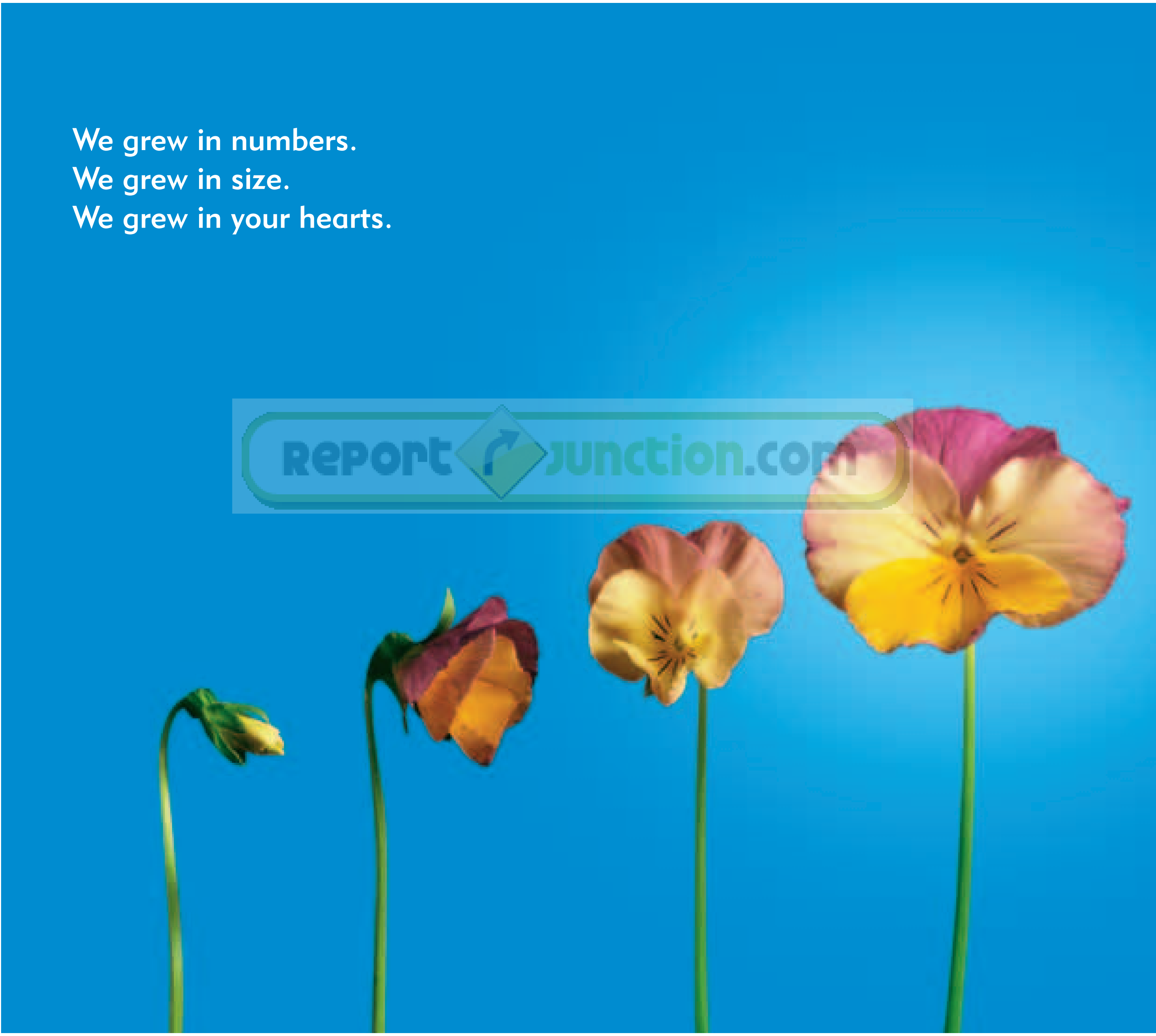
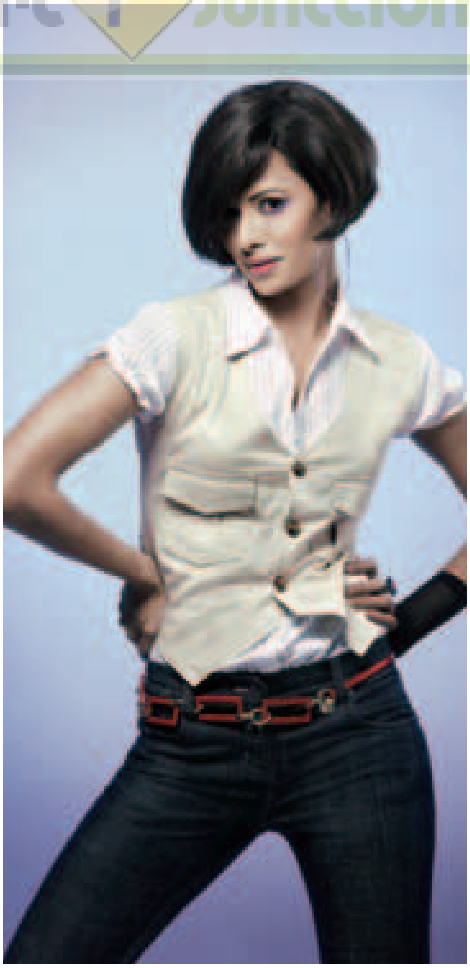
A TATA Enterprise

