Dubash as a candidate for the office of Director.

The details of Mr. Dubash along with his brief resume are given in the Annexure to the Notice. Taking into account the experience and expertise of Mr. Dubash the Board recommends his appointment.

None of the Directors except Mr. Zubin Dubash is deemed to be interested or concerned in passing of this Resolution.

Item No. 6

Mr. N. N. Tata was re-appointed as the Managing Director of the Company for the period of 5 years with effect from 15th June 2004 on the terms and conditions and remuneration as approved by the Shareholders at the Annual General Meeting of the Company held on 3rd September 2004.

In order to give flexibility to the Board of Directors (the Board) to decide upon the perquisites and allowances to be granted to Managing Director from time to time, within the overall ceilings prescribed under the Act, it is proposed to revise the terms of remuneration relating to perquisites and allowances of Mr. N. N. Tata with effect from 1st April, 2006. The Board of Directors at its meeting held on 28th June, 2006 have approved of the aforesaid proposal, subject to the approval of the Members. All the other terms and conditions of re-appointment and remuneration of Mr. N. N. Tata would remain unchanged. The revised terms of remuneration are as set out below:

- A. Remuneration:** Salary up to a maximum of Rs. 4,00,000/- per month with annual increments effective 1st April every year as may be decided by the Board of Directors based on merit and taking into account the Company's performance, benefits, perquisites and allowances as determined by the Board from time to time; and commission based on certain performance criteria to be prescribed by the Board.
- B. Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Tata, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 309 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as amended from time to time.

In compliance with the provisions of Section 309 and 310 read with Schedule XIII of the Act, the revised terms of the remuneration of Mr. Tata are now being placed before the Members in general meeting for their approval. The Board recommends the Resolution for approval by the Members.

Mr. N. N. Tata, Managing Director and Mrs. S. N. Tata, Chairman are concerned or interested in the Resolution mentioned in Item No. 6 of the Notice.

This may also be treated as an abstract of the draft Agreement between Mr. N. N. Tata and the Company pursuant to Section 302 of the Act.

Item No. 7

At the Annual General Meeting of the Company held on 27th August 2001, the members had approved of the payment of remuneration by way of commission to the non-whole-time Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of five years commencing 1st April 2001.

Taking into consideration the increased role of Directors in the emerging competitive environment, especially the added responsibilities of non-whole-time Directors, required by the new Corporate Governance regulations at various Board and Committee Meetings, it is appropriate that the Directors (apart from the Managing Director and Whole-time Directors, if any) be compensated and therefore, it is proposed that, in terms of Section 309 of the Act, the non-whole-time Directors be paid for each of the five financial years commencing from 1st April, 2006, a remuneration not exceeding 1% of the net profits of the Company, computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the non-whole-time Directors in accordance with the directions given by the Board. The commission that will be paid will be in addition to the sitting fees for attendance of Board / Committee Meetings.

All the Directors of the Company apart from the Managing Director are concerned or interested in the Resolution mentioned at Item 7 of the Notice to the extent of the remuneration that may be received by them.

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, 2nd August, 2006

DETAILS OF MR. K. N. SUNTOOK, MR. B. S. BHESANIA AND MR. ZUBIN DUBASH AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**Item No. 3**

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

Names of the other Public Companies in which Mr. K. N. Suntook holds Directorships as on 31 st March, 2006	: Tata Investment Corporation Ltd., National Peroxide Ltd., The Associated Building Company Ltd., Tata McGraw-Hill Publishing Co. Ltd.
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Chairman / Member of the Committees of the Board of other Companies on which Mr. K. N. Suntook is a Director as on 31st March, 2006 : Tata Investment Corporation Ltd. – Audit Committee (Chairman), Investment Committee, Remuneration Committee (Chairman), Asset / Liability Committee; National Peroxide Ltd. – Audit Committee, Remuneration Committee, Cricket Club of India Ltd. – Executive Committee, Investment Committee.

Number of Shares held in the Company : 275

Item No. 4

Mr. B. S. Bhesania has been appointed on the Board of Directors of the Company w.e.f. 17th May 1983 and is a senior partner of M/s. Mulla & Mulla & Craigie Blunt & Caroe, with specialization in areas in shipping laws, corporate laws, property laws etc. His qualification are B.Sc. LL.M. Advocate, High Court, Mumbai and Supreme Court of India, Solicitor, High Court, Mumbai, Supreme Court of England & Wales and Supreme Court of Hongkong.

Names of the other Public Companies in which Mr. B. S. Bhesania holds Directorships as on 31st March, 2006 : Bhansali Engineering & Polymers Ltd., Bombay Rayon Fashions Ltd, DGP Hinoday Industries Ltd., Gilt Edge Finance & Investments Ltd.

