Trident Limited • 22nd Annual Report 2011-12

Building tomorrow!

Yesterday is experience. Today is action. Tomorrow is an opportunity.

At Trident, we believe in leveraging our rich experience, addressing the realities of the day and building on the opportunities for tomorrow.

We adopt a proactive approach to ascertain sustainable & profitable growth and to capitalize on potential future opportunities.

Understanding the need of laying the foundation today for **"Building Tomorrow"**, we have been constantly expanding our capacities, upgrading our capabilities through business excellence and ensuring that projects and activities add value for the stakeholders.

Contents

Trident capacities

Yarn	Home textiles	Paper	Chemicals	Power
365,904 spindles, 3,584 rotors, 90,000 TPA cotton & blended yarns and 6,825 TPA processed yarns	388 Looms 175 million pieces/annum towels	175,000 TPA paper	100,000 TPA sulphuric acid	50 MW power generation

About Trident

Trident's positioning

- One of the world's largest terry towel manufacturers
- One of India's largest exporters of terry towels
- One of the world's largest wheat straw-based paper manufacturers
- One of India's leading yarn manufacturers

Trident Vision

Inspired by challenge, we will add value to life and together prosper globally

Trident Values

To provide customer satisfaction through teamwork based on honesty and integrity for continuous growth and development

Trident Philosophy

To continue growth by leading national and international standards and embracing ethical means in harmony with the environment, ensuring customer delight, stakeholder trust and social responsibility

Trident Quality Endorsements

- Certified by FLO for Fair Trade Cotton
- GOTS certification by CUC for Organic Cotton
- Certified by Oekotex (Switzerland) for safe dyes and chemicals use
- Compliant with AATCC, ASTM and CTPAT standards
- ISO 9001, ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 quality certifications
- BIS quality certification

Trident Recognitions

- Star Trading House recognised by Government of India
- Forest Stewardship Council's (FSC) Chain of Custody (CoC) certificate for responsible sourcing of pulpwood fibre
- Licensed to use the Supima and Egyptian Cotton logos
- Licensed to use the Cotton USA logo

Trident Awards

- Golden Peacock Environment Management Award
- Four-time winner of the Wal*Mart Supplier of the Year
- Three-time winner of the JC Penney Award (Best Supplier, Innovation & Quality)
- Two-time winner of the IKEA Award (Quality & Sustainability)
- Three-time winner of the Corporate Governance Awards & Recognitions
- Rajiv Gandhi National Quality Award (textiles) by the Bureau of Indian Standards
- Texprocil's Silver trophy (Top Exporters – Terry Towels) & Bronze trophy (Highest Global Exports)
- 2011 Spotlight Bronze Award to Annual Report by "League of American Communications Professionals"
- Ranked 45th in GPTW Survey among 471 participants

Trident strengths

Size and integration

Among the world's largest integrated home textile and wheat straw-based paper manufacturers, which yields economies-of-scale, optimised cost structures and value-addition

Clientele

Customers include leading MNCs in 75 countries across the globe. The Company's clientele includes nine of the top-ten retailers in the US, six leading retailers in Europe and five of the top-seven retailers in ANZ

Technology

Embraced the latest technology and automation from global best technology partners at all stages of manufacturing and investing in progressive modernization to counter technological obsolescence

Project management

Proven project implementation track, and project management and monitoring teams possess a wide experience of executing various projects worth Rs. 27,000 million over the past five years

Human capital

Team comprises a mix of youth, experience and professionals with a cumulative organisational strength of about 10,000 employees

Quality

Quality teams keep a strict vigilance at all stages of production and ensure international quality standards through stringent quality control labs as per AATCC and ISO standards

Managing Director's message

At Trident, challenges have always inspired us to uncover the hidden opportunities behind them and utilize them to lay the foundation for "Building Tomorrow"

Dear shareholders,

It's my pleasure to take over as the Managing Director of Trident Limited and I thank the shareholders for bestowing their trust on me for this responsibility.

At Trident, challenges have always inspired us to uncover the hidden opportunities behind them and utilize them to lay the foundation for "Building Tomorrow"

While the last financial year presented its challenges in terms of fluctuating prices of raw material and currency exchange rates, we will continue to build on our capacities & capabilities to ensure relevance across all market cycles. The year has been a learning phase which has helped us chart a blueprint for a brighter future and has further fueled our momentum to bring Trident to a position of industry leadership.

Due to the commitment and dedication of the members, Company successfully completed its first phase of yarn expansion plans within record time and cost. The timely commissioning and stabilization of expansion projects could also be attributed to organization's focus on Kaizen, six sigma, quality maintenance, education and training.

We are also continuously adopting the best management practices, across business segments, to enhance our overall profitability, plant efficiency and customer satisfaction.

Looking forward to the next financial year, we would further adopt management processes that safeguard the interest of our stakeholders, build brand and create value.

I seek the support and trust you have reposed on us always.

With my best regards,

Abhishek Gupta
Managing Director

Financial highlights

(Rs. million)

Year ended	March 2008	March 2009	March 2010	March 2011	March 2012
Gross turnover*	12,062	15,456	19,737	28,296	30,984
Net sales	10,487	13,981	18,034	25,207	27,323
Exports	5,193	6,862	8,395	12,095	14,414
Gross profit (PBIDT)	1,818	2,605	3,560	4,140	3,202
Net profit/(loss) after tax	400	(530)	565	671	(437)
Networth	4,452	4,463	5,028	5,315	6,506
Fixed assets (gross block)	13,273	21,032	23,388	25,827	33,323

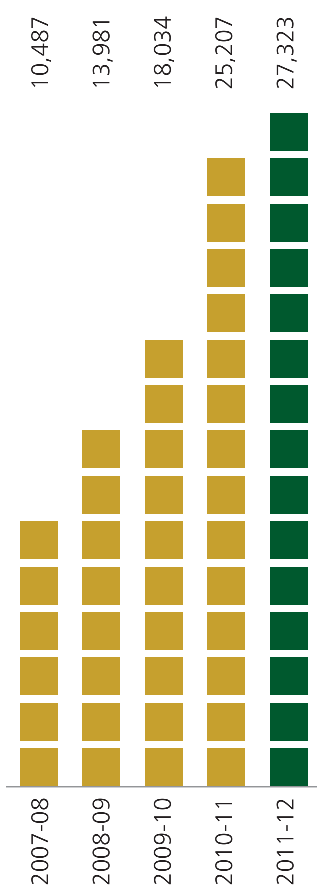
* Includes inter-segment sales

Financial indicators

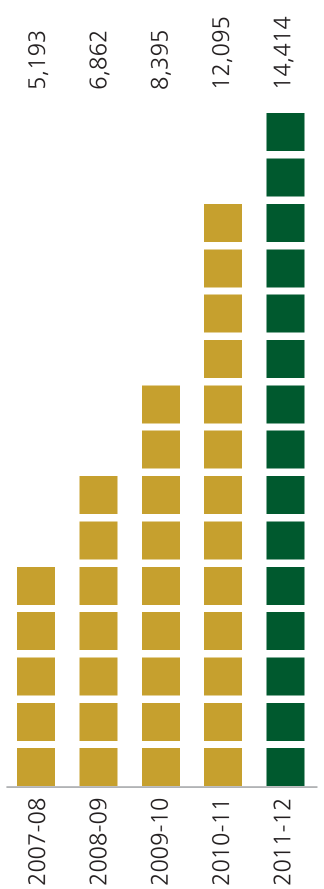
Year ended	March 2008	March 2009	March 2010	March 2011	March 2012
Gross profit margin (%)	17	19	20	16	12
Export sales/net sales (%)	50	49	47	48	53
Debt-equity ratio	2.88	3.49	3.40	3.61	3.51
CEPS (Rs.)	6.32	2.80	10.39	11.74	5.94
EPS (Rs.)	2.06	(2.64)	2.54	3.02	(1.59)
Book value per share (Rs.)	22.92	20.09	22.63	23.91	21.27
Turnover per share (Rs.)	62.11	69.56	88.83	126.87	112.32

Financial graphs

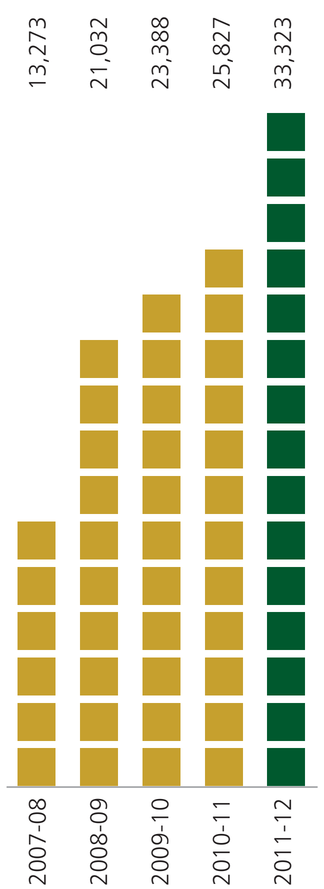
Net sales *(Rs. million)*



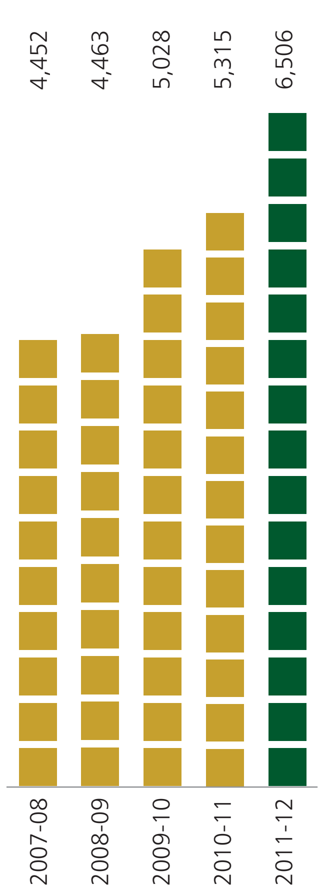
Exports *(Rs. million)*



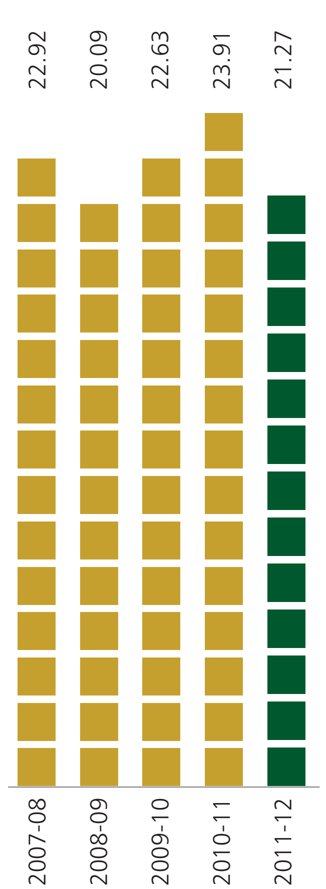
Fixed assets *(Rs. million)*



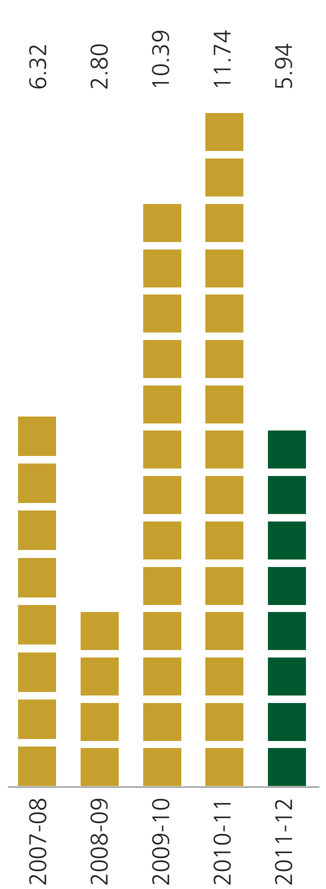
Net worth *(Rs. million)*



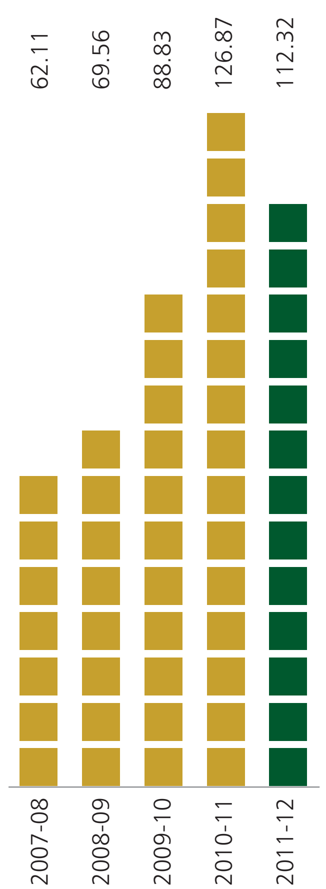
Book value per share *(Rs.)*



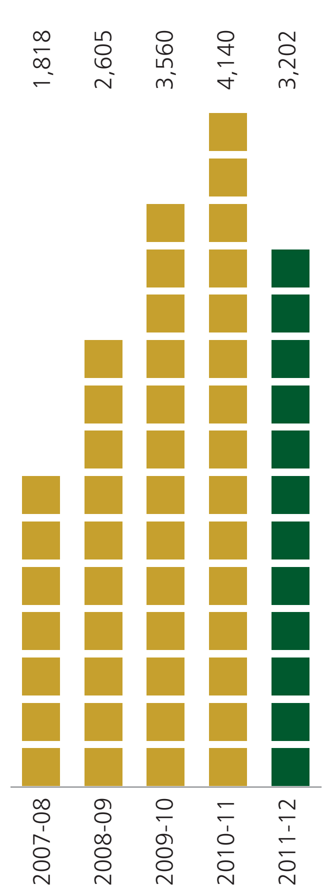
Cash EPS *(Rs.)*



Turnover per share *(Rs.)*



Gross profit *(Rs. million)*



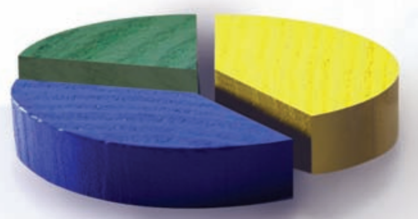
Building tomorrow

Through growing scale

At Trident, the concept of standing still does not exist. We must keep running even when the others are walking; we must walk when others are standing still.

We do so with the perspective that a progressive investment in capacity translates into superior economies of scale, strengthening the Company's competitiveness.

- At Trident, we commissioned an expansion in our yarn capacity at Sanghera (65,280 spindles and 1,664 rotors) and Budni (76,176 spindles)
- The second phase of our yarn expansion project involving the setting up of 134,448 spindles and 2,040 rotors is under progress
- The Company manufactures a wide range of yarn products in various finishes, catering to the mid and high-end markets; it achieved an average capacity utilisation of 94.48% in 2011-12
- The Company invested Rs. 170 million in enhancing efficiencies by modernising existing yarn facilities



Contribution to revenue

Home textiles	41.1%
Yarn	37.8%
Paper, chemicals & energy	21.1%

The Company achieved higher revenues of Rs 30,984 mn (9.5% growth) and export revenues of Rs 14,414 mn (19.2% growth) during 2011-12.

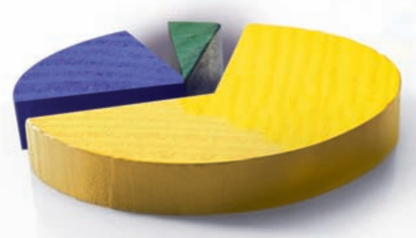
Building tomorrow

Through business excellence

At Trident, the focus is always on achieving excellence through a system of continuous growth and development. We must imbibe best management practices in the culture of our organisation which not only enhances efficiency and quality but also augments shareholder value and customer satisfaction.

We do so with the perspective that Business Excellence practices will enable us to improve quality, productivity, and customer satisfaction to identify our strengths and strategies for sustainable growth.

- Trident formulated its TPM policy with the objective to achieve zero accidents, zero defects and zero breakdowns
- Trident adopted the concept of 5S and Kaizen across the entire organisation, focusing on continuous improvement of processes in manufacturing and business management
- Trident adopted Kobetzu Kaizen which focuses on performance efficiency by eliminating 16 types of losses
- Trident implemented CLRI (Cleaning, Lubricating, Re-tightening, Inspection) across the organisation, wherein instead of specialised maintenance teams, CLRI is taken care of by operators to enhance ownership.



Contribution to Exports

Home textiles	74.0%
Yarn	20.9%
Paper, chemicals & energy	5.1%

Supplying quality products by adopting global best management practices by the Company, strengthens its relationships with world's renowned customers in 75 countries.

Building tomorrow

Through value-addition

At Trident, the focus is always to create a better product. Cater niche market segments. Innovations in absorption, touch, lightness, brightness and design of textile and paper products.

We do so with the perspective that our value-added products will push the envelope in terms of the industry's latest products, strengthen our profitability, mobilize adequate surpluses for reinvestment and accelerate the virtuous cycle.

- Entered new product segments comprising hard core filament yarn, blended yarn and high-end segments using imported cotton
- Developed eco-friendly and blended yarns for high end towels, yarn dyed Air Rich™ towels, embellished beach towel, luxurious velour towels, among others
- Introduced value-added paper varieties like Trident Eco Green Copier (ISO 92 brightness), Trident DigiPrint Copier, Platinum Line Maplitho (ISO 92 brightness), Stiffener Paper and FSC (Forest Stewardship Council) certified Maplitho paper

Capital employed

Home textiles	21.5%
Yarn	56.7%
Paper, chemicals & energy	21.8%

The share of value-added textile products increased by 27% and branded copier paper by 38% in 2011-12.

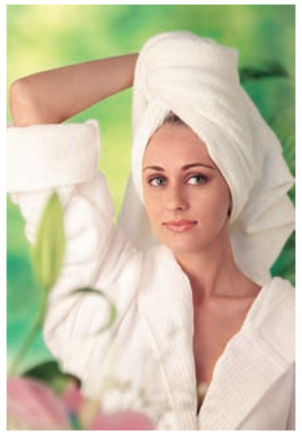
Home textiles

Revenue, 2011-12	Rs. 12,735.6 million
Proportion of total revenue	41.1%
Production	30,734 tonnes of terry towel 3,488 tonnes of greigh towel
Location-wise sales	83.8% exports 16.2% domestic
Product brands	• Home Essential • Classic • Kids & Mom • Floral • Colors • Indulgence

Overview

With 388 looms and 175 million pieces of annual towel manufacturing capacity, Trident is among the world's largest terry towel manufacturers. It possesses state-of-the-art manufacturing technology sourced from globally-renowned suppliers to manufacture world-class towels that are exported to 75 countries through reputed retail chains. The division won the 'Best Quality for Home' award and the 'Innovation Award' from JC Penney for its superior product quality and Rajiv Gandhi National Quality Award by the Bureau of Indian Standards.

1 Business segment



Product portfolio

Finishes	Types
*100% cotton basic towel range	*Bath towels
*100% combed cotton premium towel range	*Beach towels
*100% cotton with polyester border anti-microbial piece-dyed towel range	*Spa and hotel collection towels
*Yarn-dyed dobby towels	*Celebration/special occasion towels
*Yarn-dyed jacquards	*Bathrobes
*Piece-dyed dobby range	*Hand towels
*Single and double jacquards	*Face cloth/fringes
*Uni-dyed jacquards	*Bath mats
*Yarn-dyed stripes	
* Weft inserts and checks	
*Terry and velour finishes	

Highlights, 2011-12

- Revenues grew 17% from Rs. 10,908.5 million in 2010-11 to Rs. 12,735.6 million in 2011-12
- Profit before tax grew 51% from Rs. 854.2 million in 2010-11 to Rs. 1,291.4 million in 2011-12
- Achieved capacity utilisation of 76.46% and yield of 89.25%
- Patented technology for manufacturing superior quality Air Rich™ towels
- Share of value-added products increased by 27% in 2011-12.