TRENT LIMITED



56th ANNUAL REPORT 2007 - 2008



Chairman Emeritus
S.N. Tata

Board of Directors
F.K. Kavarana (Chairman)
N.A. Soonawala
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
Tel: 022 6665 8282 Fax: 022 6750 9344
Visit us: www.mywestside.com

Registrar and Transfer Agents
TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

Solicitors
AZB and Partners, Mumbai

Auditors
M/s. N.M. Raiji & Co.,
Chartered Accountants

Bankers
Citibank N.A.
ICICI Bank Limited
HDFC Bank Limited

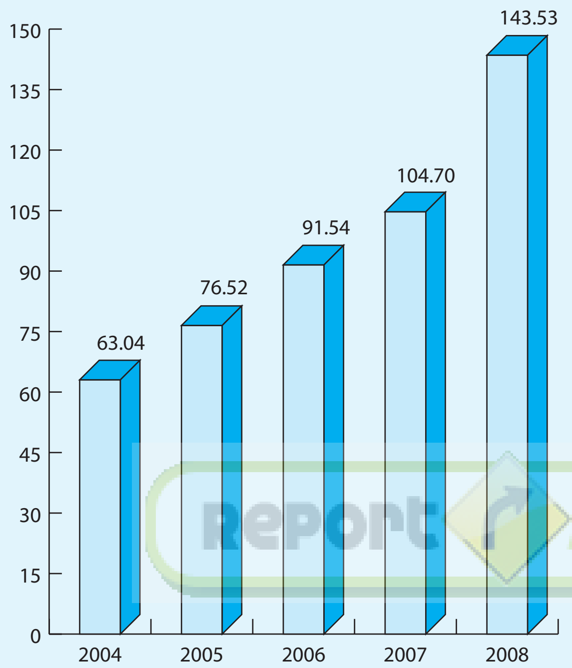
Annual General Meeting	: 27th August 2008
Time	: 3.30 p.m.
Venue	: Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai 400 001.