Chairman / Member of the Committees of the Board of other Companies on which Mr. B. S. Bhesania is a Director as on 31st March, 2006 : Bhansali Engineering & Polymers Ltd.– Remuneration Committee; Bombay Rayon Fashions Ltd, Audit Committee

Number of Shares held in the Company : Nil

Item No. 5

Mr. Zubin Dubash is the Group Chief Financial Officer of WNS Global Services, the No.1 provider in leveraged offshore outsourcing solutions to the Global 500. He has over 24 years of international experience in finance and business development.

Prior to joining WNS, Mr. Dubash served as Executive Director of the Indian Hotels Company Ltd (Taj Group of Hotels). He was directly responsible for strategic planning, business development and finance for the Taj Group. He has also served as a Director of Tata Financial Services, a division of Tata Sons Ltd and was involved in advising Tata Group companies on their corporate finance requirements.

Mr. Zubin Dubash holds a Bachelors Degree in Commerce from Mumbai University and a Masters in Business Administration from The Wharton School, Philadelphia. He is also a Chartered Accountant from the Institute of Chartered Accountants in England and Wales.

Names of the other Public Companies in which Mr. Zubin Dubash holds Directorships as on 31st March, 2006 : None

Chairman / Member of the Committees of the Board of other Companies on which Mr. Zubin Dubash is a Director as on 31st March, 2006 : None

Number of Shares held in the Company : Nil

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their Fifty Fourth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

	2005-2006 [Rupees in Crores]	2004-2005 [Rupees in Crores]
Total Income	357.59	246.10
Profit before taxes and Exceptional Items	35.04	24.56
Less: Exceptional Items	0.75	-
Less: Provision for taxation	9.91	5.31
Profit for the year after Tax	24.38	19.25
Add/Less: Excess/(Short)		
Tax Provision for prior years [Net]	-	(0.19)
Net Profit	24.38	19.06
Balance brought forward from previous year	15.28	15.21
Balance available for appropriation	39.66	34.27
- Interim Dividend	-	7.87
- Proposed Dividend	9.38	-
- Tax on Dividend	1.32	1.12
- Transfer to Debenture Redemption Reserve	13.00	-
- Transfer to General Reserve	2.50	10.00
Profit carried forward	13.46	15.28
	39.66	34.27

The total Income of the Company for the fiscal year under review stood at Rs.357.59 Crores, i.e., an increase of 45% over the previous year, thus doubling its turnover in the last 2 years. Profit before taxes at Rs.34.29 Crores grew by 39% over the previous year and profit after taxes of Rs.24.38 Crores by 28%. On a consolidated basis, the turnover for the year was at Rs.419.11 Crores with a net profit after tax of Rs.28.80 Crores.

DIVIDEND

On 28th June 2006, the Board of Directors recommended a final dividend of Rs.6.50 per share (65%) on 1,44,27,811 shares, involving a distribution of Rs. 9.38 Crores.

ISSUE OF PARTLY CONVERTIBLE DEBENTURES WITH DETACHABLE WARRANTS

During the year, the Company issued 13,10,047 Partly Convertible Debentures of Rs.900/- each. The Convertible portion of Rs.400/- each has been converted into 1 equity share of a face value of Rs.10/- each at a premium of Rs.390/- each on the date of allotment. The Non-Convertible portion of a face value of Rs.500/- will be redeemable at a premium of Rs.98/- in July 2010. Further, a similar amount of warrants were also issued, entitling the holders to apply for 1 equity share of Rs.10/- at a premium of Rs.640 after expiry of 54 months from the date of allotment, or earlier in the event the Company proposes to issue further securities.

Consequent to the above issue, the paid-up capital of the Company has increased from Rs.1311.78 Lakhs to Rs.1442.78 Lakhs on 31st March 2006.

RETAILING BUSINESS

The Retailing Business had another good year with a strong growth in revenue of 49% at Rs.338.93 Crores,

reinforced by a segment profit of Rs.24.91 Crores, i.e., 75% above the previous year. Six new stores were commissioned at various intervals, all performing in line with the Company's expectations. These are mostly located in areas supporting existing flagship stores. STAR INDIA BAZAAR the first Hypermarket of the Company located in Ahmedabad, consolidated its position. A second hypermarket, situated in Bangalore will be opening soon. As of March end, the Company was operating 23 stores covering 600,000 sq ft.

TREASURY INCOME

Compared to the previous year the Company's Treasury Income was lower by 5% as the Company only booked a modest profit on the sale of some of its long-term investments.