Segment strengths

- **Strong research team:** Strong product engineering and development teams constantly engage in market surveys to study new fibre trends and technology to focus on product innovation. The team is working on enhancing towel surface finishes for better functionality and aesthetics
- **Integration:** Possesses state-of-the-art spinning, wide-width air jet and jacquard weaving, soft-flow dyeing and fully-automated cutting and sewing facilities. Almost 50% of cotton yarn is procured from in-house manufacture
- **Product quality:** Possesses a sophisticated laboratory that complies with AATTC and ISO standards. Quality control teams ensure strict conformance with stringent quality control parameters
- **Vendor relationships:** Enjoys longstanding relationships with major raw material suppliers, enabling it to enter into medium-term contracts with a lead time of six to eight weeks

Operations

- Invested Rs. 51.7 million to enhance capacity of the effluent treatment plant (ETP) from 10,000 kilo litres (kl)/day 12,500 kl/day to cater to effluent loads from processing units
- Implemented TPM (total productive maintenance) and TOC (theory of constraints). TPM ensures optimum utilisation of physical assets and human resources to enhance efficiency, productivity, quality and performance. TOC enables de-bottlenecking production to reduce throughput time and costs through better resource utilisation

Marketing

- Marketed products to 75 countries across the US, Europe, New Zealand, Australia, Japan, the Middle East and South Africa
- Strengthened marketing in the US and Europe through a strong focus on customer service
- Entered markets of Brazil, Chile, the Netherlands and Finland
- Successfully marketed Air Rich™ towels in the US and Asia

Outlook

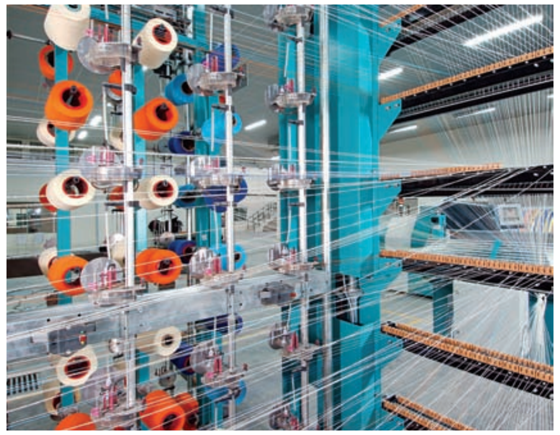
- Invest Rs. 200 million for the automation of cut, stitch and pack sections to enhance plant efficiency and reduce labour dependence
- Strengthen relationships with customers by offering innovative products, world-class services and reliable supply to mitigate volatility

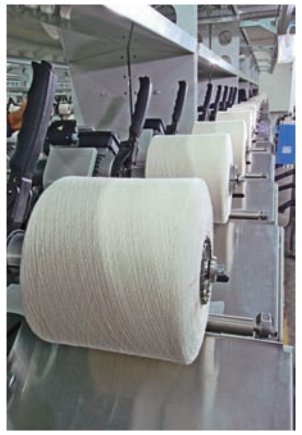
Yarn

Revenue, 2011-12	Rs. 11,684.6 million
Proportion of total revenue	37.8%
Production	59,611 tonnes
Location-wise sales	25.8% exports 74.2% domestic
Product brands	Trident Yarn

Overview

With a capacity of 90,000 TPA of cotton and blended yarns across 365,904 spindles and 3,584 rotors, Trident is among the largest yarn manufacturers in India. The Company possesses state-of-the-art technology sourced from globally-renowned suppliers to manufacture world-class yarn. It also enjoys quality certifications from Egyptian, PIMA and FLO cotton and recognition from CUC, IMO, GRS, ISO and OKEO.





Product portfolio

- *Combed weaving
- *Combed hosiery
- *Carded weaving
- *Carded hosiery
- *Cotton open-end
- *Organic cotton
- *Combed compact
- *Combed eli-twist
- *Combed slub
- *Carded slub
- * Water soluble
- *100% cotton with important mixing
- *100% polyester and cotton-polyester
- *100% viscose and cotton-viscose
- *100% modal and cotton-modal
- *100% soya and cotton-soya
- *100% bamboo and cotton-bamboo
- *Cotton Giza/Egyptian
- *Cotton Pima/Supima
- *Fair Trade Cotton
- *Extra-long staple cotton
- *Core-spun slub yarn
- *Hard-core yarn (T-400)
- *Sarona yarn
- *Stretch sarona yarn
- *Cotton excel yarn
- *Cotton-wool yarn
- *Cotton lyocell
- *High-bulk yarn
- *Core-spun
- *Compact
- *Specialised yarn (gassed mercerised, water soluble, air rich, bamboo/cotton and corn-cotton blended)
- *100% dyed yarn

Highlights, 2011-12

- Commissioned yarn expansion at Sanghera (capacity of 65,280 spindles and 1,664 rotors) and Budni (capacity of 76,176 spindles)
- Achieved average capacity utilisation of 94.48%
- Entered new product segments comprising core filament yarn, contamination yarn and high-end segments of imported cotton
- Diversifying and maximising value added product basket
- Introduced new products like fine-count compact yarn (up to Ne 80s) and high-shrinkage polyester-blended yarn
- Value-added products accounted for 35.7% of the total yarn production
- Increased focus on skill enhancement through training by competent engineers and audio-visual aids

Segment strengths

- **Technology:** The new units use the latest technology that includes link coner technology with auto doffer, zinser compact technology for ring frames and automatic waste collection and pressing technology, which would broaden the product basket and improve quality and plant automation
- **Range:** Manufactures a wide range of products in various finishes catering to the mid and high-end markets
- **Raw material security:** Enjoys long-term relationships with various Indian, American, Chinese and Egyptian traders and ginners to procure cotton and fibres, cost-effectively
- **Skilled manpower:** Provides continual training and development to enhance employee skills and productivity. Retention bonus schemes were also launched to retain skilled employees

Operations

- Higher focus on value-addition by using the compact spinning system (for better utilisation of high-end raw material with minimum damage to fibre to enhance yarn quality) and manufacturing yarn with finer counts (for knitting and weaving into softer, finer and luxurious fabrics) of up to Ne 80s
- Developed flexibility in existing units to run blends (non-cotton)
- Successfully implemented total productivity management at one of the yarn manufacturing units and is in the process of replicating the same at other units
- Implemented new incentive schemes for employees to enhance productivity

Customer focus

The division is repositioning its strategy through continuous innovation and its increasing share of high-end value-added products. A cross-function cell and centralised state-of-the-art lab with modern facilities was also developed to analyse quality parameters.

Marketing

- Products marketed across 19 countries
- Entered new markets like Tunisia, Poland, Sri Lanka, Dubai and Hong Kong

Outlook

- Focus on scheduled expansion of two yarn spinning units with 134,448 spindles and 2,040 rotors by the third quarter of FY13
- Fix blow room lines to manufacture value-added products
- Focus on developing relationships with large customers by strengthening the product basket and enhancing production capacity
- Restructure and optimise human resource to enhance profitability and productivity

Paper, chemicals and energy

Revenue, 2011-12	Rs. 6,533.7 million
Proportion of total revenue	21.1%
Paper production	146,416 tonnes
Sulphuric acid production	84,968 tonnes
Power generation	323 lac MWH
Location-wise sales	11.1% exports 88.9% domestic
Product brands	• Trident Eco Green • Trident Spectra • Trident My Choice • Trident Digi Print • Trident Natural

Overview

Trident is the world's largest manufacturer of wheat straw-based paper with an annual installed capacity of 175,000 tonnes of paper and 125,000 tonnes of pulp. It manufactures quality products, marketed across 40 countries, and among a few globally to invest in an elementary chlorine-free (ECF) plant and oxygen delignification technology, which prevents the cutting of 5,000 trees per day.

Trident also produces commercial/battery-grade sulphuric acid with a capacity of 100,000 TPA and 33 TPD of LR/AR/BG sulphuric acid. Further, it has a 50 MW cogeneration captive power plant equipped with the latest AFBC technology and multi-fuel boilers, can generate power consuming agro-wastes (rice husk), ETP sludge, methane (from ETP), pet & imported coke.

Product portfolio

Paper

- *Writing and printing paper
- *Branded copier paper: SPECTRA, My Choice, Trident Natural and Trident Eco Green
- *Maplitho paper under brands like: Diamond Line, Silver Line, Crystal Line, Super Line, Prime Line, Nature Line and Base Line
- *Bible and offset printing paper
- *Cream-wove
- *Watermark paper
- *Colour paper

Chemicals

- * Commercial
- * Battery
- * Chemically pure, laboratory and analytical grades of sulphuric acid

Energy

- * Power for captive use

Highlights, 2011-12

Paper

- Introduced new paper varieties like Trident Eco Green Copier (ISO 92 brightness), Platinum Line Maplitho (ISO 92 brightness), Stiffener and FSC (Forest Stewardship Council)-certified Maplitho paper

Chemicals

- Medium pressure steam, a by-product in sulphuric acid production, was used for digestion of wheat straw in the continuous digesters

Energy

- Supply of fly ash to cement plants and maintained environmental norms
- Produced 323 lac MWH units of power, meeting 75% of the Company's total energy requirements
- Tied-up with CCL for superior quality coal procurement
- Used alternative fuels like dung cake, rice husk, ETP sludge and methane, internal paper waste and pet coke to hedge against rising coal prices

Strengths

Paper

- **Range:** Manufactures a wide range of Copier, Maplitho and Cream-wove paper (writing and printing grades) between 60-120 GSM. Copier paper is used in multiple office purposes, whereas Maplitho and Cream-wove are used in textbooks and notebooks
- **Eco-friendly:** Uses agro-residue and ECF pulp to manufacture paper, which finds higher acceptance in international markets

Chemicals

- **Raw material security:** Positioned as the largest consumer of sulphur in the region and enjoys longstanding relations with suppliers
- **Range:** Manufactures various sulphuric acid grades that find use in various industrial applications

Energy

- **Flexibility:** The power plant is technologically equipped to use agro-wastes (rice husk), ETP sludge, methane (from effluent treatment plant) and pet and imported coke as raw material for power generation

Operations

Paper

- Undertook balancing of PPRU as a de-bottlenecking project, resulting in a production increase from 375 MT/day in 2010-11 to 399 MT/day in 2011-12
- Initiated energy-saving operations, reducing power consumption from 950 KW/MT in 2010-11 to 884 KW/MT

Chemicals

- Undertook various process improvements to reduce nitrate content in LR-grade sulphuric acid to required levels and reduced oxidisable impurities for enhancing quality
- Commercialised glass plant operations to produce ultra-pure sulphuric acid by undertaking required modifications in the dilution system of the glass column to avoid thermal shocks

Energy

- Reduction of water consumption by using UF reject water in cooling towers
- Upgradation and renovation of equipment for higher throughput
- Implementation of Power Engineering and Technology Consultants recommendations, thus achieving better turbine electrical system stability
- Developed operational flexibility in the fuel mix, resulting in the growing use of TH husk, and increasing coal consumption, resulting in better HP steam production

Marketing

Paper

- Trident's paper is sold to various organised retail players, large publishers and converters across 40 countries across India, the Middle East, Africa, the US, Latin America, Canada, the UK and other western countries
- Enjoys a vast network of more than 60 distributors and warehouses for product distribution across India and globally

Outlook

Paper

- Undertake various productivity enhancement and cost reduction initiatives
- Enhance focus on export markets to hedge against volatile domestic prices
- Aggressively market FSC-certified paper and stiffener board targeted towards industrial segments

Chemicals

- Focus on developing the market for ultra-pure sulphuric acid

Energy

- Tieup for pet coke supply
- Overhauling of turbine for increased efficiency

Director's profile

Mr. Rajinder Gupta
(DIN 00009037)
Mr. Rajinder Gupta, 53, is the founder of Trident Limited and is Chairman of the Board and the Company. Before his appointment as Non-Executive Chairman, Mr. Gupta was serving the Company as Managing Director since 1992. Mr. Gupta is a first generation entrepreneur having rich and varied exposure of promoting industrial ventures over the last two decades. He is the person behind the stupendous growth of the Trident Group companies. During his tenure as Managing Director the Company has consistently grown its revenues with a CAGR of more than 30% p.a. driven by his entrepreneurial spirit. He holds directorship of various companies and is also actively associated with several philanthropic ventures.

Mr. Rajinder Gupta has been awarded with the prestigious Padmashree award in 2007 by Hon'ble President of India in recognition of his distinguished services in the field of trade and industry.

Mr. Rajinder Gupta was also conferred with the Udyog Ratna award for the year 2005 by PHD Chamber of Commerce and Industry and PHD Chamber of Commerce Distinguished Entrepreneurship Award, 2005 handed over to him by the President of India.

Ms. Pallavi Shroff
(DIN 00013580)
Ms. Pallavi Shroff, 56 is MMS, Bachelor of Law and is a lawyer by profession. She has a vast experience of 30 years as a leading litigation practitioner in the area of corporate law and banking. She has been recognised by international publications for her expertise in arbitration and dispute resolution. As a member of several high-powered committees, appointed by the Government of India, she has been closely associated with the formulation of several important commercial statutes.

Ms. Pallavi is currently a partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co., leading legal firm of India. She is regularly called upon by the governmental departments and ministries to advice them on various issues. Ms. Pallavi's area of expertise inter alia include corporate and commercial laws, anti-dumping, arbitration and dispute resolution, competition and anti-trust, intellectual property rights, among others.

Dr. M A Zahir
(DIN 00002973)
Dr. M A Zahir, 69, is a PhD by qualification. He is a well known management guru and former Professor of Management & Dean (Retired), Punjab Agricultural University, Ludhiana. He is the founder of Synetic Business School (SBS) a B-School at Ludhiana. He is vastly experienced in the field of providing consultancy services and imparting training to the corporate houses.

His experience in the sphere of management is well-utilised by renowned corporates of northern India. Presently, he is the Chairman of the Synetic Business School and holds directorships in various companies.

Mr. Rajiv Dewan
(DIN 00007988)
Mr. Rajiv Dewan, 50, is a Fellow member of Institute of the Institute of Chartered Accountants of India and is a practicing chartered accountant.

Mr. Dewan is well-experienced in tax planning, management consultancy, business restructuring, capital market operations, SEBI-related matters and other segments of corporate law. Prior to starting his own practice, Mr. Dewan worked in senior positions in some of the renowned textile companies of north India.

Ms. Kavita Singh
(DIN 03566174)
Ms. Kavita Singh, 34, is B.A. (Hons) and M.A. in Economics and is an IAS officer currently occupying the position of Deputy Commissioner, Barnala. She joined the Indian Administrative Services in the year 2004 and since then she has been diligently serving the government at various posts. She has also worked as Deputy Commissioner, Kapurthala; Director Social Security, Women Welfare and Child Development; Additional Secretary, Local Government; Additional Excise and Taxation Commissioner and Additional Development Commissioner of Ropar and Hoshiarpur.

Mr. Abhishek Gupta
(DIN 02047780)
Mr. Abhishek Gupta, 25, is a Graduate from the University of Warwick and completed his schooling from the Doon school. He assumed charge of Trident and has become one of the youngest Managing Directors. Abhishek Gupta has been well groomed to take over the responsibility. He led the Company's Commercial, Supply Chain, Project & Operations team and successfully introduced efficient systems and processes. Prior to being appointed as the Managing Director, he headed the Corporate Marketing and Innovation Team and provided strategic direction to the marketing heads of all business verticals of Trident. He has been able to successfully put into practice his academic knowledge which has been instrumental in driving the marketing operations, generating strong revenue growth of the Company. Apart from sturdy academics and leadership skills, he believes in professionalism and his ability to inspire the members with the vision and values of the organisation.

Mr. Deepak Nanda
(DIN 00403335)
Mr Deepak Nanda,, 52 is a B.Sc. (Hons) and M.Sc. (Hons) and has advanced training in Computer Software and Management. He possesses more than two-and-a-half decades of experience and specialises in business development, client relationship, contract negotiations, project implementation and delivery, improving the efficiency and effectiveness of the client's business. Before joining the Company he was the Managing Director of Trident Infotech Limited. Earlier he has worked in an unit of the Ministry of Communication and Information Technology, Government of India (Ex-Department of Electronics, Government of India) for 16 years and run the unit as profit centre head. In this assignment, Mr. Deepak Nanda had over 10 years of experience of working very closely with different State Governments, PSUs, boards and corporations, educational institutions in north-west India and helping them to develop their e-governance strategies, IT roadmaps, deploying key solutions and facilitating the change management. He is also an alumnus of Indian Institute of Management, Ahmedabad.

Directors' Report

Dear shareholders,

Your Directors are pleased to present the 22nd Annual Report and Audited Accounts of Trident Limited for the financial year ended March 31, 2012.

Financial Results

The financial performance of your Company for the year ended March 31, 2012 is summarised below:

[Rs. million]

Particulars	Current Year	Previous Year
a) Net sales	27,322.8	25,206.5
b) PBIDT	3,202.4	4,140.2
c) Less : Finance costs	1,717.8	1,289.0
d) PBDT	1,484.6	2,851.2
e) Less : Depreciation	2,075.3	1,946.8
f) Profit/(Loss) before Tax	(590.7)	904.4
g) Less : Provision for Tax	(153.3)	233.6
h) Net profit / (loss) after Tax	(437.4)	670.8
i) Earnings / (Loss) per share (Rs.)	(1.59)	3.02

Corporate Overview

The Company operates in diversified business segments viz. Yarn, Terry Towel, Paper and Chemicals. The Company also has captive power plant to cater to needs of its various business segments.

Amalgamation of Trident Infotech Limited & Trident Agritech Limited with the Company

During the year under review, the Hon'ble Punjab and Haryana High Court at Chandigarh has approved the Scheme of Arrangement for Amalgamation of Trident Infotech Limited & Trident Agritech Limited with the Company vide its order dated September 29, 2011. Accordingly, the Scheme has become effective on November 21, 2011 and Trident Infotech Limited & Trident Agritech Limited have been amalgamated into the Company w.e.f. April 1, 2011, the appointed date.

Results of Operations

Financial Performance and review

The net sales of the Company for the year under review increased to Rs. 27,322.8 million as compared to Rs. 25,206.5 million in the previous financial year, registering a growth of approximately 8 percent. The Operating Profit (EBIDTA) for the year has been Rs. 3,202.4 million as compared to Rs. 4,140.2 million in the previous financial year, declined by about 23 percent due to unfavourable fluctuations in the raw material costs. The Company has incurred a net loss of Rs. 437.4 million during the year under review due to volatility in foreign exchange rates, higher amount of depreciation and interest attributable to expansion projects of the Company.

Total paid up capital of your Company has increased from Rs. 2,223.0 million to Rs. 3,058.4 million during the year under review, due to allotment of 32,174 equity shares under ESOP, 53,503,427 equity shares pursuant to amalgamation of Trident Infotech Limited & Trident Agritech Limited with the Company & allotment of 30,000,000 equity shares pursuant to conversion of warrants issued on preferential basis.

A detailed discussion on financial and operational performance of the Company is given under "Management Discussion & Analysis Report" forming part of this Annual Report.

Dividend

Keeping in view the loss incurred during the year, ongoing expansion, modernization and other future investment possibilities in order to meet competition, your Directors have decided not to recommend any dividend for the year under review.

Contribution to the national exchequer

The Company contributed a sum of Rs. 293.9 million to the exchequer by way of central excise duty in addition to other direct and indirect taxes during the year under review.

Exports

Export sales accounted for 53 percent of net sales. During the year under review, export sales increased by 19 percent from Rs. 12,095.0 million in the previous year to Rs. 14,413.8 million in the current year.