BOOK CLOSURE DATES
FRIDAY, 18TH JULY 2008 — TUESDAY, 29TH JULY 2008

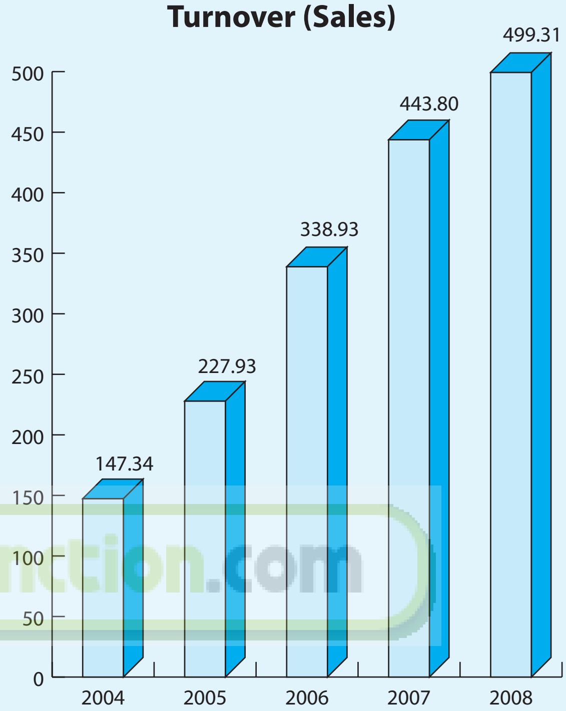
Financial Highlights

Rs. in crores

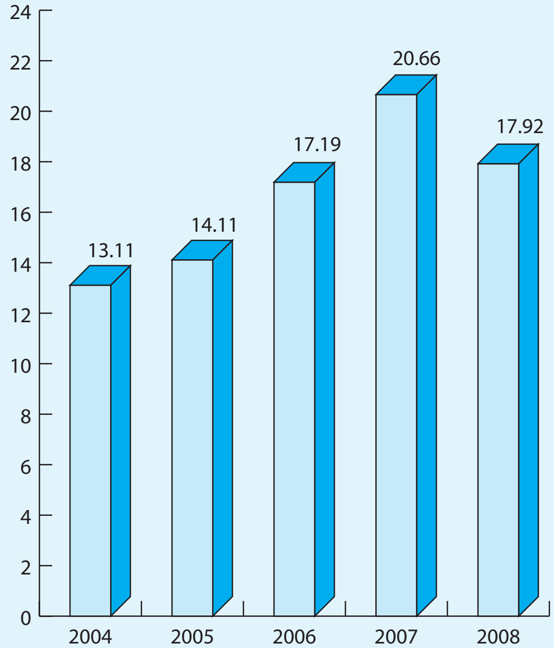
Gross Fixed Assets



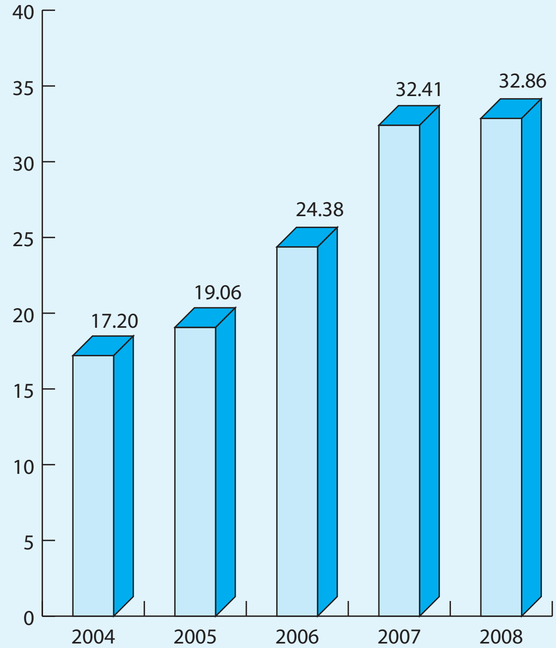
Turnover (Sales)



EPS - Basic (Rs. per share)



Profit After Taxes



Notice

NOTICE is hereby given that the **FIFTY - SIXTH ANNUAL GENERAL MEETING of TRENT LIMITED** will be held at Bombay House Auditorium, Bombay House, 24, Homi Mody Street, Mumbai – 400 001 on Wednesday, 27th August 2008 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 2008 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. B. S. Bhesania, 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 appoint Auditors and to fix their remuneration.

Notes:

[a] The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item Nos. 3 and 4 above are enclosed.

[b] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

[c] The Register of Members and the Transfer Books of the Company will be closed from Friday, 18th July 2008 to Tuesday, 29th July 2008, both days inclusive, for the purpose of payment of dividend to those Members whose names stand on the Register of Members as on 29th July 2008. The dividend in respect of Equity Shares held in electronic form will be payable to the beneficial owners of the Equity Shares as at the end of business hours on 17th July 2008 as per the details furnished by the Depositories for this purpose.

[d] The dividend on Equity Shares as recommended by the Directors for the year ended 31st March 2008 will be payable on or after 28th August 2008 in accordance with the resolution to be passed by the Members of the Company.

[e] The entitlement to discount coupons issued by the Company to the shareholders is related to their shareholding.

[f] Pursuant to Section 205A and 205C of the Companies Act, 1956, all unclaimed/unpaid dividend, interest on deposits as well as principal amount of deposits as at March 31, 2008 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Share Transfer Agents, for payment in respect of unclaimed/unpaid dividends declared by the Company on or after 27th August 2001.

[g] 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.

[h] 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, 30th June 2008

Details of Directors Seeking Re-appointment at the Annual General Meeting

Particulars	Mr. B.S. Bhesania	Mr. K.N. Suntook
Date of Birth	3rd November 1933	22nd May 1935
Date of Appointment	17th May 1983	22nd August 1995
Qualifications	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.	B.A, LLB (Advocate), F.C.S.
Expertise in specific functional area	Shipping laws, corporate laws, property laws etc.	General and legal.
Directorships held in other public companies (excluding foreign, private and Section 25 companies)	Bhansali Engineerng & Polymers Limited Bombay Rayon Fashions Limited	Tata Investment Corporation Limited National Peroxide Limited The Associated Building Company Limited.
Membership / Chairmanship of committees of other public companies (includes only Audit and Shareholders/ Investors Grievance Committee)	Bhansali Engineerng & Polymers Ltd. – Audit Committee (Member), Bombay Rayon Fashions Limited - Audit Committee (Member).	Tata Investment Corporation Limited – Audit Committee (Chairman) National Peroxide Limited – Audit Committee (Member).
Number of shares held in the Company	Nil	360

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors are pleased to present their Fifty-sixth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2008.