NEW BUSINESS

During 2005-06, the Company alongwith its subsidiaries acquired 79% interest in the partnership firm, LANDMARK, the largest book and music retailer in the country, which is poised for a rapid expansion. The cost of this acquisition was Rs.108.5 Crores. LANDMARK has been converted into a public limited company and is now a subsidiary of the Company. For the year 2005-06, LANDMARK recorded a turnover of Rs.96.01 Crores and posted a net profit after tax of Rs.6.69 Crores. The Company's share of the profit for the period (31st August, 2005 to 31st March 2006) amounting to Rs. 2.38 Crores has been included in the financial results of Trent Limited.

STOCK OPTIONS

The Company has granted 45850 stock options, under the Employee Stock Option Scheme, to senior managers and selected officers of the Company.

The entire cost of Rs.3.96 Crores will be amortized over the 24-month vesting period commencing 1st December 2005 as per SEBI Guidelines. The proportionate amortization cost for the year amounting to Rs.0.64 Crores has been debited to Profit & Loss Account.

SUBSIDIARIES:**TRENT BRANDS LIMITED**

Trent Brands Limited ended the year with a net profit of Rs.5.41 Crores in the year under review. The Company has declared an interim dividend of Rs. 1.95 Crores (60%) on 24th March, 2006.

FIORA SERVICES LIMITED

Fiora Services Limited continues to render various services to the Company, including sourcing and warehousing. It posted a profit of Rs.0.56 Crores for the year under review and did not declare any dividend.

SATNAM DEVELOPERS & FINANCE PRIVATE LIMITED

Satnam Developers & Finance Private Limited is a 100% subsidiary of the Company which is developing office space partly for the Company's use in the Bandra-Kurla Complex. Construction work on the project is in progress after some initial delays due to late receipt of approvals.

NAHAR THEATRES PRIVATE LIMITED

The Company acquired 100% of the share capital of Nahar Theatres Private Limited, the owner of premises from where the Company operates its WESTSIDE Store at Lajpat Nagar, New Delhi, at a cost of Rs. 28.33 Crores.

FIORA LINK ROAD PROPERTIES LIMITED

Fiora Link Road Properties Limited is 100% subsidiary of the Company and holds 0.05% in the share capital of Landmark Limited.

COMMUNITY SERVICES

The Company, being city-centered, has forged ahead with its support to 36 child welfare organizations, especially those involved with street children, in the cities where it operates. Our representatives have visited them to convey our appreciation and support for their laudable work. At the same time, the Company has continued supporting NGOs for sale of their products, either as suppliers to the Company or on special displays during the festival season.

Combining our business purpose with our community responsibility, we shall continue to expand our initiatives focusing on children and women welfare. The Company also assisted various organizations/NGOs with donations in the field of health care and environment.

APPRECIATION

The Directors wish to thank each and every employee for their contribution to the good performance of the Company. The culture of efficiency, dedication and integrity witnessed at all levels of the organization will continue to sustain a profitable growth.

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.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Corporate Governance and a Management Discussion and Analysis Report are attached to this Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. K.N. Suntook and Mr. B.S. Bhesania retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Mr. Zubin Dubash has been appointed as an Additional Director, w.e.f. 27th October 2005. However, as an Additional Director, Mr. Dubash holds office up to the date of the Annual General Meeting and is eligible for appointment. The Directors recommend the appointment of Mr. Zubin Dubash as Director on the Board of the Company.

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 judgments 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.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

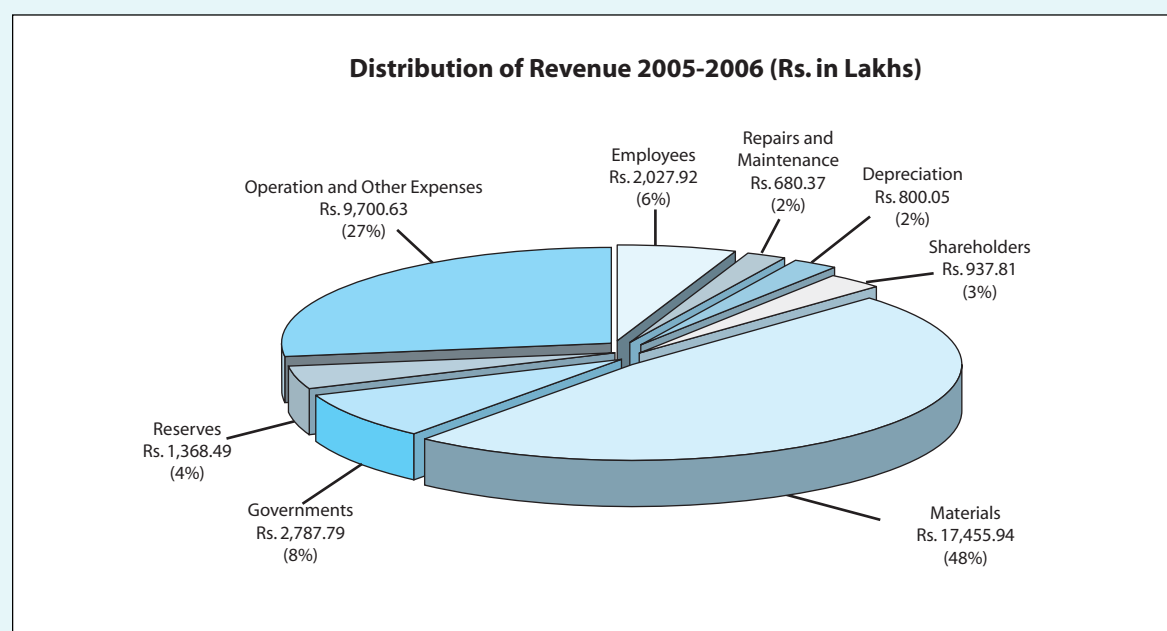
Information relating to energy conservation is not applicable to the Company as per Section 217(1) C of the Companies Act, 1956.