Expansions / Modernisation

Directors of the Company take pleasure in informing you that during the year, Company has completed first phase of yarn expansion project at a total Capital outlay of Rs. 11,170 millions. The commercial production under first phase of yarn expansion project has started on 65,280 spindles at Sanghera facility in Punjab w.e.f. February 6, 2012 and on 76,176 spindles at Budni facility in Madhya Pradesh w.e.f. March 24, 2012. The Company has also completed its Open End yarn spinning expansion project by installing 1,664 rotors at its Sanghera facility in Punjab and modernisation of existing yarn facilities at a capital outlay of Rs. 733.5 millions. The Commercial production on these facilities has also started w.e.f. March 24, 2012.

With these expansion, the production capacity of yarn division has increased to 365,904 spindles and 3,584 rotors.

Under second phase of the yarn expansion project, Company envisage setting up of 134,448 spindles and 2,040 rotors including other balancing equipments and the commercial production on these facilities is expected to commence by third quarter of 2013.

Subsidiaries

The Company did not have any subsidiary company during the year under review.

Directors

In accordance with the provisions of Articles of Association of the Company, all the Directors, for the time being, except the Managing Director & Wholetime Director, shall retire annually and accordingly, Mr. Rajinder Gupta, Ms. Pallavi Shroff, Mr. Rajiv Dewan, Dr. M A Zahir and Ms. Kavita Singh, Directors are retiring at the ensuing Annual General Meeting. All retiring Directors except Ms. Kavita Singh, offer themselves for re-appointment. The Board has recommended appointment of Mr. Sanjay Jain as a Director of the Company in place of Ms. Kavita Singh, who does not seek re-appointment. Your Directors recommend the aforesaid appointments for your approval.

Mr. Anurag Agarwal, ceased to be Director of the Company w.e.f. May 16, 2011. Ms. Kavita Singh was appointed as Additional Director w.e.f. August 3, 2011 & as Director w.e.f. September 30, 2011.

Mr. Raman Kumar resigned as Director and Wholetime Director of the Company w.e.f. November 12, 2011. Mr. Deepak Nanda was appointed as Additional Director & Wholetime Director of the Company w.e.f. November 12, 2011. Further, Mr. S. K. Tuteja resigned as Director of the Company w.e.f. February 3, 2012 and also relinquished the office of Chairman from that date.

The Board places on record its appreciation of the services rendered by Mr. Anurag Agarwal, Mr. Raman Kumar and Mr. S K Tuteja during their respective tenures.

Further, the Board has approved the appointment of Mr. Rajinder Gupta as Chairman of the Company in a non-executive capacity w.e.f. April 23, 2012 and accordingly, Mr. Rajinder Gupta relinquished the office of Managing Director of the Company from that date. Mr. Abhishek Gupta was appointed as Additional Director of the Company w.e.f. March 30, 2012 and as Managing Director of the Company w.e.f. April 23, 2012.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits and no amount of principal or interest was outstanding as of balance sheet date.

No Default

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and/or banks during the year under review.

Corporate Governance

Your Company is committed to adhere to the best practices & highest standards of Corporate Governance. It is always ensured that the practices being followed by the Company are in alignment with its philosophy towards corporate governance. The well-defined vision and values of the Company drive it towards meeting business objectives while ensuring ethical conduct with all stakeholders and in all systems and processes.

Your Company proactively works towards strengthening relationship with constituents of system through corporate fairness, transparency and accountability. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter & spirit. Your Company proactively revisits its governance principles and practices as to meet the business and regulatory needs.

Detailed compliances with the provisions of Clause 49 of the Listing Agreement for the year 2011-12 has been given in Corporate Governance Report, which is attached and forms part of this report. The Auditors' certificate on compliance with corporate governance norms is also attached thereto.

Human Resource Development and Industrial Relations

The human resources development function of the Company is guided by a strong set of values and policies. Your Company strives to provide the best work environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. The details of initiatives taken by the Company for development of human resources are given in Management Discussion & Analysis Report.

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

Recognitions & Awards

During the year under review, your Company has been conferred with following awards and recognitions:

- JC Penny – Innovation Award 2010 for "Air Rich" range of ultra premium towels.
- 2nd Position in CONCOR EXIM Star Award in the category of "Exporter-Northern Region" by Container Corporation of India Ltd.
- Silver trophy for "Top Exporters – Terry Towels" in the category of 'Madeups' and the Bronze trophy for "Highest Global Exports" for the year 2010-11.
- The Annual Report of the Company has been awarded the Bronze Award in Conglomerates Category at the 2011 Spotlight Awards hosted by "League of American Communications Professionals."

Auditors & Auditors' Report

M/s Deloitte, Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from M/s Deloitte, Haskins & Sells, Chartered Accountants, under Section 224(1) of the Companies Act, 1956 confirming their eligibility and willingness to accept the office of the Statutory Auditors for the year 2012-13, if re-appointed. They have also furnished Certificate of their Independence and copy of certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended March 31, 2012. In their report, they have made an observation that restatement loss on forward contracts and mark to market loss on open put derivative options has not been accounted.

As you are aware that a major part of revenue of your Company comes from export sales and as such Company has foreign currency fluctuation exposure. Your Company hedges its foreign currency fluctuation exposure by way of forward contracts and foreign currency derivative options. During the previous years, the Company has hedged its foreign currency fluctuation exposure by taking various derivative options from various banks having maturity up to January 2013. The Company has not accounted for restatement loss on forward contracts and mark to market loss on open put derivative options in view of the significant currency fluctuations associated with the exchange rates for the year ended March 31, 2012. In view of the significant fluctuations associated with these contracts, the loss on forward contracts and derivative options will be provided on settlement basis.

The Auditors' have also pointed out that declaration under section 274(1)(g) of the Companies Act, 1956 has not been received from one of the independent Directors.

The Company has received declaration (in form DD-A) from Ms. Kavita Singh, IAS, at the time of her appointment on the Board of the Company. However, annual declaration under section 274(1)(g) of the Companies Act, 1956 was not received by the Company from Ms. Kavita Singh. In accordance with the provisions of Articles of Association of the Company, Ms. Kavita Singh is retiring at the ensuing Annual General Meeting and does not seek re-appointment. The Board has recommended appointment of Mr. Sanjay Jain as a Director of the Company in place of Ms. Kavita Singh.

The other points of Auditors' Report are self-explanatory and need no comments.

Cost Audit

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, the Board of Directors of your Company has re-appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditors for the financial year 2012-13 to carry out audit of cost accounts of the Company in respect of textile, paper and chemical divisions. The Cost Audit Report for the previous financial year ended March 31, 2011 has been filed with Central Government within the prescribed time limit.

The Cost Audit Report in respect of cost accounts for the financial year ended March 31, 2012 is required to be filed with the Central Government within 180 days from the close of financial year. The Cost Audit Report for the financial year ended March 31, 2012 is under finalization and shall be filed with the Central Government within the prescribed time limit.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given as Annexure I hereto and forms part of this report.

Disclosure on ESOP

The Company's Employee Stock Options Plan, 2007 has been constituted in accordance with the Securities and Exchange Board of India (Employee Stock Options Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. The relevant disclosure on Company's stock options scheme as per these guidelines has been provided in Annexure II hereto and forms part of this report.

The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for inspection by members.

Particulars of the Employees

As per the provisions of Section 217(2A) of the Companies Act, 1956, the statement of particulars of the employees, etc forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the abovesaid information is being sent to all the members and other entitled persons. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

Responsibility Statement of Directors

A Directors' Responsibility Statement, setting out the requirements pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 is annexed as Annexure III hereto and forms part of this report.

Acknowledgements

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Central Government, Government of Punjab, Government of Madhya Pradesh, Financial Institution(s), Bank(s), Customers, Dealers, Vendors and society at large.

Your Directors also wish to convey their appreciation for collective contribution & hard work of employees across all level. The Board, also, takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders and their confidence in management and look forward to their continued support in future too.

For and on behalf of the Board

Place : Ludhiana	Rajinder Gupta	Abhishek Gupta
Date : May 25, 2012	*Chairman*	*Managing Director*

Annexure I to the Directors' Report

Information as per Section 217(I) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

1. Conservation of Energy

1.1 Energy conservation measures taken:

- Re-engineering of humidification plant & Ring Frame speed thereby reducing power consumption.
- Installation of VFD's on Stenter & Hydro machine.
- Arresting of air leakages & reduction of power consumption of Air Compressors by regular audits.
- Optimization & Modification of De-super heating pump, motors, ESP's & VFD.

1.2 Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Atomization & Modification of soft water transfer system.
- Installation of VFD on Boiler.
- Replacement of existing open gear drives with silent drives.
- Introduction of Energy Efficient motors.

1.3 Impact of measures taken at 1.1 and 1.2 above for reduction of energy consumption and consequent impact on the cost of production of goods:

On account of the above said measures adopted by the Company, considerable saving in energy and reduction in cost of production has been achieved. However, due to change in product mix, there is an increase in power consumption per kilogram in Cotton Yarn, Towel & Yarn Processing in this year as compared to last year.

Particulars	Units	Year ended 31.03.2012	Year ended 31.03.2011
Electricity			
Purchased			
Units	MWH	159,617	130,749
Total Amount	Rs. million	828.33	603.94
Rate per unit	Rs. /Kwh	5.19	4.62
Own Generation			
Through Diesel Generator			
Units	MWH	142	62
Units/liter of diesel	KWH	3.15	3.14
Diesel Cost/Unit	Rs. /Kwh	12.20	10.65
Through Steam Turbine			
Units	MWH	322,518	294,822
Units per tonne of steam	KWH	147	152
Cost per unit	Rs./Kwh	4.44	3.85
Coal			
Quantity	MT	200,544	211,875
Total Cost	Rs. million	989	837
Average Rate	Rs./MT	4,930	3,948
Furnace Oil			
Other / Internal Generation			
Consumption per Unit of production			
Cotton Yarn	Kwh/Kg	2.75	2.62
Towel	Kwh/Kg	2.33	2.26
Yarn Processing	Kwh/Kg	2.41	2.25
Paper	Kwh/Kg	1.03	1.10
Sulphuric Acid	Kwh/Kg	0.06	0.06

2. Technology Absorption

Efforts made in technology absorption as per Form B

Research & Development (R & D)

2.1.1(a) Specific areas in which R & D carried out by the Company

- New Product Development in Textiles- New product range like High Shrink Polyester Blended Yarn has been introduced. Development of Cotton/Wool Blended Yarn, Eco-Friendly Yarn, New blend of cotton-Modal & Silk for high end towels, Yarn dyed air rich towels, Embellished beach towel, 3 color in terry for J/Q pattern, Luxurious velour towel with carved area filled with filament viscose yarn.
- New Product Development in Paper- Introduction of New Generation Chemicals from reputed suppliers to enhance Printing and run-ability of paper, Eco Copier for exports market, Premium copier development under Brand Name "Trident Eco Green", "Trident DigiPrint" and Premium maplitho Development under Brand name "Trident Platinum Line".

2.1.1(b) Benefits derived as a result of the above R & D

- Market penetration, product diversification & new customer development.
- Increase in revenue.
- Better brand image.

2.1.1(c) Future Plan of Action:

- New Product Development-Cotton / Crailer, Cotton / Linen, Modal Loft, Cotton / Lyocell, Cotton / Excel, Stiffener Paper.
- Eco-friendly innovations- Covered with cotton core polyester yarns, quick dry energy saving towels & Cotton wool Air Rich towel.
- Establishment of Centralized R&D Lab for better process control.
- Exploring new markets for our products with customization.

2.1.1(d) Expenditure incurred on R & D:

- Expenses incurred on research and development have been booked under respective general accounting heads and as such no amount can be quantified separately under the head research and development expenses.

2.1.2 TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

2.1.2(a) Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Addition of two Tumbler dryers & upgradation of Length Hemming technology from Single Needle Automatic to Double needle for better product.
- Addition of Rotary Screen to reduce silica in black liquor.

2.1.2(b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc :

The Company was able to enlarge its product basket and deliver value added products to the large base of customer/markets spread globally.

The product portfolio was of better quality based on environment friendly technology. The manufacturing costs were also rationalized towards optimization. The value addition and productivity enhancement also resulted in additional contribution.

2.1.2(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :

(i) Technology imported

The latest state of the art technology in fabric transporting systems, spinning, weaving, processing, dyeing, cutting, stitching, pulping, boilers from world-renowned suppliers in an effort to improve productivity and product quality, in addition to reducing consumption of energy and scarce natural resources.

(ii) Year of import : 2007-2012

(iii) Has technology been fully absorbed? Yes

(iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not applicable

3. Foreign Exchange Earnings and Outgo

3.1 Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company is presently exporting its products to more than 75 countries across the globe. The Company is growing its market base. Consistent efforts are being made to capture new avenues for exports.

3.2 Total foreign exchange used and earned (Rs. million)

Particulars	Current year	Previous year
Earnings (FOB value of exports)	14,413.8	12,095.0
Outgo (CIF value of imports)	2,253.3	927.7
Traveling expenses	4.6	7.2
Other expenses	134.2	187.8

Annexure II to the Directors' Report

Disclosure related to Employee Stock Option Scheme of the Company:

In financial year 2007-8, the Company had the Employee Stock Options Plan, 2007. The plan was approved by the special resolution of shareholders passed on June 29, 2007 by way of postal ballot. The Company has made two grants under the scheme till date. The first grant was made on July 9, 2007 and second grant was made on July 23, 2009 by the Compensation Committee as per the terms & conditions of Trident Employee Stock Options Plan, 2007. The options were granted at the latest available closing market price prior to the date of meeting. The Company calculates employee compensation cost using the intrinsic value of option.

The relevant information with respect to Company's stock options plan as on March 31, 2012 is given below:

Details of Options

Grant	First Grant	Second Grant
Date of Grant	July 9, 2007	July 23, 2009
Total Options granted	7,901,462	3,993,000
Exercise price	Rs. 17.55	Rs. 11.20
Options vested	3,587,784	659,217
Options exercised	Nil	139,010
Total no. of shares arising as result of exercise of Options	Nil	139,010
Options lapsed * (*Lapsed Options include Options forfeited and Options cancelled / lapsed)	4,313,678	1,656,601
Variation in terms of Options	None	None
Money realised by exercise of Options	Nil	1,556,912
Total number of Options in force	3,587,784	2,197,389
Employee wise details of Options granted to:		
• Senior Managerial Personnel* (*Options granted to Chief Executives those were in force on last day of financial year in which Options were granted. Name of employees are not given keeping in view the sensitivity involved)	1,336,376	478,500
• Any other employee who receives a grant in any one year of Options amounting to 5 percent or more of Options granted during that year	None	None
• Employees who were granted Options, during any one year, equal to or exceeding 1 percent of the issued capital (excluding warrants and conversions) of the Company at the time of grant	None	None

Difference between Intrinsic Value and Fair Value of Stock Options and impact of this difference on net profit and EPS:

Pro Forma Adjusted Net Income/(Loss) and Earning Per Share	
Net Profit/(Loss) as reported (Rs. million)	(437.4)
Add: Intrinsic Value Compensation Cost (Rs. million)	0
Less: Fair Value Compensation Cost (Rs. million)	2.9
Adjusted Pro forma Net Profit/(Loss) (Rs. million)	**(440.2)**

Earning Per Share (Rs.)

	Basic	Diluted
As Reported	(1.59)	(1.59)
Adjusted Pro forma	(1.60)	(1.60)

Weighted average exercise price and Weighted average fair value of Options granted during the year – NIL

Particulars	Exercise Price (Rs.)	Fair Value (Rs.)
Exercise price equals market price	11.20	6.25
Exercise price is greater than market price	Not applicable	Not applicable
Exercise price is less than market price	Not applicable	Not applicable

Description of method and significant assumptions used to estimate the fair value of options granted during the year

No Grant has been made during the financial year 2011-12. However, the Fair Value of Options granted during the year 2009-10 has been estimated using Black-Scholes Option pricing model.

Annexure III to the Directors' Report

Directors' Responsibility Statement pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended March 31, 2012.

The statement of the Directors' Responsibility on the Annual Accounts of the Company for the year ended March 31, 2012 is provided below:

i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii) That the Directors had selected such accounting policies and 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 as at March 31, 2012 and of the profit/loss of the Company for the year ended March 31, 2012.

iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That the Directors had prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Place: Ludhiana
Date : May 25, 2012

Rajinder Gupta
Chairman

Abhishek Gupta
Managing Director

Management Discussion & Analysis

Trident Limited regularly reviews the business operations, performance and industry dynamism to device strategies and initiatives that would maximise returns and minimise risks. The Company's Audit Committee and Board of Directors guide towards strengthening governance practices to protect stakeholder interests.

This report comprehensively analyses the macro business environment and its impact on the Company's operations and financials during the period April 1, 2011 to March 31, 2012 and it should also be read in conjunction with the audited financial statements for the year ended March 31, 2012. This report contains certain forward-looking statements based on our current expectations, which entails various risks and uncertainties that could cause the actual results to differ materially from those reflected herein. All references to 'Trident, 'We', 'Our' or 'the Company' in this report refer to Trident Limited.

Business operations

The Company is a diversified business conglomerate having interests in yarn, home textiles, paper, chemicals and energy. We significantly invested in modernising assets and in forward/backward integration. The Company's manufacturing facilities are located at Barnala (Punjab) and Budni (Madhya Pradesh).

Economic overview

The global economy grew 3.9% in 2011 as the US economy strengthened in the second half of 2011. This growth was primarily led by a 7.8% growth in the developing Asian region. Global economic growth is expected to subdue in 2012 to 3.5%, owing to recession in the Euro region.

The Indian economy grew at 6.5% in 2011-12 against 8.4% in 2010-11, primarily on account of the weakening rupee, rising interest rates, global economic slowdown that significantly impacted the country's industrial sector, whose growth reduced to 3.6% in 2011-12 (6.8% in 2010-11), owing to lower-than-expected growth in the manufacturing sector (accounting for 80% of the industrial output).

Textile division

Industry review

Global: The global textile industry witnessed a highly tumultuous scenario as cotton prices rose 133% over September 2010 to reach USD 2.3 per pound in March 2011 and then declined to USD 0.95 per pound in December 2011. The industry struggled to manage the demand, supply, cost, price and capacity. Lackluster demand in the US and Europe (the largest textile importers) due to economic turmoil further impacted exports. The global textile and clothing trade is expected to grow at a 6.6% CAGR and reach USD 1 trillion by 2020. During 2010-15, the demand for textiles and clothing in China is expected to surge to 21.3% and in India it is expected to be 13.5%.
(Source: World Textile Council, 2011)

India: The Indian textile industry, pegged at USD 55 billion, accounts for 14% of the industrial production, 12% of total exports and 4% of the country's GDP. Almost 64% of the demand in the textile industry is domestic. Total exports between April to December 2011 grew 23.87% over the corresponding period to USD 23.78 billion. Overall textile exports in 2011-12 is expected to reach USD 30 billion *(Source: Ministry of Textiles)*. The sector attracted cumulative FDI inflows of USD 1.03 billion during January 2000 to October 2011 *(Source: Department of Industrial Policy and Promotion)*. It is expected that India's share in the textile and apparel world trade would increase from 4.5% currently to 8% and reach USD 80 billion by 2020. The country's export scenario is further expected to improve as China's dominance as a low-cost exporter is expected to be impacted given the 2-3x rise in wage prices.

Home textiles division

Industry review

The home textiles market includes carpets, rugs, bedding products, kitchen linen, bathroom furnishings, window treatment, hammocks, table linen, curtains and upholstery fabrics. These products are in high demand in the US and Europe as a fashion accessory. In the terry towels market, India enjoys a competitive edge as it possesses the latest technology, provides wide and innovative design varieties, has production flexibility and possesses strong product development skills.