FINANCIAL RESULTS

	2007-08 [Rupees in Crores]	2006-2007 [Rupees in Crores]
Total Income	**546.43**	472.42
Profit before taxes and exceptional items	**37.32**	40.99
Less: Provision for taxation	**4.74**	9.41
Profit for the year after tax	**32.58**	31.58
Add/Less: Excess/(Short) Tax Provision for prior years [Net]	**0.28**	0.83
Net Profit	**32.86**	32.41
Balance brought forward from previous years	**14.71**	13.46
Balance available for appropriation	**47.57**	45.87
– Interim Dividend		11.03
– Proposed Dividend	**13.67**	—
– Tax on dividend	**1.57**	1.88
– Transfer to Debenture Redemption Reserve	**5.00**	15.00
– Transfer to General Reserve	**3.30**	3.25
– Profit carried forward	**24.03**	14.71
	47.57	45.87

DIVIDEND

On 30th June 2008, the Board of Directors recommended a final dividend of Rs. 7/- per share on 1,95,32,896 equity shares (70%) (Previous year interim dividend - 70% on 1,57,60,737 equity shares) involving a distribution of Rs. 13.67 crores (previous year Rs. 11.03 crores). The total outflow will be Rs. 15.24 crores including the tax on dividend of Rs.1.57 crores.

ISSUE OF EQUITY SHARES ON RIGHTS BASIS

During the year under review, the Company allotted 31,48,264 equity shares of Rs 10/- each at a premium of Rs. 490/- each for an amount aggregating to Rs. 157.41 crores on Rights basis to the existing equity shareholders of the Company in the ratio of one fully paid equity share for every five equity shares held on the record date i.e. on 15th May 2007. The shares have been listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

ISSUE OF SECURITIES TO THE PROMOTERS OF THE COMPANY ON PREFERENTIAL ALLOTMENT BASIS

In December 2006, the Company had issued and allotted equity shares and warrants on preferential allotment basis, to the main Promoter shareholders of the Company, Tata Sons Limited and Tata Investment Corporation Limited, in accordance with the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 [SEBI (DIP) Guidelines].

The said warrants were offered to the Promoters with an option to convert each warrant into equity share not earlier than 1st June 2007 and not later than 31st March 2008. Consequent to the exercise of the option by the Promoters on 21st August 2007, the Company allotted 3,75,000 equity shares of Rs. 10/- each to Tata Sons Limited and 2,10,000 equity shares of Rs. 10/- each to Tata Investment Corporation Limited at a price of Rs. 743.65 per share, aggregating to Rs. 43.50 crores.

EMPLOYEES' STOCK OPTIONS

The Company had granted 45,850 stock options, under the Employees' Stock Option Scheme, to senior managers and selected officers of the Company. During the year under review, an additional 2,745 options were granted on account of the Rights Issue of the Company as per applicable SEBI Guidelines. Consequent to the exercise of the options, 38,895 equity shares of Rs. 10/- each were allotted at par. The unexercised Options have expired/forfeited in terms of the Scheme and no Options were outstanding as on 31st March 2008. The entire cost of Rs. 3.13 crores has been amortized as per SEBI Guidelines over the 24-month vesting period commencing 1st December 2005. The proportionate amortization cost for the year amounting to Rs. 0.94 crores has been debited to Profit & Loss Account.

RETAILING OPERATIONS

The retailing business of the Company witnessed a moderate growth in sales of 13% during the year under review, as compared to 31% in the previous year. Three Westside and two Star Bazaar stores were commissioned during the year, all performing broadly in line with the Company's expectations. At the end of the financial year, the Company was operating twenty-nine Westside and three Star Bazaar stores.

With an objective of restructuring its business portfolio, the Company has proposed the sale of its hypermarket business (Star Bazaar) at book value to its wholly owned subsidiary. The Company has approached the shareholders for obtaining an approval for the proposed sale through a Postal Ballot process. Further, in order to capitalize on the growth opportunity in this space, the Company is exploring various alternatives including the possibility of tie-ups with other players in the hypermarket business, by way of franchise or other arrangements subject to prevailing regulations.