Foreign Exchange earnings and outgo are stated on Page 41, Note 16 & 17 on the Balance Sheet and Profit and Loss Accounts. The Company earned Rs.10.49 crores in foreign currency from retail sales through international credit cards.

On behalf of the Board of Directors,

SIMONE N. TATA
Chairman

Mumbai, 2nd August, 2006



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY DEVELOPMENT

The high growth rate of the Indian economy has once again been the highlight of the year under review with the service and industrial sectors in the forefront. It is expected that this momentum will be further sustained in the current year with a general buoyancy extending to all segments of the economy.

The organised retailing industry has also been on a high growth path for several years fuelled by favourable economic conditions. Whilst added competition has developed nationwide over the last 6 years, consumer demand has, nevertheless, accelerated and expanded resulting in a much larger customer audience than hitherto. Noteworthy, is the contribution of the service industry which absorbs year after year a larger number of well remunerated young Indians, eager to spend and share in the "Good Life" reserved so far to a few privileged ones.

OPERATIONS - WESTSIDE

Your Company has had another successful year and grew from 16 to 22 stores. The new entrants are located in Bangalore, Vadodara, Kolkata, Ghaziabad, Gurgaon and Delhi, thus extending its coverage in existing large cities and expanding to new ones. Three of our properties have also been expanded at Lajpat Nagar (Delhi), Noida and in Mumbai's Kala Goda.

In keeping with its objective of fashion leadership, new initiatives have been undertaken in many fields. Noteworthy, has been the re-launch of the Men's Fashion Department, with upgradations in styles, quality of fabric and designs. Lately, the Company launched a new brand, ASCOT, aimed at discerning customers. This new line has been extremely well received and is widening and strengthening the range of our men's apparel. The Footwear line, after its initial success, has also been expanded to more stores.

STAR INDIA BAZAAR

The Company's hypermarket located in Ahmedabad progressed substantially in the later part of the year,

which has seen a large upsurge in its footfalls. The opening of a second hypermarket in Bangalore had to be postponed to the current year, due to non-completion of the building.

LANDMARK

During the year 2005-06, the Company acquired 79% interest in LANDMARK, a partnership firm engaged primarily in retailing books and music, which is the largest in India. By the close of the financial year, it operated 5 stores located in Chennai and Bangalore, and it recorded a turnover of Rs.96.01 crores. In May 2006, a new store was opened in Andheri, Mumbai. LANDMARK expects to end the current financial year with a total of 10 stores. The Company holds over 100,000 book titles and is a treasure trove for all avid readers. Besides it has a strong presence in toys and furnishings.

TREASURY INCOME

As the stock market witnessed a phenomenal bull run in the period under review, the Company marginally increased its investments into the equity market which yielded good results.

Compared to the previous year, however, Treasury Income was lower as only a small part of its profit on long term investments was realized.

TECHNOLOGY & MANAGEMENT

In October 2004, the Company successfully completed the implementation of SAP IS Retail for its Hypermarket Division, which was the first of its kind in India. This has been acknowledged as a success story on its completion by the SAP Management. The Company has embarked on a further plan to upgrade the IT infrastructure of its WESTSIDE Stores, including the introduction of SAP. This project will be completed by the end of this financial year.

In July 2005 the Company became the second Indian Company to be inducted in the Hall of Fame of the Balance Score Card (BSC), which is a strategy focused organization concept. The BSC implementation has been instrumental in driving significant growth in profitability, turnover and customer satisfaction.