The global home textiles market, estimated to be worth USD 35 billion, is primarily dominated by the US and Europe, both accounting for over 70% of the market size. The other major markets include Japan, Australia and New Zealand. The home textiles market is estimated to grow at a 4% CAGR in the next five years. The global trade for home textiles is estimated at USD 74.75 billion, of which China contributes 31% and India a mere 4.4%.
(Source: Textiles Association India)

The Indian home textiles market, pegged at Rs. 15,570 crore, is expected to grow at 9% in the coming years. Though the industry faced lackluster demand in the year under review due to an economic slowdown in the US and EU coupled with rising cotton prices, it is expected to revive soon with the Indian market expected to gain most given the rising costs in China.

Trident's response

The Company undertook several initiatives to strengthen operations, optimise production, develop strong relations with clients, improve product quality and reduce costs through constant research and development. The Company undertook a yarn expansion project to ensure assured supply of quality raw material for its towel division. A detailed discussion on these initiatives is provided under the business segment review published in this annual report.

SWOT of the home textiles division

Strengths and opportunities

The Company is one of the world's largest terry towel manufacturers, possessing high-end technology that enables it to manufacture world-class towels. It has a wide product basket catering to some of the most renowned global retailers. Its product quality and on-time delivery enabled it to develop a strong client base. Rising wages in China is an opportunity for the Indian textile industry to emerge as a low-cost manufacturing destination. Moreover, increasing demand for value-added products in Latin America, the Middle East, East Europe and India will present a great opportunity for the Company.

Weaknesses and threats

The Company's inability to utilise its optimum capacity due to rising national and international competition may lead to losses. Agro products are a major raw material for the production of towels. The Company's towel production may get hampered in case of uncertainties in weather, crop availability and government regulations on trade. Moreover, a longer shelf life of the product may hamper fresh demand in the future.

Yarn division

Industry review

Global yarn output and fabric production fell 11.3% and 11.8% respectively in Q1 CY2011, compared with the previous quarter owing to a sharp fall in Asian, European and South American production. In Q2 CY2011, yarn and fabric production rose 12.1% and 4.4% respectively, owing to a rise in Chinese output. In Q3 CY2011, output for global yarn and fabric production increased 2.5% and 5.9% respectively, owing to increased production in the Asian region (particularly China) and South America. In Q4 CY2011, the output for global yarn and fabric production increased 6.5% and 0.7%, respectively, over the previous year owing to better production in Europe and Asia. *(Source: International Textile Manufacturers Federation)*

In 2011, total Chinese yarn production grew 6.7% to 29 million tonnes, fabrics production grew 4.6% to 83.7 billion meters and chemical fibre grew 9.7% to 33.9 million tonnes. Total textile exports grew 22.9% to USD 94.7 billion pieces and clothes exports grew 18.3% to 153.2 billion pieces. Domestic consumption for man-made fibre is expected to grow at a 5.8% CAGR from 2.8 million tonnes in 2011-12 to 3.72 million tonnes by 2016-17. During the same period, cotton yarn is expected to grow at a 10% CAGR.
(Source: CARE Research)

Trends in cotton production, consumption and trade

(million bales)

Cotton year (1 October-30 September)	Production	Imports	Exports	Consumption
2007-08	30.7	0.6	8.8	23.7
2008-09	29.0	1.0	3.5	22.9
2009-10	29.5	0.7	8.3	25.0
2010-11	32.9	0.5	5.5	27.5
2011-12 (Expected)	34.25	0.6	8.4	25.3

Trident's response

Phase I of the yarn expansion project involving setting up of 141,456 spindles has been completed. The Company also completed its open-end yarn spinning expansion project by installing 1,664 rotors and modernising its existing facilities at a capital outlay of Rs. 733.5 million. With these expansions, the Company's yarn manufacturing capacity increased to 365,904 spindles, 3,584 rotors and 6,825 TPA processed yarn.

The Company is further expanding its yarn production capacity by setting up 134,448 spindles and 2,040 rotors which is expected to be commissioned by Q3 FY13. A detailed discussion on these initiatives is provided under the business segment review published in this annual report.

SWOT of yarn division

Strengths and opportunities

The Company acquired modern technology and automation from leading international suppliers, enabling it to make high-quality yarn and provide flexibility to switch between finer and coarser yarn production. It also enjoys longstanding relations with suppliers, ensuring easy access to cotton and manufacture at full capacity. The Company has a ready market for yarn as the raw material can be used for home textiles production.

Weakness and threat

A major concern is the fluctuating cotton prices which lead to inventory losses. Moreover, increasing competition from low-cost nations and international manufacturers pose a major threat.

Paper division

Industry review

Global: The global paper industry, estimated at USD 436.46 billion, is likely to produce 400 million tonnes in 2011-12. The production of CEPI (Confederation of European Paper Industries) member countries fell 2% to around 95 million tonnes of paper and board in 2011, whereas world paper production witnessed a limited growth with production growing by mere 0.5% with average quarterly production being in the range of 23.5-24 million tonnes. Most of the major paper producing countries suffered during 2011, except South Korea and China. *(Source: CEPI)*

India: The Indian paper industry, estimated at Rs. 30,000 crore, is likely to produce 11 million tonnes in 2011-12, accounting for only 2.75% of global production. Paper consumption in India during 2011-12 is likely to touch 12 MT. India imports nearly 1.6 million tonnes (of which one million tonnes is newsprint) of paper every year to meet the incremental demand. Per capita paper consumption in India is only about 10 kg compared with the global average of 57 kg. Almost 31% of the total paper production comes from wood and bamboo, 47% from recycled wastes and 22% from agro products.

The country's paper industry is likely to grow 7% annually to reach Rs. 60,000 crore by 2025. Its production is likely to grow from 12 MT currently to 17 MT in the next five years.

Trident's response

The Company continues to focus on value-added products, innovation, improving operations and enhancing quality through constant research and development. The Company emerged as the largest wheat straw-based ECF paper manufacturer in the world through investment in state-of-the-art technology and capacity expansion. A detailed discussion of the Company's response is given under the business segment review published in this annual report.

SWOT of paper division

Strengths and opportunities

The Company manufactures world-class paper by deploying latest eco-friendly paper manufacturing technology. Being located near agricultural areas, the Company also has locational advantages. The plant easily sources agro-residue from nearby sources thereby reducing logistics costs and enabling paper manufacture at competitive rates. The introduction of new value-added products with superior strength and brightness and a vast network of distributors brings better realisations for the Company.

Weakness and threat

Increasing environmental awareness and rising preference to work in a paperless environment is a major threat to paper demand in the near future.

Chemical division

Industry review

Global sulphuric acid production is expected to reach 234.2 million tonnes in 2012. The industry is expected to grow at a 16% CAGR during 2012-15. Despite this, it is likely to witness a shortfall of 4-5 million tonnes per annum owing to increasing consumption *(Source: Fertecon Research Centre).*

Trident's response

The Company has an annual capacity to manufacture 100,000 tonnes of sulphuric acid and 33 TPD of high quality LR/AR/BG grade sulphuric acid. The division manufactures sulphuric acid of battery and other industrial grades catering to the requirements of major battery, zinc sulphate, alum, detergent, dyes and fertiliser industries. The Company is self-sufficient in manufacturing all grades of sulphuric acid and has a presence in the specialty chemicals segment. A detailed discussion of the Company's response is given under the business segment review published in this annual report.

Energy division

Industry review

India's power generating capacity as on March 31, 2012 was 199.63 GW (65.79% of which is thermal, 19.53% hydro, 2.39% nuclear and 12.27% renewable). The Power Ministry expects to add 76,000 MW of power in the Twelfth Plan (2012-17) and 93,000 MW in the Thirteenth Plan (2017-22). During the Twelfth Plan, the sector expects to attract investments worth Rs. 13 lakh crore. FDI inflows in the sector during April-February 2011-12 stood at USD 1,616 million.

Trident's response

The Company has 50 MW of power generating capacity that is entirely used in-house to meet energy requirements of production of yarns, home textiles, paper and chemicals. The power plant meets about 75% of the Company's power requirement leading to uninterrupted power supply at a lower cost. The power plant is equipped with the latest technology (AFBC) and multi-fuel boilers. The Company implemented the fuzzy-logic technology to manage lime kiln burners.

Financial analysis with respect to operational performance

Revenues

The Company's revenue increased 10% from Rs. 28,296.1 million in 2010-11 to Rs. 30,984.4 million in 2011-12. Of the total revenue, Rs. 14,413.8 million (53% of net sales) came from exports. A snapshot of the segmental financial performance for 2011-12 and its comparison with the preceding fiscal year is tabulated below:

(Rs. million)

Division	2011-12		2010-11	
	Revenue*	PBIT	Revenue*	PBIT
Home textiles	12,735.6	1,291.4	10,908.5	854.2
Yarn	11,684.6	(53.7)	11,312.2	1,308.8
Paper and chemicals	6,533.7	295.7	6,062.8	312.5

**Including inter-segment sales*

Segmental revenues

The Company's revenues from the textile segment increased 9.9% from Rs. 22,220.7 million in 2010-11 to Rs. 24,420.2 million in 2011-12. Revenue from the textile segment formed 78.8% of total revenues in 2011-12. Yarn revenues grew from Rs. 11,312.2 million in 2010-11 to Rs. 11,684.6 million in 2011-12. Home textile revenues grew 16.7% from 10,908.5 million in 2010-11 to Rs. 12,735.6 million in 2011-12

The paper and chemicals division contributed 21.1% to the total revenues. Revenues of the paper and chemicals division grew from Rs. 6,062.8 million in 2010-11 to Rs. 6,533.7 million in 2011-12, registering a growth of 7.8%.

Expenses

The Company's total operating cost increased 14.9% from Rs. 24,464.5 million in 2010-11 to Rs. 28,115.1 million in 2011-12. Details of various heads of expenses are given below:

Raw material: Expenditure on raw material increased 12.3% from Rs. 14,469 million in 2010-11 to Rs. 16,254.3 million in 2011-12, due to increased raw materials consumption owing to higher scale of operations. Raw material cost as a proportion of total revenue stood at 59.1% in 2011-12 against 57% in 2010-11.

Employee benefit expenses: Expenses under this head increased 7.7% from Rs. 1,870.1 million in 2010-11 to Rs. 2,014.9 million in 2011-12, owing to the induction of new employees, expanded operations and annual pay increases. Employee benefit expenses as a proportion of total revenue was 7.3% in 2011-12 compared with 7.4% in 2010-11, owing to better manpower management.

Finance costs: Finance costs as a proportion of total revenue stood at 6.2% in 2011-12 against 5.1% in 2010-11. Finance costs increased 33.3% from Rs. 1,289 million in 2010-11 to Rs. 1,717.8 million in 2011-12, owing to fluctuations in foreign currency transactions and translations and interest costs on increased borrowings.

Other expenses: Cost under this head increased 21.1% from Rs. 4,996.7 million in 2010-11 to Rs. 6,051.2 million in 2011-12. Power and fuel cost was a major constituent, accounting for 35.6% of total costs under this head.

Profitability

Owing to volatility in foreign exchange rates, higher amount of depreciation, interest attributable to expansion projects of the Company and higher input costs, the Company's profitability suffered substantially during the year under review. The Company incurred a loss before tax of Rs. 590.7 million in 2011-12 against a profit before tax of Rs. 904.4 million in 2010-11. The Company incurred a net loss of Rs. 437.4 million during 2011-12 against profit of Rs. 670.8 million in 2010-11. For these reasons, the Company's loss per share stood at Rs. 1.59 against an earnings per share of Rs. 3.02 in 2010-11.

Balance Sheet Review

The size of the balance sheet stood at Rs. 32,666 million as at March 31, 2012 as compared with Rs. 28,267.7 million as at March 31, 2011. The item wise review is given hereinafter:-

Share capital

The Authorised Share Capital of the Company increased from Rs. 90,000 million comprising 6,000 million equity shares of Rs. 10 each and 3,000 million preference shares of Rs. 10 each as on March 31, 2011 to Rs. 90,860 million comprising 6,081 million equity shares of Rs. 10 each and 3,005 million preference shares of Rs. 10 each as on March 31, 2012, owing to merger of Trident Infotech Limited & Trident Agritech Limited with the Company during the year under review.

The Company's paid up equity share capital increased from Rs. 2,223.0 million as on March 31, 2011 to Rs. 3,058.4 million as on March 31, 2012, pursuant to amalgamation of Trident Infotech Limited & Trident Agritech Limited with the Company and the allotment of equity shares pursuant to conversion of warrants issued on a preferential basis. The Company's equity share capital comprises 305,837,112 equity shares with a face value of Rs. 10 each.

Reserves and surplus

The Company's reserves and surplus increased 10.8% from Rs. 3,092.4 million as on March 31, 2011 to Rs. 3,425.8 million as on March 31, 2012, owing to net surplus arising consequent to amalgamation of Trident Infotech Limited & Trident Agritech Limited with the Company.

Non-current liabilities

The Company's non-current liabilities increased 38.9% from Rs. 9,730.1 million as on March 31, 2011 to Rs. 13,515.6 million as on March 31 2012, owing to funds required for the Company's expansion projects. Accordingly, secured loans, comprising 94.2% of the total non-current liabilities in 2011-12 increased 44.8% from Rs. 8,787.3 million as on March 31, 2011 to Rs. 12,725.7 million as on March 31, 2012 on account of the implementation of new capacities and expanded operations.

Current liabilities

The Company's current liabilities reduced 4.4% from Rs. 13,222.2 million as on March 31, 2011 to Rs. 12,644.9 million as on March 31, 2012, owing to repayment of short-term borrowings.

Non-current Assets

The Company's non-current assets increased 30.3% from Rs. 17,844.2 million as on March 31, 2011 to Rs. 23,251.7 million as on March 31, 2012, largely owing to addition to fixed assets and additions due to amalgamation of Trident Infotech Limited and Trident Agritech Limited with the Company.

Depreciation increased 6.6% from Rs. 1,946.80 million in 2010-11 to Rs. 2,075.3 million, owing to an increase in the Company's gross block. Accumulated depreciation as a proportion of gross block stood at 35.5% as on March 31, 2012.

Current Assets

The Company's current assets reduced 9.7% from Rs. 10,423.5 as on March 31,2011 to Rs. 9,414.3 million as on March 31, 2012 owing to reduction in inventories.

Internal Control System and their adequacy

The Company designed an internal control system which is independent and has objective assurance and consulting activity designed to add value and improve organisation's operations. The prime objective of the internal control system is to bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The internal control and audit framework is robust and rigorous considering the size and scale of the organisation, complexities faced and overall risk profile of the Company. The internal auditors strive to assess the control and governance process for the organisation. The Company has also retained management auditors to periodically review system adequacy and process refinement.

The internal audit report, plans, significant audit findings, compliance with accounting standards, is in turn reviewed by the Audit Committee of the Company to ensure proper audit coverage, adequate consideration along with implementation of recommendations of auditors.

Improvement Initiatives

The volatile, competitive and fast paced environment continuously pushes the Companies to look for opportunities for performance improvement. The Company also continued with various ongoing initiatives and adopted certain new initiatives.

During the year under review, the Company continued to strive for a cost savvy, cleaner, healthier and safer working environment. These initiatives inter-alia included viable vision, lean manufacturing, organisation infrastructure review, PMS, leadership development, kaizen, 5S, Six Sigma, One person- One project, TPM, performance-linked incentive schemes, retention bonus among others which led to tangible and intangible gains for the Company.

Human Resource Management and Industrial Relations

The Company is guided by values and policies. The organisation values its manpower and considers it to be the core strength, adequately empowered for entrepreneurship, making the organisation a great place to perform.

During the year under review, the Company continued to enhance its activities in all areas of human resource management and facilitation including labour relations, client services, organisational development, occupational health and total compensation.

The Company's approach to leadership development, business transition, diversity, and human resource planning continued to add value to organisational effectiveness. The organisational strength of people is positioned to assist the organisation in its efforts to attract, motivate and retain a talented workforce.

Workforce composition

The Company's organisational structure is -- Institution Builder, Development Coach and Frontline Entrepreneur. Towards the close of the financial year under review, the total strength of the Company was about 10,000 employees.

Management Team

Institution Builder (IB)	12
Development Coaches (DC)	31
Frontline Entrepreneurs (FLE)	284
Total	327

Outlook

The Company is positive in its outlook. The completion of phase I of yarn expansion project coupled with stabilisation of the paper plant is expected to increase operations and revenue of the Company. The business growth initiatives, eco-friendly technology, massive capacities, expansion, improvement initiatives and motivated manpower make our outlook pretty optimistic.

Cautionary Statement

This discussion contains certain forward-looking statements based on assumptions and current situations and expectations. The various risks and uncertainties associated thereto could cause the actual results to differ materially from those projected in forward looking statements. Market data and product information contained in this report is gathered from published and unpublished reports and their accuracy cannot be assured.

The management reserves every right to re-visit any predictive statement as may be deemed fit.

Corporate Sustainability Report

Trident Limited has been consistently working towards integrating Corporate Social Responsibility into its values, culture, operations and business decisions at all levels of the organisation. Over the years, the nature of the Company's involvement with the community has undergone a change. It has moved away from 'charity and dependence' to 'Empowerment and Partnership'.

Social Equity

Being a responsible citizen, your Company has a value system of giving back to society and improving the life of the people. Some key initiatives undertaken comprise the following:

- Established Skill School SHVTI & Skill School IL&FS for skill development and employment in surrounding villages. The Company provides on-job training, stipend and part-time job opportunities during schooling and employment after successful completion of the course
- Adopted around 200 villages with 12,000 farmers by providing them full support and partnership from sowing to harvesting of cotton. Farmer awareness sessions and trainings are imparted in a friendly environment to facilitate a better cotton crop, thus extending societal, civic and economic benefits
- Conducted free medical and outreach programmes, providing free medical check-up camps to address general health care issues, gynecological problems, orthopedic issues and other health concerns
- Conducted a special recruitment drive to appoint physically challenged and socially backward candidates
- Organised blood donation camps regularly
- Large scale funding of the rural economy, and outsourced majority of our raw material from adjacent areas and villages. This consumption of agro-residue provides ready and assured market to farmers, resulting in economic prosperity and poverty alleviation
- Organised special interaction programmes and get-togethers/celebrations for female employees by ASMITA (Women Empowerment Cell) to particularly address the concerns of female members
- Regular contribution to various NGOs and sponsorships to aspiring professionals within industry
- Imparted education to the females of the adjoining villages on various social issues

As a responsible employer, the Company values its employees and recognises that human resource is a key factor to sustain business growth. It undertakes various initiatives to enhance employee welfare through the following activities:

- Create a harmonious working environment
- Extend social security through medical and life coverage
- Focus on training by both in-house and external faculty
- Engage members to participate in sports, recreation, special occasions and festivals
- Provide residential colonies at plant sites
- Inculcate employee safety standards
- Introduce reward and recognition schemes as well as performance-linked incentives

Environmental quality

The Company formed a safety, health and environment committee and reported the following developments:

- Environment-friendly product development (paper with ECF technology)
- Implemented TPM and TOC for efficient manufacturing and reduction in unnecessary wastage of scarce raw materials
- Practiced 3R (reduce, reuse, recycle) and waste management
- Conserved energy by installing power saving technology and procurement of energy-efficient equipment
- Expanded effluent treatment plant to better recycle and reuse treated effluents for plantation activities
- Conducted plantation drives in our plants and nearby villages
- Implemented rain water harvesting to recharge aquifers
- Used alternate biomass fuels as raw material in energy division
- Continued to invest in zero-effluent discharge facilities
- Proper treatment of sewerage water through sewerage treatment plant; use of treated water for plantation
- Undertook process alterations, resulting in lower water consumption and effective odour control
- Conducted Green Manufacturing Audit by external agency and addressing the concerns/gaps by a dedicated team to make Trident green

All the above efforts of the Company are aimed to make our planet safe and green while conserving finite resources.