TREASURY OPERATIONS

Compared to the previous year, the Company's treasury income increased by 66% to Rs. 30.06 crores. This was primarily on account of increase in income from mutual fund investments and the more favourable interest rate scenario from an investment perspective. The investment portfolio of the Company was augmented by the Rights and Preferential issues proceeds, pending their deployment for operations.

SUBSIDIARIES

Landmark Limited and its Subsidiaries

Landmark Limited is engaged in the business of retailing of books, toys, stationery and music. In April 2008, Ms. Hemalatha Ramaiah, a former shareholder and CEO of Landmark Limited opted to exit from the Company and the residual shares held by her were acquired by Tata Investment Corporation Limited. The two nominees of Ms. Hemalatha Ramaiah have since resigned from the Board of Landmark Limited. Consequent to her exit, Trent Limited along with its subsidiaries, associates and Tata Investment Corporation Limited holds 99.99% in the capital of Landmark Limited.

At present, Landmark Limited has eighteen stores (including seven airport and hotel stores). The income from operations of Landmark Limited increased from Rs. 137 crores to Rs. 179 crores in 2007-08, hence registering an encouraging year to year growth of about 30%.

During the year, two of the subsidiaries of Landmark Limited namely Westland Books Private Limited and Eastwest Books (Madras) Private Limited merged to form Westland Limited, pursuant to a Scheme of Amalgamation dated 4th March 2008 sanctioned by the Hon'ble Madras High Court which is effective from 1st April 2007. Westland Limited performed satisfactorily during the year.

Trent Brands Limited

Trent Brands Limited, a 100% subsidiary of the Company posted a net profit of Rs. 2.51 crores for the year under review. Trent Brands Limited has declared an interim dividend of Rs. 8/- per share (80%).

Fiora Services Limited

Fiora Services Limited continues to render various services to the Company in terms of sourcing activities, warehousing, distribution, clearing and forwarding. It posted a marginal profit of Rs. 1.2 lakhs for the year under review and did not declare any dividend for the year 2007-2008.

Other Subsidiaries

The other 100% subsidiaries of Trent Limited viz. Satnam Developers and Finance Private Limited, Nahar Theatres Private Limited and Fiora Link Road Properties Limited are all established to support the Company's real estate needs.

On an application made by the Company under Section 212(8) of the Companies Act, 1956, the Central Government vide letter dated 30th May 2008 has exempted the Company from attaching a copy of the Balance Sheet and the Profit and Loss Account and other documents of the subsidiary companies to be attached under Section 212(1) of the Act to the Annual Report of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A summarized statement of the financial performance of the subsidiary companies is contained in this Report. The Annual Accounts of the subsidiary companies are open for inspection by any member / investor and the Company will make available these documents / details upon request by any member of the Company or to any Investor of its subsidiary companies who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiary companies will also be kept for inspection by any investor at the Registered Office of the Company and at the Head Office of the subsidiary company concerned.

SOCIAL RESPONSIBILITY

The Company is acutely aware of its social responsibility and its policy in this respect is directed towards child welfare on a national basis and more particularly in the cities where it operates. A number of children organizations were financially assisted. The Company also extended its technical assistance and purchase of products to new NGOs and plans to further these activities in the future.

The Company strictly adheres to a number of human rights principles against discrimination and child labour, which also apply to its suppliers. Further, support has been given to environment protection organizations in the western region.

PERSONNEL

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

Pursuant to Clause 49 of the Listing Agreement, the Management Discussion and Analysis, the Corporate Governance Report, together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down, form part of this Annual Report.

DIRECTORS

Due to pre-occupation Mr. Zubin Dubash has resigned from the board as a Director of the Company w.e.f. 18th December 2007.

The Board has recorded its appreciation of the contribution made by Mr. Zubin Dubash during his tenure with the Company as a Director.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. B.S. Bhesania 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. Raiji & Co., Chartered Accountants, retire at the ensuing Annual

General Meeting and offer themselves for re-appointment.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

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

Foreign Exchange earnings and outgo are stated on page 47 on the Balance Sheet and Profit and Loss Accounts. The Company earned Rs. 15.45 crores in foreign currency from retail sales through international credit cards.

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 therefrom;

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.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation of the support which the Company has received from its promoters, bankers, suppliers and customers and most importantly, its employees.

On behalf of the Board of Directors

F.K. Kavarana
Chairman

Mumbai, 30th June 2008

Distribution of Revenue 2007-2008 (Rs. in Lakhs)