Economic prosperity

The Company is focused on generating economic prosperity for stakeholders, while growing harmoniously with the community and environment. Apart from achieving financial goals, the Company gives due consideration to the environment and make healthy choices through the following initiatives:-

- Reduce waste and make the system leaner
- Increase re-cycled content
- New products and approaches
- Reformulate existing products
- Eco-friendly products
- Healthy environment for future generations

Risk Management

Since the business environment is characterised by increasing globalisation, intensifying competition and complex technologies, these factors expose the Company to various risks. In order to mitigate these uncertainties and risks, the Company's centralised risk management framework percolates through all organisation layers.

Risk management framework

The key elements of this framework include a risk management strategy, risk management structure, risk portfolio management and measuring, monitoring and optimising. The implementation of the framework is supported through a criterion for risk assessment and categorisation, a risk escalation matrix and MIS.

The Company considers risk management to be one of the most critical components of its business framework. The risk management approach adopted by the Company includes the following:

- To continuosly identify and assess the risks incurred within all important business operations using a uniform and methodical approach.
- To monitor the implementation of the measures defined to counteract risks.
- To develop and continuously maintain a risk-oriented insurance strategy as a means of risk mitigation.
- Through Internal Audit which has a comprehensive framework of measurement, monitoring risks.

Process Flow to mitigate risks

Risk identification and assessment	Risk prioritisation	Risk mitigation	Risk transfer	Risk review
• Evaluation of risk and assessment as per Company's risk appetite	• Categorisation and recording risks • Segregate risks to manage and risks to transfer	• Development of action plans to mitigate risk	• Road map for risk transfer • Review cost of risk transfer • Transfer risk	• Evaluate implementation status • Recommendations • Management report and validation

Categorisation of Risk:

Risks are categorised taking into consideration the factors and circumstances from which they emanate. Listed below are the risks which may arise from external factors, affecting the Company or the internal factors from within the Company.

Strategy risk	Operational Risk	Financial Risk
• Business Segments	• Force Majeure	• Funding
• Substitution	• Cost Competitiveness	• Foreign Currency
• Competition	• Quality	• Receivable Management
• Concentration	• Technology obsolescence	• Working Capital Cycle
	• Proprietary risks/ contingencies	

Legal, Regulatory and Compliance Risk	Human Resource Risk	Technology and Information System Risk
• Contractual	• Performance	• Storage and Safety
• Compliance and Regulatory	• Attrition	

To ensure economic sustainability, the Company has adopted a proactive approach to identify and mitigate risks confronted by it.

Corporate Governance Report

Company's philosophy on corporate governance

Corporate governance at Trident cares for the overall well-being and welfare of all constituent of the system and takes into account the stakeholders' interest in every business decision.

The Company is committed to pursue growth by adhering to the highest national and international standards of Corporate governance. The Company's philosophy on Corporate governance is based on following principles:

- Lay solid foundation for management
- Structure the Board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosures
- Recognise and manage business risks
- Respect the rights of the shareholders
- Encourage enhanced performance
- Remunerate fairly and responsibly
- Recognise the legitimate interest of the stakeholders
- Legal and statutory compliances in its true spirit

The Board of the Company has adopted a Combined Code of Corporate Governance and Conduct based on the principles of good Corporate governance and best management practices being followed globally besides complying with the laws of land. The Combined Code of Corporate Governance and Conduct is available on the official website of the Company – www.tridentindia.com.

Board of Directors

As on the date of report, the Board comprised of seven Directors, of which more than 71% are Non-executive and more than 57% are Independent Directors. The Company has a Non-executive Chairman. Two Directors on the Board are Executive Directors. None of the Directors on the Board is a member or act as Chairman of more than five Board level committees as required under the Code.

Board's definition of Independent Director

Independent Director shall mean Non-executive Director of the Company who:

a. apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the Director

b. is not related to promoters or persons occupying management positions at the Board level or at one level below the Board

c. has not been an executive of the Company in the immediately preceding three financial years

d. is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:

i) the statutory audit firm or the internal audit firm that is associated with the Company, and

ii) the legal firm(s) and consulting firm(s) that have a material association with the Company

e. is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the Director

f. is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares

g. is not less than 21 years of age

The Board of the Company has also decided that materiality of relationship with the Directors shall be ascertained on the following basis:

- The concept of materiality is relevant from the recipient's point of view and not from that of the Company
- The term material needs to be defined in percentage. Ten percent or more of recipient's gross revenue/receipt for the preceding year should form a material condition affecting independence

Based on the above test of independence, Dr. M A Zahir, Ms. Pallavi Shroff, Mr. Rajiv Dewan and Ms. Kavita Singh, are categorised as Independent Directors.

Other details relating to the Board are as follows:

Name	Designation	Category	Shareholding in Company (No. of shares)	No. of directorships held in all public companies #	No. of Board Committees' memberships held in all public companies @	No. of Board Committees' chairmanships held in all public companies @
Mr. Rajinder Gupta	Chairman	Non Executive, Non Independent	1,048,466	7	1	-
Ms. Pallavi Shroff	Director	Non-Executive, Independent	-	4	2	-
Mr. Rajiv Dewan	Director	Non-Executive, Independent	23,290	14	4	1
Dr. M A Zahir	Director	Non-Executive, Independent	5,510	9	4	4
Ms. Kavita Singh*	Director	Non-Executive, Independent	-	-	-	-
Mr. Abhishek Gupta	Managing Director	Executive, Non Independent	121,548	15	2	-
Mr. Deepak Nanda	Wholetime Director	Executive, Non Independent	-	4	-	-

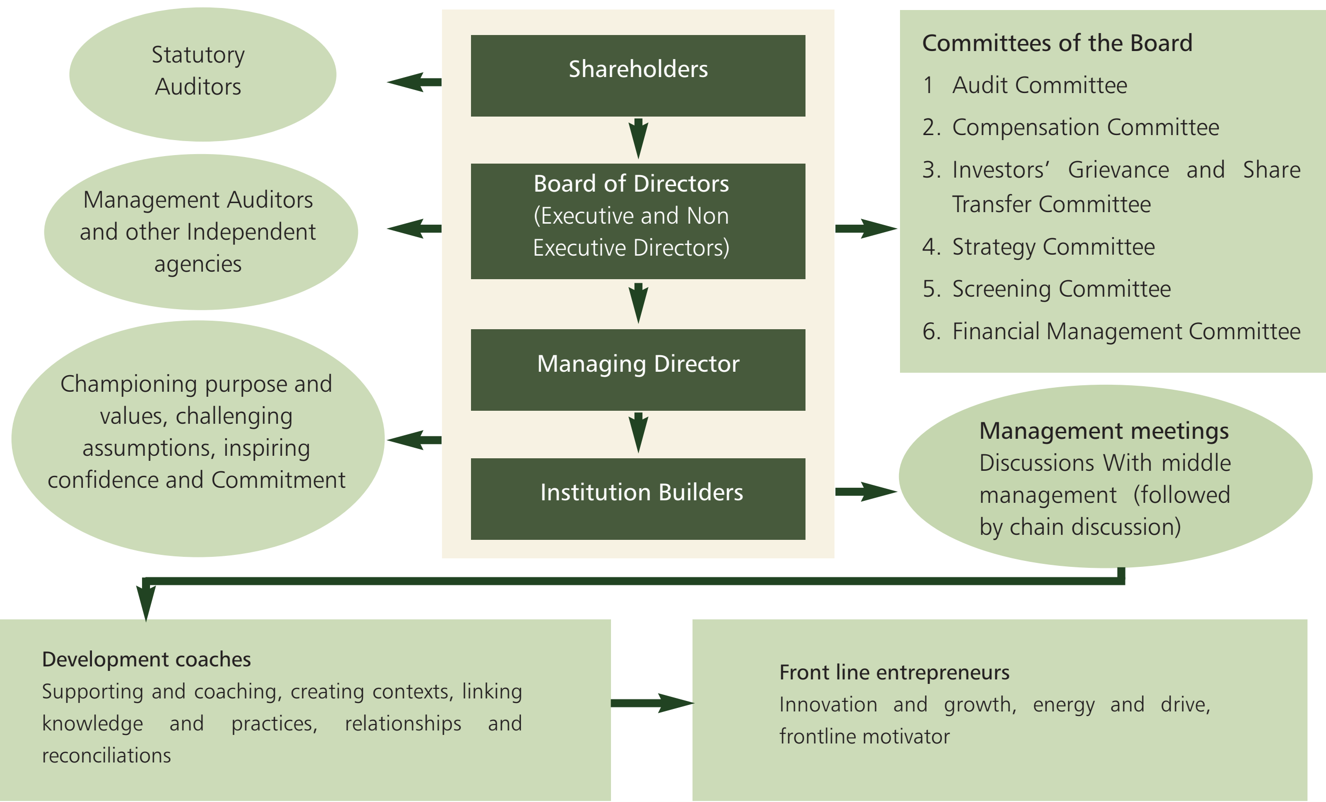
 # including Trident Limited and excluding private limited and foreign companies

@ Board Committee for this purpose includes Audit Committee and Shareholders'/Investors' Grievance Committee (including Board Committees of Trident Limited)

** Disclosure not received by the Company.*

Governance structure

Company has laid a strong foundation for making Corporate governance a way of life by constituting a Board with balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place best system, process and technology.



Meetings

Meeting details – Board and committees

Atleast four Board meetings are held in a year, one in each quarter to review the financial results and other items of the agenda. The gap between two Board meetings do not exceed four calendar months. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are approved by the Board by passing resolutions through circulation. The Company also holds atleast one Audit Committee meeting in each quarter to inter-alia review financial results. Meeting of other committees of the Board are held whenever matters falling under their terms of reference need discussion and decision. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board/ Committee. The information as required under Clause 49 of the Listing Agreement and Combined Code of Corporate Governance and Conduct are made available to the members of the Board/ Committee.

Following are the details of meetings of Board of Directors and Committees thereof held between April 1, 2011 and March 31, 2012:-

Sr. no	Particulars	No. of meetings held during the year	Date of meetings
1	Board meeting	7	April 27, 2011, May 16, 2011, August 3, 2011, November 12, 2011, December 12, 2011, February 3, 2012, March 30, 2012
2	Audit Committee meeting	4	May 16, 2011, August 3, 2011, November 12, 2011, February 3, 2012
3	Compensation Committee	2	May 16, 2011, November 12, 2011
4	Investors' Grievance and Share Transfer Committee	5	May 16, 2011, August 3, 2011, November 12, 2011, December 21, 2011, March 12, 2012
5	Screening Committee	3	May 16, 2011, November 12, 2011, March 30, 2012
6	Strategy Committee	-	-
7	Financial Management Committee	12	April 18, 2011, May 9, 2011, June 15, 2011, July 5, 2011, August 23, 2011, October 10, 2011, December 9, 2011, January 4, 2012, February 18, 2012, March 15, 2012. March 21, 2012, March 30, 2012

There was a maximum time gap of not more than 100 days between two consecutive Board/ Audit Committee meetings.

Attendance of each Director at the meetings of the Company

The detail of attendance of each Director of the Company in the Board and Committee meetings held during the financial year 2011-12 is given below:

Name of Director	Board		Audit Committee		Compensation Committee		Investors' Grievance and Share Transfer Committee		Screening Committee		Strategy Committee		Financial Management Committee	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Mr. S K Tuteja ^	6	6	4	4	2	2	≈	≈	2	2	0	0	≈	≈
Mr. Rajinder Gupta $	7	7	≈	≈	≈	≈	5	4	3	3	0	0	12	11
Ms. Pallavi Shroff	7	0	≈	≈	2	0	≈	≈	3	0	0	0	≈	≈
Mr. Rajiv Dewan	7	7	4	4	≈	≈	5	5	1	1	0	0	12	12
Dr. M A Zahir	7	7	4	4	2	2	5	5	3	3	≈	≈	≈	≈
Mr. Anurag Agarwal ^	1	0	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈
Mr. Raman Kumar ^	4	2	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈
Ms. Kavita Singh	5	1	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈
Mr. Deepak Nanda @	4	4	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈
Mr. Abhishek Gupta #	1	0	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈	≈

** No. of meetings held during the tenure of respective Directors*

- *≈ Not a member of the Committee*
- *^ Mr. Anurag Agarwal, Mr. Raman Kumar and Mr. S. K. Tuteja ceased to be Director w.e.f. May 16, 2011, November 12, 2011 and February 3, 2012 respectively.*
- *Mr. S K Tuteja, Mr. Rajinder Gupta and Mr. Rajiv Dewan were present in the Annual General Meeting of the Company held on September 30, 2011*
- *@ Mr. Deepak Nanda was appointed as Additional Director and Wholetime Director of the Company w.e.f November 12, 2011.*
- *# Mr. Abhishek Gupta was appointed as Additional Director and Managing Director of the Company w.e.f March 30, 2012 and April 23, 2012 respectively.*
- *$ Mr. Rajinder Gupta ceased to be Managing Director and appointed as Chairman of the Company w.e.f April 23, 2012.*
- *The Chairman of Audit Committee and Investors' Grievance and Share Transfer Committee were present in Annual General Meeting of the Company held on September 30, 2011.*

Agenda and minutes

All the departments in the Company communicate to the Company Secretary well in advance with regard to matters requiring approval of the Board/Committees of the Board to enable him to include the same in the agenda for the Board/Committee meeting(s). Agenda papers are generally circulated to the Board members well in advance before the meeting of the Board.

The Company Secretary while preparing the agenda and minutes of the Board/Committee meeting is required to ensure adherence to the applicable provisions of the law including the Companies Act, 1956. The applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also complied with by the Company. The draft minutes of the proceedings of each meeting duly initialed by the Chairman of the meeting are circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman.

All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. The information regularly supplied to the Board inter-alia includes the following:

- Annual operating plans and budgets and any updates thereon
- Capital budgets and updates
- Quarterly results for the Company and its operating divisions or business segments
- Minutes of meetings of Audit Committee and other committees of the Board
- Legal compliances report and certificate
- Information on recruitment, resignation and remuneration of senior officers
- Show cause, demand, prosecution notices and penalty notices issued against the Company having material impact
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any

- Any material default in financial obligations to and by the Company, or substantial non-recoveries against sale, if any
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any
- Details of any joint venture or collaboration agreement, if any
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property, if any
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, if any
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business, if any
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as delay in share transfer, if any

Board level committees

The Board has constituted various Committees of Board for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of land. The Chairman, quorum and the terms of reference of each committee have been approved by the Board.

Composition of board level committees

Audit Committee

1. Dr. M A Zahir, Independent Director (Chairman of Committee)
2. Mr. Rajinder Gupta, Non-Independent Director
3. Mr. Rajiv Dewan, Independent Director

Compensation Committee

1 Dr. M A Zahir, Independent Director (Chairman of Committee)
2. Ms. Pallavi Shroff, Independent Director
3. Mr. Rajiv Dewan, Independent Director

Investors' Grievance and Share Transfer Committee

1 Mr. Rajiv Dewan, Independent Director (Chairman of Committee)
2. Mr. Abhishek Gupta, Non-Independent Director
3. Dr. M A Zahir, Independent Director

Strategy Committee

1 Mr. Rajinder Gupta, Non-Independent Director (Chairman of Committee)
2. Ms. Pallavi Shroff, Independent Director
3. Mr. Rajiv Dewan, Independent Director
4. Dr. Pramod Kumar, Independent HR Expert

Screening Committee

1 Dr. M A Zahir, Independent Director (Chairman of Committee)
2. Mr. Rajinder Gupta, Non-Independent Director
3. Ms. Pallavi Shroff, Independent Director
4. Mr. Rajiv Dewan, Independent Director
5. Dr. Pramod Kumar, Independent HR Expert

Financial Management Committee

1 Mr. Rajinder Gupta, Non-Independent Director (Chairman of Committee)
2. Mr. Rajiv Dewan, Independent Director
3. Mr. Abhishek Gupta, Non-Independent Director
4. Mr. Arun Goyal, Chief Financial Officer

Terms of reference of Board level committee

The Board while approving terms of reference of the Committees ensures that the same is in line with laws of land. The Board proactively reviews terms of reference of the Committees and modifies the same, if necessary, to meet the strategic and business needs. Following are brief terms of reference of Board level committees:

Audit Committee

The terms of reference of Audit Committee are as per Listing Agreement and Companies Act, 1956. The broad terms of reference of Audit Committee as adopted by the Board are as under:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending the appointment and removal of external Auditor, fixation of audit fee and also approval for payment of any other services.

c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Any change in the accounting policies and practices
- Major accounting entries based on exercise of judgment by management
- Qualification in draft audit report
- Significant adjustments arising out of audit
- The going concern assumption
- Compliance with Accounting Standards
- Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large

d) Reviewing with management, performance of external and internal Auditor, adequacy of internal control systems.

e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

f) Discussion with internal Auditors any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

h) Discussion with external Auditors before the audit commences on the nature and scope of audit as well as has post audit discussion to ascertain any area of concern.

i) Reviewing the Company's financial and risk management policies.

j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors.

k) To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.

Apart from above, the Committee also reviews other matters as required under Clause 49 of the Listing Agreement and other laws, rules and regulations.

Compensation Committee

The broad terms of reference of Compensation Committee inter-alia include determination and review of remuneration package of Executive Directors/CEO and formulation and administration of employee stock options plan of the Company.

Investors' Grievance and Share Transfer Committee

The broad terms of reference of Investors' Grievance and Share Transfer Committee inter-alia include monitoring of work related to transfer / transmission / conversion / dematerlisation / rematerlisation / subdivision / consolidation / split of shares of the Company, approving issue of duplicate share certificate and redressing all kind of shareholders/investors complaints.

Strategy Committee

The broad terms of reference of Strategy Committee inter-alia include formulation of long term and strategic planning as well as resource management, performance review and monitoring, review of projects, formation of Special Purpose Vehicles, approval of business alliance and decide upon business reconstruction.

Screening Committee

The broad terms of reference of Screening Committee inter-alia include determination of appropriate characteristics, skills and experience for the Board members & senior management personnel and to make recommendation to the Board and to shareholders on the induction of any new Director.

Financial Management Committee

The broad terms of reference of Financial Management Committee inter-alia include deciding bank operating powers & changes thereon, other banking related issues of the Company, approval and monitoring of borrowing in INR/ foreign currencies, investments, loans and corporate guarantees, conversion of loans into INR/foreign currency and review of foreign exchange transactions of the Company.

Directors' remuneration

Remuneration policy of Directors

Executive Directors

The remuneration paid to the Executive Directors is recommended by the Compensation Committee and approved by the Board of Directors subject to the approval by the shareholders and such authorities, as the case may be.

Non-executive Directors

Non Executive Directors are paid by way of sitting fee for the meeting of the Board and the Committee (as the case may be), attended by them. The remuneration paid to the Non-executive directors is approved by the Board of Directors, subject to the approval by the shareholders.

The synopsis of approvals for the remuneration paid to Mr. Rajinder Gupta, Managing Director, Mr. Raman Kumar, Wholetime Director, Mr. Deepak Nanda, Wholetime Director and sitting fees paid to Non-executive Directors during the year ended March 31, 2012 is given hereunder:

Sr. no	Approving authority	Date of approval			
		Executive Directors			Non-executive Directors
		Mr. Rajinder Gupta (Managing Director)	Mr. Raman Kumar (Wholetime Director)	Mr. Deepak Nanda (Wholetime Director)	
1	Compensation Committee	June 26, 2008	July 21, 2010 May 16, 2011	November 12, 2011	Not applicable
2	Board of Directors	June 27, 2008/ February 3, 2012	July 21, 2010/ May 16, 2011	November 12, 2011	October 24, 2003
3	Shareholders	September 24, 2008	September 25, 2010/ July 12, 2011	--	December 12, 2003

During 2011-12, the Company did not advance any loan to any of its Directors. No stock options have been provided to Directors of the Company during the year under review.

The details of the remuneration paid to the Directors alongwith their relationships and business interests are detailed below:

Relationships of Directors, their business interests and remuneration

(Amount in Rs.)

Name of the Director	Relationship with other Directors	Business relationship with the Company, if any	Remuneration paid/payable during the year ended March 31, 2012			
			Sitting fee	Salary and perquisites	Commission	Total
Mr. S K Tuteja#	None	None	280,000	-	-	280,000
Mr. Rajinder Gupta ^	None	Promoter	-	24,000,000	-	24,000,000
Ms. Pallavi Shroff	None	None	-	-	-	-
Mr. Rajiv Dewan	None	None	340,000	-	-	340,000
Dr. M A Zahir	None	None	420,000	-	-	420,000
Mr. Anurag Agarwal#	None	None	-	-	-	-
Ms. Kavita Singh	None	None	-	-	-	-
Mr. Raman Kumar#	None	None	-	1,105,324	-	1,105,324
Mr. Deepak Nanda~	None	None	-	2,548,333	-	2,548,333
Mr. Abhishek Gupta@	Son of Mr. Rajinder Gupta	None	-	7,200,000*	-	7,200,000*

 # Mr. Anurag Agarwal, Mr. Raman Kumar & Mr. S K Tuteja ceased to be Director w.e.f. May 16, 2011, November 12, 2011 and February 3, 2012 respectively.

~ Mr. Deepak Nanda was appointed as Additional Director & Wholetime Director of the Company w.e.f November 12, 2011.

@ Mr. Abhishek Gupta was appointed as Additional Director and Managing Director of the Company w.e.f March 30, 2012 and April 23, 2012 respectively.

^ Mr. Rajinder Gupta ceased to be Managing Director and appointed as Non-executive Chairman of the Company w.e.f April 23, 2012

** Remuneration paid as an employee of the Company as approved by the shareholders vide resolution dated September 25, 2010 and by Central Government vide letter No. SRN No.A95981221/4/2011-CL.VII dated March 15, 2011.*

The Company has also taken Director's and Officer's (D&O) Liability Insurance to protect its Directors' personal liability for financial losses that may arise out of their unintentional wrongful acts.

Pecuniary relationship or transaction of Non-executive Directors vis-à-vis the Company

The Company does not have any direct pecuniary relationship/transaction with any of its Non-executive directors. However, a sum of Rs. 2,200,586/- was paid to M/s Amarchand & Mangaldas & Suresh A Shroff & Co., during the financial year 2011-12 towards fees for legal services. Ms.Pallavi Shroff, a Non-executive Director of the Company is partner of M/s Amarchand & Mangaldas & Suresh A Shroff & Co. However, the above payment does not affect independence of Ms. Pallavi Shroff as the same is not material as per criteria fixed by the Board.

Criteria for payment of commission

In addition to the monthly remuneration, the Managing Director is also entitled to receive commission at the rate of one percent of the net profits of the Company as computed under Section 349 of the Companies Act, 1956, as per the terms of his appointment recommended by the Compensation Committee in its meeting held on June 26, 2008 and approved by the Board in its meeting held on June 27, 2008/ February 3, 2012 and the shareholders in their Annual General Meeting held on September 24, 2008.

Termination of agreement with Managing Director and Wholetime Director and severance fees

The employment of Managing Director and Wholetime Director shall terminate automatically in the event of their ceasing to be a Director of the Company in the General Meeting and/or in the event of their resignation as a Director of the Company and subsequent acceptance of the resignation by the Board.

Directorships of Board members in other companies

The Directors of the Company also hold position as Directors, committee members, partners and shareholders in other reputed companies, associations and firms. The committee memberships/chairmanships held by the Directors in other corporate as on March 31, 2012 are in compliance with the Clause 49 of the Listing Agreement. Details of the same are as follows:

Name of Directors	Name of Companies	Position held/ interest
Mr. Rajinder Gupta	Trident Group Limited	Chairman - Board
	Trident Corporation Limited	Chairman – Board
	Abhishek Energy Corporation Limited	Chairman – Board Shareholding > 2 percent
	Himalayan Ayurvedic & Agro Research Centre Limited	Chairman - Board
	Trinetra Technologies Limited	Director - Board
	Trident Global Corp Limited	Director - Board
	Trident Infotech Inc.	Director - Board
	Trident Towels Limited	Shareholding > 2 percent
Ms. Pallavi Shroff	Maruti Suzuki India Limited	Director – Board Member – Audit Committee
	Juniper Hotels Limited	Director – Board Member – Audit Committee
	PTL Enterprises Limited	Director - Board
	Artemis Health Sciences Private Limited	Director - Board
	Artemis Medicare Services Private Limited	Director - Board
	Amarchand & Mangaldas & Suresh A Shroff & Co.	Partner
Mr. Rajiv Dewan	Malwa Industries Limited	Director – Board Member – Audit Committee
	Punjab Communication Limited	Director – Board Member – Audit Committee Member – Investors' Grievance Committee
	Malwa Millenium Designs Limited	Director - Board
	Trinetra Technologies Limited	Director - Board
	Abhishek Ventures & Projects Limited	Director - Board
	Trident Aerospace Limited	Director - Board
	Trident Powercom Limited	Director - Board
	Trident Corporate Services Limited	Director - Board
	Trident Corporate Solutions Limited	Director - Board

Name of Directors	Name of Companies	Position held/ interest
	Trident Brokers Limited	Director - Board
	Trident Swaasthya Limited	Director - Board
	Trident Research Limited	Director - Board
	Trident Brands Limited	Director - Board
	R Dewan & Co	Partner
Dr. M A Zahir	Hero Cycles Limited	Director – Board Chairman – Audit Committee
	Hero Fincorp Limited	Director - Board
	Ralson India Limited	Director - Board
	Rockman Industries Limited	Director – Board Member – Audit Committee
	IOL Chemicals & Pharmaceuticals Limited	Director – Board Chairman – Audit Committee Chairman – Shareholder's Grievance Committee
	Sohrab Spinning Mills Limited	Director - Board
	Lotus Integrated Texpark Limited	Director – Board Member – Audit Committee
	Majestic Auto Limited	Director – Board Member – Audit Committee
Mr. Deepak Nanda	M D E-Infra Consultants Private Limited	Director – Board Shareholding > 2 percent
	Punjab Venture Capital Limited	Director – Board
	Trident Chemicals Limited	Director – Board
	Trident Green Technologies Limited	Director - Board
	SME Business Services Limited	Shareholding > 2 percent
Mr. Abhishek Gupta	Trident Group Limited	Director – Board Member – Audit Committee
	Trident Spinning Limited	Director - Board
	Trident Papers Limited	Director - Board
	Trident Home Textiles Limited	Director - Board
	Trident Health Solutions Limited	Director - Board
	Trident Infra Developers Limited	Director - Board
	Trident Garments Limited	Director - Board
	Trident Industrial Corp Limited	Director - Board
	Trident Annapurna Limited	Director - Board
	Trident Industrial Chemicals Limited	Director - Board
	Trident Processors Limited	Director - Board
	Trident Brands Limited	Director - Board
	Abhishek Industries Limited	Director - Board
	Abhishek Industries (India) Limited	Director - Board

A brief profile of the Directors is given elsewhere in this annual report, which forms part of the Corporate governance report.

Management

The management discussion and analysis report is given elsewhere in this annual report, which forms part of this Corporate governance report.

Shareholders

a) Disclosures regarding appointment/re-appointment of Directors

Pursuant to the Articles of Association of the Company, all the Directors for the time being except Managing Director and Wholetime Director shall retire annually and accordingly Mr. Rajinder Gupta, Ms. Pallavi Shroff, Mr. Rajiv Dewan, Ms. Kavita Singh and Dr. M A Zahir, Directors are retiring at the ensuing Annual General Meeting. All retiring Directors offer themselves for re-appointment except Ms. Kavita Singh who does not seek re-appointment. The Screening Committee and Board have recommended re-appointment of Directors who are retiring and offer themselves for re-appointment. The Screening Committee and Board have recommended appointment of Mr. Sanjay Jain as a Director of the Company in place of Ms. Kavita Singh.

The brief profile of the Directors being appointed and re-appointed and other relevant information is given elsewhere in this annual report, which forms part of the Corporate governance report.

b) Means of communication

The quarterly, half yearly and annual financial results and quarterly shareholding pattern are posted on Company's official website www.tridentindia.com. As per the requirements of the Listing Agreement, the Company also provides information to the stock exchanges and updates its website on regular basis to include new developments in the Company.

All material information about the Company is promptly sent through facsimile/e-mail to the stock exchanges where the shares of the Company are listed.

Full version of the annual report including the notice of Annual General Meeting, Management's Discussion and Analysis, Corporate Governance Report, Balance Sheet, Profit and Loss Account, Cash Flow Statement along with the schedules and notes thereon, Directors' Report and Auditors' Report are sent to the shareholders within the stipulated time and are also uploaded on Company's official website www.tridentindia.com.

The Company generally publishes its financial results in the *Business Standard* and *Rozana Spokesman*/*Punjabi Jagran*. During the year under review, the Company published its financial results in the following newspapers:

Financial Results	Newspapers	Date of publication
Unaudited financial results for the quarter ended June 30, 2011	• Business Standard • Rozana Spokesman	August 4, 2011 August 4, 2011
Unaudited financial results for the quarter and half year ended September 30, 2011	• Business Standard • Rozana Spokesman	November 14, 2011 November 13, 2011
Unaudited financial results for the quarter and nine months ended December 31, 2011	• Business Standard • Rozana Spokesman	February 4, 2012 February 4, 2012
Audited financial results for the quarter and year ended March 31, 2012	• Business Standard • Punjabi Jagran	May 26, 2012* May 26, 2012*

*Proposed

c) Compliance Officer

The Board has appointed following official as Compliance officers of the Company.

1. Mr. Pawan Jain, Company Secretary (e-mail ID: pawanjain@tridentindia.com)
2. Mr. Pawan Babbar, Deputy Company Secretary (e-mail ID: pawanbabbar@tridentindia.com)

The Compliance officers can be contacted for any investor related matter relating to the Company on contact no. 1800 180 2999; and fax no. +91-161-5039900.

d) Annual General Body Meetings of the Company

Details of last three Annual General Meetings of the Company is given hereunder:

AGM	Day	Date	Time	Venue	Special Resolutions passed
21st	Friday	September 30, 2011	10:30 am	Trident Group, Raikot Road, Barnala	No Special Resolution was passed at meeting
20th	Saturday	September 25, 2010	10.30 am	– do –	No Special Resolution was passed at meeting
19th	Thursday	August 27, 2009	10:30 am	– do –	Following three special resolutions were passed: • Appointment of Mr. Raman Kumar as Wholetime Director and payment of remuneration thereof • Increase in remuneration of Mr. Abhishek Gupta • Employees Stock Options Scheme

e) Postal ballots

The following resolutions were passed through Postal Ballot during the financial year 2011-12 for which the Board had appointed Mr. S C Gupta, retired District Attorney as scrutiniser:-

Sr. no.	Date of passing resolutions	Description of ordinary resolution(s) and special resolution(s)	Voting pattern		Remarks
			For	Against	
1	July 12, 2011	Special resolution under Sections 198, 269, 309, 314, 316 read with Schedule XIII of the Companies Act, 1956 for Re-appointment of Mr. Rajinder Gupta as Managing Director	99.96%	0.04%	Passed with requisite majority
		Special resolution under Sections 198, 269, 309, 314, 316 read with Schedule XIII of the Companies Act, 1956 for Re-appointment of Mr. Raman Kumar as Wholetime Director	99.97%	0.03%	Passed with requisite majority
		Special resolution under Section 31 of the Companies Act, 1956 for Alteration in Articles of Association	99.97%	0.03%	Passed with requisite majority

Disclosures

a) Related party transactions

- There was no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, promoters or the management that may have potential conflict with the interests of the Company at large except the details of transactions annexed to the balance sheet disclosed as per Accounting Standard 18 of the Institute of Chartered Accountants of India.
- All details relating to financial and commercial transactions, where Directors may have a potential interest are provided to the Board and the interested Directors abstain from participating in the discussion or decision on such matters. The Audit Committee of the Company also reviews related party transactions on periodical basis.

b) Compliances made by the Company

- The Company has continued to comply with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital market during the last three years.
- No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other authority on any matter related to capital market during the last three years.

Corporate ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Some of our policies are:

a) Code of Conduct for Prevention of Insider Trading
b) Code of Corporate Disclosure
c) Whistle Blower Policy
d) Combined Code of Corporate Governance and Conduct
e) Safety, Health and Environment (SHE) Policy
f) Values Framework
g) Risk Management Procedure

Compliance status with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement

Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreements entered into with Stock Exchanges.

Non-mandatory requirements

Compliance status with non-mandatory requirements is given below:

a) The Chairman of the Company is entitled to maintain an office, seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.

b) Company has set up Compensation Committee comprising of three Independent Directors. Details of the Committees are given in this report under the head Board Level Committees

c) Presently, half yearly financial performance is not being sent to each household of shareholders. However, Company on quarterly basis sends financial results to all shareholders who have registered their e-mail ids with depositories / RTA / Company.

d) The performance evaluation of all Directors (executive and non-executive) is done by the Screening Committee, which comprises of three Independent Directors, one non-independent Director and one independent person having expertise in Human Resources.

e) The Company has adopted Whistle Blower Policy. No personnel is denied access to the Audit Committee.

General shareholders information

The following information would be useful to our shareholders:

a) Annual General Meeting

Date	September 24, 2012
Day	Monday
Time	10:30 AM
Venue	Trident Group, Sanghera, Punjab

b) Financial calendar

Next financial year	April 1, 2012 to March 31, 2013

c) The financial results will be adopted as per the following tentative schedule:

For the quarter ended June 30, 2012	August 2012 (1st week)
For the quarter and half year ended September 30, 2012	November 2012 (1st week)
For the quarter and period ended December 31, 2012	February 2013 (1st week)
For the quarter and year ended March 31, 2013	May 2013 (2nd week)

d) Date of book closure for the purpose of Annual General Meeting:

The Share Transfer Book and Members' Register shall remain closed from Saturday, September 15, 2012 to Monday, September 24, 2012 (both days inclusive) for the purpose of Annual General Meeting.

e) Listing on stock exchanges

As on March 31, 2012, the equity shares of the Company were listed on the following exchanges:

1	BSE Limited Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street, Mumbai – 400 001
2	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

f) Listing fees

Listing fees for the year 2012-13 has been paid to the stock exchanges where the equity shares of the Company are listed in the month of April, 2012 i.e. within the stipulated time.

g) Payment of Depository Fees :

Annual Custody/ Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.

h) Stock code

The Company's code at the stock exchanges and news agencies are:

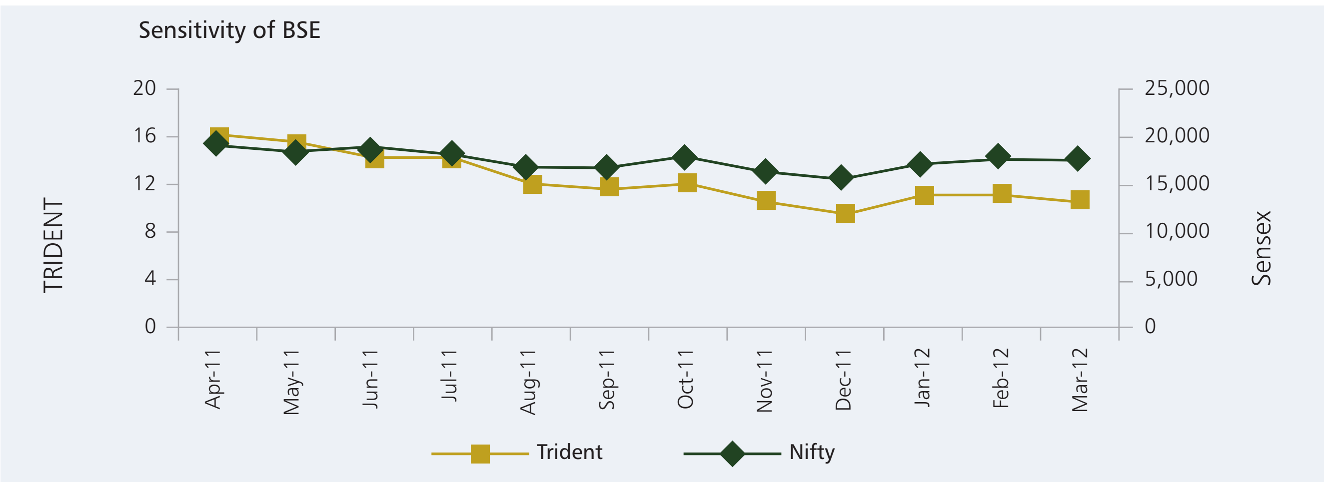
Sr. no	Name of stock exchanges	Stock code	Reuters code	Bloomberg
1	BSE Limited	521064	TRIE.BO	TRID:IN
2	National Stock Exchange of India Limited	TRIDENT	TRIE.NS	TRID:IN

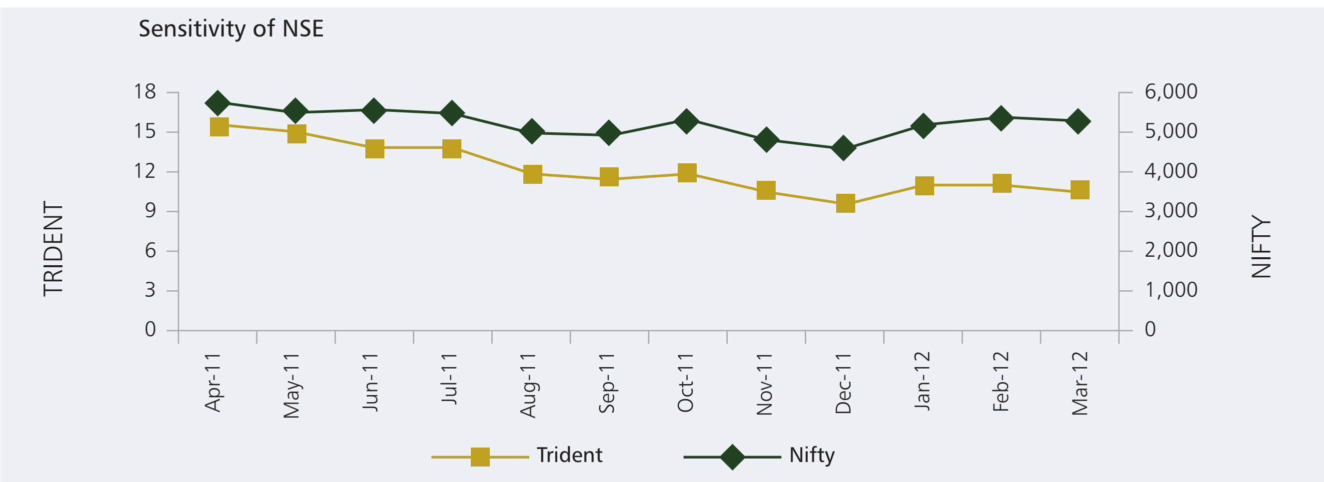
i) Market price data

Monthly high and low prices of equity shares of Trident Limited at the BSE Limited (BSE) and at the National Stock Exchange of India Limited (NSE) during the year under review in comparison to BSE (Sensex) and NSE (Nifty) are given hereunder:

Month	BSE					NSE				
	Share prices		Volume	Sensex		Share Prices		Volume	Nifty	
	High	Low		High	Low	High	Low		High	Low
April, 2011	16.87	14.25	2,731,975	19,811.14	18,976.19	16.80	14.20	2,670,865	5,944.45	5,693.25
May, 2011	16.40	12.25	2,699,347	19,253.87	17,786.13	16.50	12.40	2,890,975	5,775.25	5,328.70
June, 2011	15.40	13.40	1,877,040	18,873.39	17,314.38	15.40	13.55	1,214,375	5,657.90	5,195.90
July, 2011	14.89	13.41	677,132	19,131.70	18,131.86	14.60	13.45	976,997	5,740.40	5,453.95
August, 2011	14.14	10.56	1,053,824	18,440.07	15,765.53	14.30	10.50	1,175,604	5,551.90	4,720.00
September, 2011	14.45	11.40	1,150,951	17,211.80	15,801.01	14.15	11.40	1,495,346	5,169.25	4,758.85
October, 2011	12.40	11.00	472,512	17,908.13	15,745.43	12.60	11.10	736,528	5,399.70	4,728.30
November, 2011	12.39	10.00	477,308	17,702.26	15,478.69	12.45	9.60	726,415	5,326.45	4,639.10
December, 2011	11.00	9.01	313,547	17,003.71	15,135.86	11.00	9.15	397,511	5,099.25	4,531.15
January, 2012	11.50	9.53	431,159	17,258.97	15,358.02	11.80	9.20	554,324	5,217.00	4,588.05
February, 2012	13.00	10.52	787,851	18,523.78	17,061.55	12.40	10.60	858,673	5,629.95	5,159.00
March, 2012	11.88	10.00	755,663	18,040.69	16,920.61	11.90	9.95	998,901	5,499.40	5,135.95

Source: Reuters





j) Registrar and Share Transfer Agent

M/s Alankit Assignments Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share transfer work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialisation and rematerialisation can be made at the following address:

M/s Alankit Assignments Limited (Unit: Trident Limited)
2E/21 Jhandewalan Extension, New Delhi – 110 055
Tel: +91-11-23541234, 42541234, Fax: +91-11-23552001
e-mail : rta@alankit.com

k) Share Transfer System

All share transfers physical as well as electronic are handled by M/s Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company at 2E/21 Jhandewalan Extension, New Delhi – 110 055.

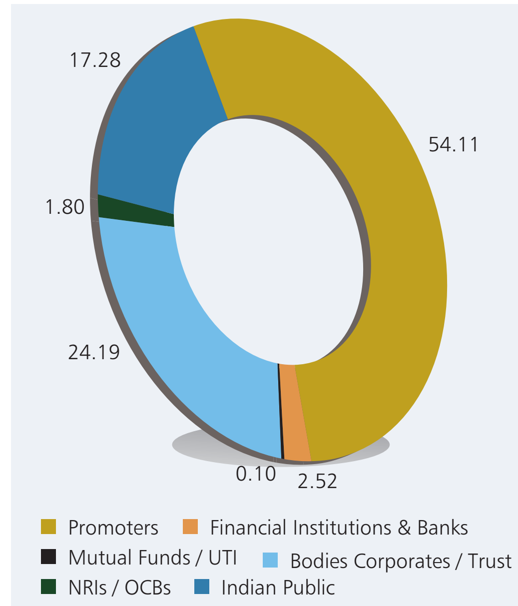
l) Distribution of shareholding

As on March 31, 2012 the distribution of shareholding was as follows:

Shareholding of nominal value in Rs.	Shareholders		Shareholding	
	Number	Percent	Shares	Percent
up to 5,000	70,610	78.82	14,761,240	4.83
5,001 to 10,000	10,792	12.05	8,328,221	2.72
10,001 to 20,000	4,554	5.08	6,778,822	2.22
20,001 to 30,000	1,308	1.46	3,393,322	1.11
30,001 to 40,000	514	0.57	1,860,368	0.61
40,001 to 50,000	564	0.63	2,707,228	0.88
50,001 to 100,000	660	0.74	5,018,936	1.64
100,001 and above	587	0.65	262,988,975	85.99
Total	89,589	100.00	305,837,112	100.00

m) Category wise shareholding as on March 31, 2012

Category	No. of shares held	Percent of shareholding
Promoters		
Indian promoters	165,480,322	54.11
Institutional investors		
- Mutual Funds/UTI	314,099	0.10
- Banks, Financial Institutions	7,715,888	2.52
Others		
- Corporate Bodies/Trust	73,982,413	24.19
- Indian public	52,853,081	17.28
- NRIs/OCBs	5,491,309	1.80
Grand Total	305,837,112	100.00



n) Details of shares held more than five percent as on March 31, 2012

Name of shareholder	No. of shares held	Percent of shareholding
Madhuraj Foundation	94,788,428	30.99
Trident Group Limited	50,642,400	16.56
Prudent Traders Private Limited	18,860,000	6.17

o) Dematerialisation of shares

The equity shares of the Company are compulsory traded and settled only in the dematerialised form under ISIN No. INE 064C01014.

The details of the equity shares of the Company dematerialised as on March 31, 2012 is given hereunder:

Particulars	As on March 31, 2012		As on March 31, 2011	
	No of shares	Percent	No of shares	Percent
No. of shares dematerialised	265,165,829	86.70	111,129,137	49.99
- NSDL	47,194,912	15.43	38,467,972	17.30
- CDSL	217,970,917	71.27	72,661,165	32.69
No. of shares in physical form	40,671,283	13.30	111,172,374	50.01
Total	305,837,112	100.00	222,301,511	100.00

p) Conversion of Warrants

The Company had issued 2,00,00,000 warrants to M/s Trident Capital Limited, a promoter group entity and 1,50,00,000 warrants to M/s Glaze Ventures Private Limited, a non promoter group entity at a premium of Rs. 7.05/- i.e. at Rs.17.05/- on April 27, 2011 pursuant to the approval of the shareholders through postal ballot on March 25, 2011. The allottees of warrants have an option to get these warrants converted into equivalent number of equity shares of the Company within 18 months from the date of allotment.

During the year ended March 31, 2012, the Company has converted 3,00,00,000 warrants out of total of 3,50,00,000 warrants into the equity Shares pursuant to the exercise of option by the warrant holders. As on March 31, 2012, 50,00,000 warrants are outstanding for conversion.

q) Correspondence received/resolved

Nature	Number of letters (April 2011 – Mar 2012)		
	Received	Attended	Pending
Transfer of shares	49	49	-
Dividend/Revalidation	451	451	-
Duplicate shares	3	3	-
Loss of shares	116	116	-
SEBI/Stock exchange	12	12	-
Change of address	443	443	-
Conversion	271	271	-
Misc. like demat/ mandate /nomination/POA/ annual report/transmission	410	410	-
Total	1755	1755	-

r) Share transfer/demat requests in process

As on March 31, 2012, there were no requests for dematerialisation or transfer in process.

s) Stock options

1. The Company has granted options to its employees under Trident Employee Stock Options Plan, 2007. The Company has made two grants under the scheme till date. The first grant was made on July 9, 2007 and second grant was made on July 23, 2009 by the Compensation Committee as per the terms and conditions of Employee Stock Options Plan, 2007. As per the terms of the plan, the Company can allot a maximum of 9,709,733 options to eligible employees from time to time. One option entitles the participant for one equity share of the Company subject to fulfillment of vesting criteria. Since these are the options given to participants, the exact impact on the paid up capital of the Company depends on exercise of rights of participants to convert these options into equity shares of the Company. As on March 31, 2012 a total of 5,785,173 options were outstanding and in force. There has been exercise of 32,174 options during the financial year 2011-12.
2. The Company had also introduced Trident Employee Stock Options Scheme, 2009 after the approval of shareholders in their meeting held on August 27, 2009. This scheme may be implemented through trust route. There has not been any grant under Trident Employee Stock Options Scheme, 2009 till now.

t) Exchange of shares of erstwhile Varinder Agro Chemicals Limited with Trident Limited

After merger of Varinder Agro Chemicals Limited (VACL) with Trident Limited (Trident), the Company has allotted 70 fully paid equity shares of Trident for every 24 fully paid equity shares of VACL. The Company had sent individual letters to all the shareholders of VACL to exchange their share certificates of VACL for share certificates of Trident.

The shareholders who are still holding shares of erstwhile VACL are requested to surrender their share certificates of VACL at the Corporate Office of the Company at E–212, Kitchlu Nagar, Ludhiana –141001 to get the shares of Trident Limited.

u) Amalgamation of Trident Infotech Limited and Trident Agritech Limited with Trident Limited

During the year, Trident Infotech Limited (TIL) and Trident Agritech Limited (TAL) have amalgamated with Trident Limited vide Order dated September 29, 2011 of the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. Pursuant to the Scheme of Amalgamation, the Company has allotted 5 equity shares of Trident Limited for every 6 equity shares of TIL and 20 equity shares of Trident Limited for every 31 equity shares of TAL. The Company has dispatched the share certificates of Trident Limited at the registered address of the shareholders of erstwhile TIL and TAL whose names appeared in respective Registers of Members on December 2, 2011, being the Record Date fixed for the purpose. The certificates in respect of shares held by them in erstwhile TIL & TAL are deemed to have been automatically cancelled and are of no effect, on and from the aforesaid Record Date.

v) Transfer of Unclaimed Shares to Suspense Account

As on March 31, 2012, 9,848,671 Equity Shares held by 23,003 Shareholders were lying unclaimed with the Company, due to non-availability of the correct particulars/ having been returned as undelivered. Despite constant efforts to locate the Shareholder, such as reminders to the address available in records, no response has been received. As a result the said unclaimed shares have been credited to "Trident Limited - Unclaimed Securities Suspense Account" in compliance with the provisions of Clause 5A of Listing Agreement.

The shareholders who have not received the shares in allotment made by Company or in exchange of their holding in Varinder Agro Chemicals Limited or Trident Infotech Limited under the scheme of amalgamation of these companies with the Company may approach the Company or M/s Alankit Assignments Limited, the Registrar and Transfer Agents of the Company, with proof of their correct particulars and of their identity for crediting of the Shares from the Unclaimed Securities Suspense Account to their individual demat Accounts. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

w) Unclaimed Dividend

Shareholders who have not yet encashed their dividend warrants for the year 2005-6 and 2010-11 may approach the Company for re-validation and issue of duplicate warrants. Dividend which remains unpaid/unclaimed over a period of seven years shall be transferred to the Investor Education and Protection Fund as per the law. In compliance of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the information regarding unclaimed and unpaid amounts shall be uploaded on the official website of the Company www.tridentindia.com within the prescribed time.

x) Nomination

Shareholders holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit their request to the Company in Form 2B. Shareholders holding shares in demat form may contact their Depository Participant for the purpose.

y) Plant locations

The Company's manufacturing facilities are located at the following locations:

Yarn division		Terry Towel division	Paper, Chemicals & Energy division
Trident Group, Raikot Road, Sanghera, Barnala - 148101, Punjab	Trident Complex, Hoshangabad Road, Budni, Sehore-466 445 Madhya Pradesh	Trident Complex, Mansa Road, Dhaula, Barnala - 148 101, Punjab	Trident Complex, Mansa Road, Dhaula, Barnala - 148 101, Punjab

z) Address for correspondence

Trident Limited
Trident Group, Raikot Road, Sanghera – 148 101, India
Phone no. 1800 180 2999, Fax no. 91-161-5039900
e-mail ID: investor@tridentindia.com;
website: www.tridentindia.com

Compliance Certificate

To the Members of Trident Limited

1. We have examined the compliance of conditions of Corporate Governance of Trident Limited (''the Company''), for the year ended on 31 March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Director and the Management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in th above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.015125N)

Vijay Agarwal
Partner
(Membership No.094468)

Place : Ludhiana
Date : May 25, 2012

Managing Director & Chief Financial Officer Certification

We have reviewed financial statements and cash flow statement for the year April 1, 2011 to March 31, 2012 and to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

ii) These statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

iii) No transaction entered into by the Company during the abovesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and have disclosed to the auditors and Audit Committee, wherever applicable:

a) deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies;

b) Significant changes in internal control over financial reporting during the year;

c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ludhiana
Date : May 25, 2012

Arun Goyal
Chief Financial Officer

Abhishek Gupta
Managing Director

Compliance with Code of Conduct

The Company has adopted "Combined Code of Corporate Governance and Conduct". This code deals with the 'Governance Practices' which the Company is expected to follow and 'Code of Conduct' for Board members and Senior Management of the Company.

It is hereby affirmed that during the year 2011-12, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place : Ludhiana
Date : May 25, 2012

Pawan Jain
Company Secretary

Abhishek Gupta
Managing Director

Auditors' Report

To
The members of
TRIDENT LIMITED

1. We have audited the attached Balance Sheet of TRIDENT LIMITED ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As indicated in note 39, the Company has not accounted for restatement loss on forward contracts and mark to market loss on open put derivative options aggregating Rs.263.5 million and Rs.343.6 million respectively for the year ended March 31, 2012. Such non-recognition of loss is not in line with Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" and guidance issued by Institute of Chartered Accountants of India (ICAI) on accounting of derivatives. Had such loss been recognised, loss after tax for the year ended March 31, 2012 would be higher and credit balance in Reserves and Surplus as at March 31, 2012 would be lower by Rs.410.1 million. Accordingly, basic and diluted loss per share for the year ended March 31, 2012 would have been higher by Rs. 1.49. The non-recognition of loss with respect to open put derivative options was subject matter of qualification in previous year also.*
5. Further to our comments in the Annexure referred to in paragraph 3 above and *subject to our comments in paragraph 4 above*, we report as follows:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
      ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956 *except for one of the independent director from whom the declaration under the said section has not been received*.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

Vijay Agarwal
Partner
Membership No. 094468

Place : Ludhiana
Date : May 25, 2012

Auditors' Report (Contd.)

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

Having regard to the nature of the Company's business/activities/result, clause 4 (xiii) of CARO is not applicable.

i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with regular programme of verification. In our opinion, such physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) The fixed assets disposed-off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

ii) In respect of its inventory:

a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. However, in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

a) The detail of unsecured loan/advance to a party is as under:

	No. of Parties	Amount involved (Rs. Millions)
Balance at the beginning of the year	–	–
Loan/Advance incorporated pursuant to amalgamation of Trident Agritech Limited with the Company	1	80.0
Balance at the end of the year	1	64.4
Maximum balance outstanding during the year	1	80.0

b) According to the information and explanation given to us, we are of the opinion that the advances in the nature of unsecured loans to parties covered in the register under section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company.

c) According to the information and explanation given to us, as per the terms of the loan agreement, the principal and interest amount is not yet due.

d) According to the information and explanations given to us, there are no overdue amounts in respect of the loan granted as referred to in paragraph 4(iii) (a) to (c) above.

e) According to the information and explanation given to us, the Company has, during the year, not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (f) and (g) of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services and in respect of contracts/ purchases of services which are of special nature comparable quotations are not readily available. During the course of our audit, we have not observed any major weakness in such internal control system.

v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

vi) The Company has not accepted any deposits from the public.

vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

ix) a) According to the information and explanations given to us and records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection

Auditors' Report (Contd.)

fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, value added tax and other material statutory dues applicable to it and in case of works contract tax, it has generally been regularly deposited with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the year-end outstanding for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of Wealth tax, Sales Tax and cess, which have not been deposited. Details of dues of Income-tax, Service Tax, Customs duty and Excise Duty which have not been deposited as on March 31, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Amount involved (Rs. million)	Period to which the amount relates
Central Excise Law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	82.5	2002-03, 2009-10, 2010-11
Customs Act	Custom Duty	Commissioner (Appeal), Bhopal	0.5	2008-09, 2009-10
Service Tax	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	3.6	2008-09, 2009-10, 2010-11
Service Tax	Excise Duty	Commissioner (Appeal), Chandigarh	0.5	2007-08, 2008-09

Statute	Nature of Dues	Forum where Department has preferred appeals	Amount (Rs. million)	Period to which the amount relates
Central Excise Law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	40.0	2005-06, 2006-07
Central Excise Law	Excise Duty	Commissioner (Appeals)	26.1	2009-10
Service Tax Act	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2.0	2004-05, 2005-06
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	64.6	(A.Y.) 1990-91, 2004-05 and 2006-07
Income Tax Act	Income Tax	High Court	18.1	(A.Y.) 1990-91, 1993-94, 1997-98, 1998-99, 1999-00 and 2004-05

x) The Company does not have accumulated losses as at March 31, 2012 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima-facie prejudicial to the interests of the Company as guarantees have been given for the companies which would support backward/forward integration of the Company's operations.

xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis aggregating Rs.476 million have been used for financing fixed assets.

xvii) The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Act, during the year.

xviii) The Company has not issued any debentures during the year.

(xix) The Company has not raised any money by way of public issue during the year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

Vijay Agarwal
Partner
Membership No. 094468

Place : Ludhiana
Date : May 25, 2012

Balance Sheet as at March 31, 2012

(Rs. million)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	3	3,058.4	2,223.0
b) Reserves and surplus	4	3,425.8	3,092.4
c) Money received against share warrants	41	21.3	–
2. Non-current liabilities			
a) Long term borrowings	5	12,725.7	8,787.3
b) Deferred tax liabilities (net)	32	759.8	913.1
c) Long term provisions	6	30.1	29.7
3. Current liabilities			
a) Short term borrowings	7	7,356.5	7,909.2
b) Trade payables	8	1,821.7	1,860.9
c) Other current liabilities	9	3,447.6	3,041.3
d) Short term provisions	10	19.1	410.8
Total		32,666.0	28,267.7
II. ASSETS			
1. Non-current assets			
a) Fixed assets			
i) Tangible assets	11	21,400.3	15,884.7
ii) Intangible assets	11	79.2	47.8
iii) Capital work in progress		63.8	630.9
b) Long term investments non current	12	556.5	439.4
c) Long term loans and advances	13	1,151.9	841.4
2. Current assets			
a) Current investments	14	–	5.8
b) Inventories	15	5,204.0	6,789.3
c) Trade receivables	16	1,919.0	1,988.2
d) Cash and cash equivalents	17	230.3	67.5
e) Short-term loans and advances	18	2,049.2	1,458.1
f) Other current assets	19	11.8	114.6
Total		32,666.0	28,267.7
Accompanying notes forming part of the financial statements	1 to 46		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board

RAJINDER GUPTA
Chairman

ABHISHEK GUPTA
Managing Director

VIJAY AGARWAL
Partner

PAWAN JAIN
Company Secretary

ARUN GOYAL
Chief Financial Officer

Place : Ludhiana
Date : May 25, 2012

Place : Ludhiana
Date : May 25, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Rs. million)

Particulars	Note No.	Year ended March 31, 2012		Year ended March 31, 2011	
1. REVENUE FROM OPERATIONS					
Gross sale of products and services	20		27,616.7		25,413.2
Less: Excise duty			(293.9)		(206.7)
			27,322.8		25,206.5
2. Other income	21		201.6		162.4
3. Total Revenue (1+2)			27,524.4		25,368.9
4. EXPENSES					
Cost of material consumed	22		16,254.3		14,469.0
Purchase of stock in trade	23		191.4		70.7
Changes in inventories of finished goods and work-in-process	24		(189.8)		(177.8)
Employee benefits expenses	25		2,014.9		1,870.1
Finance costs	26		1,717.8		1,289.0
Depreciation and amortization expenses	11		2,075.3		1,946.8
Other expenses	27		6,051.2		4,996.7
5. Total Expenses			28,115.1		24,464.5
6. Profit/(Loss) before tax (3-5)			(590.7)		904.4
7. Tax Expenses					
– Current tax		–		192.5	
– Deferred tax charge/(credit)		(191.2)		229.2	
– MAT credit entitlement		–		(192.5)	
– Provision for income tax for earlier years		37.9	(153.3)	4.4	233.6
8. Profit/(Loss) for the year (6-7)			(437.4)		670.8
9. Earnings/(Loss) per equity share (face value Rs. 10 each)	34				
– Basic			(1.59)		3.02
– Diluted			(1.59)		3.01
Accompanying notes forming part of the financial statements	1 to 46				

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board

RAJINDER GUPTA
Chairman

ABHISHEK GUPTA
Managing Director

VIJAY AGARWAL
Partner

PAWAN JAIN
Company Secretary

ARUN GOYAL
Chief Financial Officer

Place : Ludhiana
Date : May 25, 2012

Place : Ludhiana
Date : May 25, 2012

Cash Flow Statement for the year ended March 31, 2012

(Rs. million)

Particulars	Current year		Previous year	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(loss) before tax		(590.7)		904.4
Adjustments for:				
Depreciation and amortization expenses	2,075.3		1,946.8	
Finance costs	1,717.8		1,289.0	
Interest income	(34.2)		(25.6)	
Provision for diminution in value of investments	–		0.2	
Long term - others, non trade investment written off	–		3.0	
Profit on sale of non-current investments (non trade)	(2.3)		–	
Profit on sale of current investments (non trade)	–		(4.1)	
Loss on sale of current investments (non trade)	0.5		0.8	
Dividend income	–		(1.3)	
Profit on sale of fixed assets (net)	(27.1)		(117.3)	
Loss on fire of raw material stock (net)	–	3,730.0	3.8	3,095.3
Operating profit before working capital changes		**3,139.3**		**3,999.7**
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	1,585.3		(2,806.2)	
Trade receivables	77.6		(1,060.9)	
Short-term loans and advances	(591.1)		41.8	
Long term loans and advances	(55.1)		(0.3)	
Other current assets	75.4		(76.3)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(73.0)		835.1	
Other current liabilities	50.6		35.8	
Short term provisions	(7.0)		26.1	
Long term provisions	(2.5)	1,060.2	(27.8)	(3,032.7)
Cash generated from operations		**4,199.5**		**967.0**
Income tax paid		(38.9)		(217.2)
Net cash from operating activities (A)		**4,160.6**		**749.8**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(6,181.5)		(2,031.5)	
Proceeds from sale of fixed assets	86.3		308.1	
Purchase of current investments	–		(274.4)	
Proceeds from sale of current investments	5.3		337.0	
Purchase of long-term investments	(104.8)		(151.0)	
Proceeds from sale of long-term investments	7.1		0.4	
Share application money received back	30.0		65.0	
Interest received	31.6		27.3	
Dividend received	17.4		1.3	
Net cash from / (used) in investing activities (B)		**(6,108.6)**		**(1,717.8)**

Cash Flow Statement for the year ended March 31, 2012 *(Contd.)*

(Rs. million)

Particulars	Current year		Previous year	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	511.9		1.3	
Proceeds from issue of share warrants	21.3		–	
Proceeds from long term borrowings	6,737.9		1,519.4	
Repayment of long term borrowings	(2,530.3)		(2,232.1)	
Net increase/(decrease) in working capital borrowings	(552.7)		2,767.8	
Finance costs	(1,704.5)		(1,286.9)	
Dividend paid	(322.9)		–	
Tax on dividend	(53.7)		–	
Net cash from / (used) in financing activities (C)		**2,107.0**		**769.5**
Net increase / (decrease) in cash and cash equivalents		159.0		(198.5)
Cash and cash equivalents as at April 1, 2011		67.5		266.0
Cash and cash equivalents from merger (refer note 43)		3.8		–
Cash and cash equivalents as at March 31, 2012		230.3		67.5
Reconciliation of Cash and cash equivalents with the balance sheet:				
Cash and cash equivalents as per balance sheet		230.3		67.5
Less: Bank balances not considered as cash and cash equivalents				
In deposits accounts (original maturity more than 12 months)		21.2		21.1
Unpaid dividend accounts		12.5		4.4
Held as margin money or security against borrowings and other commitments		55.7		19.4
Net Cash and cash equivalents		140.9		22.6
Add: Current investments		–		5.8
Cash and cash equivalents at the end of the year *		**140.9**		**28.4**
* Comprises:				
Cash on hand		5.2		3.5
Balances with banks :				
– In current accounts		135.4		18.9
– In EEFC accounts		0.3		0.2
Current investments		–		5.8
		140.9		**28.4**
Accompanying notes forming part of the financial statements 1 to 46				

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board

RAJINDER GUPTA
Chairman

ABHISHEK GUPTA
Managing Director

VIJAY AGARWAL
Partner

Place : Ludhiana
Date : May 25, 2012

PAWAN JAIN
Company Secretary

ARUN GOYAL
Chief Financial Officer

Place : Ludhiana
Date : May 25, 2012

Notes forming part of the financial statements

Note 1 CORPORATE INFORMATION

Trident Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on April 18, 1990. The name of the Company has been changed from Abhishek Industries Limited to Trident Limited on April 18, 2011. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing, trading and sale of yarn, terry towels, paper and chemicals and sale of services.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

A. Accounting convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Revenue recognition

Revenue is recognized at the time of transfer of all significant risk and reward of ownership to the buyer and company do not retain effective control of goods transferred to a degree usually associated with ownership, i.e., at the point of dispatch of finished goods to the customers.

Revenue from sale of IT enabled annual maintenance contracts services is recognized on time proportion basis.

The revenue in respect of duty entitlement pass book (DEPB) benefit, duty drawback and similar other benefits are recognized on post export basis at the rate at which the entitlements accrues and is included in the revenue from operations.

Insurance claims are recognised when there exists no significant uncertainty with regard to the amounts to be realized and the ultimate collection thereof.

D. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

E. Government grants / subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. Government grants with respect to TUF subsidy is deducted from related finance costs and with respect to refundable sales tax is accounted for on accrual basis as other income.

F. Accounting for taxes on income

Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. In respect of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized based on virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

G. Employee benefits

The Company has various schemes of employees benefits such as provident fund, employees state insurance, gratuity and compensated absences, which is dealt with as under:

Provident fund and employees state insurance are the defined contribution schemes offered by the Company. The contribution to these schemes are charged to statement of profit and loss of the year in which contribution to such schemes become due.

The gratuity liability in respect of employees of the Company is covered through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance and Metlife India Insurance Company Limited. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised on an undiscounted accrual basis during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet

Notes forming part of the financial statements *(Contd.)*

Note 2 SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur.

H. Fixed assets

Fixed assets are stated at cost (net of CENVAT) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses and interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets.

The exchange differences arising after April 1, 2007 on reinstatement/settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

I. Depreciation/amortization

i) Depreciation on fixed assets [other than those referred to in (ii) to (iv) below] is provided on straight line method in accordance with Schedule XIV to the Companies Act, 1956.
ii) Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.
iii) The intangible asset (software) is amortised over a period of software license or 5 year, whichever is less.
iv) The leasehold land is amortized over the lease period.

J. Investments

Long-term investments are carried at cost less provision, if any, for diminution in value which is other than temporary. Current investments are carried at lower of cost and fair value.

K. Inventories

Raw materials, stores and spares, finished goods and work in process are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories are as follows:

– Raw materials: weighted average cost
– Work in process: cost of raw materials plus conversion cost depending upon the stage of completion.
– Finished goods: cost of raw materials plus conversion cost, packing cost and excise duty.
– Stores and spares: weighted average cost

L. Foreign currency transactions

Exchange differences are dealt with as follows:

Foreign currency transactions are recorded at the exchange rate prevailing as at the date of transactions except export sales which are recorded at a rate notified by the customs for invoice purposes, such rate is notified in the last week of the month and is adopted for recording export sales of the next month. The exchange fluctuation arising on billing through banker is accounted for as difference in exchange rates. The amount of such differences in exchange rate is included under turnover.

Monetary items denominated in a foreign currency are reported at the closing rate as at the date of balance sheet. Non-monetary items, which are carried at fair value denominated in a foreign currency, are reported at the exchange rate that existed when such values were determined, otherwise on historical exchange rate that existed on the date of transaction.

The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from the rates at which these were initially recorded/reported in previous financial statements are recognized as income/expense in the period in which they arise except that such exchange differences which relate to fixed assets (Refer H above). Further, where foreign currency liabilities have been incurred in connection with fixed assets where the exchange difference during the construction period are adjusted in the cost of the concerned fixed assets.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income on expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception of contract / the last reporting date, is recognized as income / expense for the period except that such exchange difference which related to fixed assets are capitalized in the carrying amount of these assets. Further, where such contracts have been entered in connection with fixed assets, the exchange differences arising during construction period are adjusted in the cost of concerned fixed assets.

M. Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

N. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

O. Employee share-based payments

The Company has constituted employee stock option plans - 2007 and 2009. Employee stock options granted are accounted under the 'Intrinsic Value Method' stated in the guidance note on employee share based payments issued by the Institute of Chartered Accountants of India.

P. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss.

Q. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

Notes forming part of the financial statements *(Contd.)*

Note 2 SIGNIFICANT ACCOUNTING POLICIES *(Contd.)*

R. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

S. Material events

Material events occurring after the Balance Sheet date are taken into cognizance.

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Note 3 SHARE CAPITAL				
Authorised				
Equity shares of Rs.10 each (with voting rights)	6,081,000,000	60,810.0	6,000,000,000	60,000.0
Preference shares of Rs. 10 each	3,005,000,000	30,050.0	3,000,000,000	30,000.0
		90,860.0		90,000.0
Issued, Subscribed and Paid up				
Equity shares of Rs.10 each (with voting rights) fully paid up (refer (a), (b) and (c) below)	305,837,112	3,058.4	222,301,511	2,223.0
Total		3,058.4		2,223.0

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period: *(Rs. million)*

Particulars	Equity Share Capital As at March 31, 2012		Equity Share Capital As at March 31, 2011	
	Number	Amount	Number	Amount
i) Issued, Subscribed and Paid up equity shares				
Shares outstanding at the beginning of the year	222,301,511	2,223.0	222,194,675	2,221.9
Shares issued during the year	83,535,601	835.4	106,836	1.1
Shares outstanding at the end of the year	305,837,112	3,058.4	222,301,511	2,223.0

(b) The details of shareholder holding more than 5 percent shares: *(Rs. million)*

Particulars	Equity Share Capital As at March 31, 2012		Equity Share Capital As at March 31, 2011	
	No. of Shares	% held	No. of Shares	% held
Madhuraj Foundation	94,788,428	31.0	79,538,423	35.8
Trident Group Limited	50,642,400	16.6	49,421,608	22.2
Prudent Traders Private Limited	18,860,000	6.2	18,860,000	8.5

(c) Number shares allotted as fully paid up pursuant to contract(s) without payment being received in cash *(Rs. million)*

Particulars	Equity Share Capital As at March 31, 2012		Equity Share Capital As at March 31, 2011	
	No. of Shares	% held	No. of Shares	% held
Shares allotted pursuant to the scheme of amalgamation during last 5 years	53,503,427	17.5	–	–

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 4 RESERVES AND SURPLUS				
a) Capital reserve				
Opening balance	86.6		86.6	
Add: During the year due to amalgamation (refer note 43)	541.9	628.5	–	86.6
b) Securities premium reserve				
Opening balance	538.8		538.6	
Add: On exercise of employees stock options	–		0.2	
Add: On issue of share warrants (refer note 41)	211.5	750.3	–	538.8

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 4 RESERVES AND SURPLUS *(Contd.)*				
c) General reserve				
Opening balance	20.0		–	
Add: Transferred from statement of profit and loss	–	20.0	20.0	20.0
d) Surplus in statement of profit and loss				
Opening balance	2,447.0		2,180.9	
Net profit/(loss) for the year	(437.4)		670.8	
Add: Dividend on shares held through trust	17.4		–	
Less: Proposed dividends	–		384.7	
Less: Transfer to general reserves	–	2,027.0	20.0	2,447.0
Total		3,425.8		3,092.4

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 5 LONG TERM BORROWINGS				
Term loans - secured				
From banks		12,659.6		8,614.3
From financial institutions		37.5		126.7
Other loans - secured				
Vehicle loans from banks		28.6		46.3
Total		12,725.7		8,787.3

Term loans

Term loans from banks and financial institutions are secured by way of equitable mortgage created or to be created on all the present and future immovable properties including all land, buildings, structures, all plant and machinery attached thereon of the Company and hypothecation of all the movable properties including movable machinery spares, tools and accessories, etc., present and future, subject to prior charges created and / or to be created in favour of the Company's bankers on stocks of raw materials, semi finished and finished goods, consumable stores and other movable, as may be required for working capital requirements in the ordinary course of business. The mortgages and charges referred to above rank pari-passu among the lenders (refer note 42 for repayment terms).

Includes Rs. 1,391.5 million (previous year Rs. 146.9 million) buyers credits loan taken by the Company for a period of up to 3 years from foreign banks against term loans sanctioned by Indian banks. As per agreed terms, these buyer credit loans would be repaid to foreign banks by Indian banks out of term loan amount sanction to the Company by these Indian banks.

Vehicles loans

Vehicle loans are secured by hypothecation of vehicles acquired against such loans (refer note 42 for repayment terms).

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 6 LONG TERM PROVISIONS				
Compensated absences		30.1		29.7
Total		30.1		29.7

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 7 SHORT TERM BORROWINGS				
Cash credits/working capital loans from banks - secured		7,356.5		7,909.2
Total		7,356.5		7,909.2

Cash credits/working capital loans

Cash credit / working capital loans are secured by hypothecation of raw materials, semi finished and finished goods, stock-in-process, consumable stores, other movable assets and book debts, present and future, of the Company. The limits are further secured by way of second pari passu charge on the immovable properties of the Company.

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 8 TRADE PAYABLES				
Acceptances		301.7		134.4
Other than Acceptances (refer note 33)		1,520.0		1,726.5
Total		1,821.7		1,860.9

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 9 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt - secured	2,754.3	2,484.2
Interest accrued but not due on loans	19.6	6.3
Dividend payable/unclaimed dividend*	12.5	4.4
Statutory remittances	64.4	52.2
Capital creditors	107.2	121.4
Payables to employees	269.1	200.0
Advances from customers	63.4	47.3
Security deposits - unsecured	122.6	123.6
Other liabilities	34.5	1.9
Total	**3,447.6**	**3,041.3**

* Will be credited to Investor Education and Protection Fund on the expiry of 7 years from the due date.

(Rs. million)

Note 10 SHORT TERM PROVISIONS		
Compensated absences	19.1	26.1
Proposed dividend	–	331.0
Tax on proposed dividend	–	53.7
Total	**19.1**	**410.8**

Note 11 FIXED ASSETS *(Rs. million)*

Particulars	Gross Block					Depreciation/ Amortization					Net Block	
	As at March 31, 2011	^Addition as per amalgamation	Additions during the year	Sales/ Adjustment	As at March 31, 2012	As at March 31, 2011	^Addition as per amalgamation	For the year	Sales/ Adjustment	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets												
Land												
– Freehold	626.3	219.5	70.1	–	915.9	–	–	–	–	–	915.9	626.3
– Leasehold	37.0	665.0	–	–	702.0	5.2	–	7.7	–	12.9	689.1	31.8
Buildings	3,438.2 *	11.9	1,174.2	–	4,624.3	542.5	0.3	107.8	–	650.6	3,973.7	2,895.7
Plant and machinery	20,973.8#	–	5,376.9	146.8	26,203.9	8,980.0	–	1,901.3	117.2	10,764.1	15,439.8	11,993.8
Furniture and fixtures	139.9	1.6	49.5	0.8	190.2	74.2	0.3	8.3	0.2	82.6	107.6	65.7
Office equipments	118.8	–	28.3	5.0	142.1	44.6	–	5.2	0.7	49.1	93.0	74.2
Computers	146.1	14.0	21.3	16.8	164.6	86.4	12.6	13.1	10.7	101.4	63.2	59.7
Vehicles	196.1	1.6	14.1	29.6	182.2	58.6	0.2	16.5	11.1	64.2	118.0	137.5
Intangible Assets												
Software	150.7	–	46.8	–	197.5	102.9	–	15.4	–	118.3	79.2	47.8
Current year	**25,826.9**	**913.6**	**6,781.2**	**199.0**	**33,322.7**	**9,894.4**	**13.4**	**2,075.3**	**139.9**	**11,843.2**	**21,479.5**	**15,932.5**
Previous year	**23,387.8**	**–**	**2,648.9**	**209.8**	**25,826.9**	**7,966.7**	**–**	**1,946.8**	**19.1**	**9,894.4**		

Notes:
1. Additions to plant and machinery includes exchange fluctuation loss of Rs. 421.3 million (Previous year Rs. 106.9 million).
2. Sales /adjustment to plant and machinery includes exchange fluctuation gain of Rs. 20.0 million (Previous year Rs. 85.5 million).

* Building includes Rs.16.0 million being expenses incurred by the Company towards construction of canal for sourcing of water, ownership of which belongs to Government of Punjab (Department of Irrigation), which has been fully amortised.

\# Plant and machinery includes Rs. 15.5 million being expenses incurred by the Company towards laying of feeder line, ownership of which belongs to Punjab State Electricity Board, which has been fully amortised.

^ Refer note 43.

(Rs. million)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 12 LONG TERM INVESTMENTS NON CURRENT		
(Unquoted, at cost or under)		
I. Investments in equity instruments (trade)		
24,500 (Previous year 24,500) common stock of USD 1 each fully paid up of Trident Global Inc. (Formerly Abhishek Industries Inc.), written off in earlier year (investment in associate)	–	–
2,450 (Previous year Nil) common stock of USD 1 each fully paid up of Trident Infotech Inc., USA (investment in associate)	0.1	–
25,600,000 (Previous year 900,000) equity shares of Rs 10 each fully paid up of Trident Corporation Limited*	247.5	0.5

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 12 LONG TERM INVESTMENTS NON CURRENT *(Contd.)*		
120,000 (Previous year 120,000) equity shares of Rs 10 each fully paid up of Nimbua Greenfield (Punjab) Limited	1.2	1.2
Nil (Previous year 22,550,000) equity shares of Rs 10 each fully paid up of Trident Agritech Limited, merged with the Company during the year (refer note 43)	–	225.5
10,000,000 (Previous Year 10,000,000) equity Shares of Rs 10 each fully paid up of Lotus Integrated Texpark Limited* (investment in associate)	100.0	100.0
	348.8	327.2
II. Investments in preference share (trade)		
Nil (Previous year 5,000,000) 7% non cumulative redeemable preference shares of Rs. 10 each fully paid up of Trident Infotech Limited, merged with the Company during the year (refer note 43)	–	50.0
5,000,000 (Previous year 5,000,000) 7% non cumulative redeemable preference shares of Rs 10 each fully paid up of IOL Chemicals and Pharmaceuticals Limited	50.0	50.0
	50.0	100.0
III. Others (Non-trade)		
32,000 (Previous year 32,000) units of face value of Rs. 630 each, Rs. 529 per unit, paid up of Kotak India Venture Fund (Private Equity fund)	12.2	12.2
	12.2	12.2
IV Interest (Equity) in TAL Benefit Trust (refer note 43)	145.5	–
	145.5	–
Total	556.5	439.4
Aggregate book value - unquoted	556.5	439.4

* The Company has executed a non-disposal undertaking in favour of various banks that have provided financial assistance to these companies.

(Rs. million)

Note 13 LONG TERM LOANS AND ADVANCES		
(Unsecured considered good, unless otherwise stated)		
Capital Advances	316.9	357.7
Advances to vendors	250.0	–
Security deposits	253.6	192.1
Advance income tax (net of provisions Rs.709 million (Previous year Rs. 709 million))	69.3	29.5
MAT credit entitlement	262.1	262.1
Total	**1,151.9**	**841.4**

(Rs. million)

Note 14 CURRENT INVESTMENTS		
Current (Non trade) (Unquoted, at cost or fair value, whichever is lower).		
Equity linked mutual funds		
Nil (Previous year 37,217) units of face value of Rs. 10 each fully paid up of DSP India Tiger Fund - Growth	–	2.0
Nil (Previous year 53,171) units of face value of Rs 10 each of Reliance Growth Fund - Dividend Plan	–	3.6
Nil (Previous year 24,602) units of face value of Rs 10 each of SBI Magnum Sector Umbrella Contra - Growth	–	1.5
	–	7.1
Less: Diminution in value of investments	–	1.3
Total	–	5.8

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 15 INVENTORIES				
Stock in trade				
– Raw materials		3,276.6		5,209.3
– Work in process [refer (a) below]		812.8		664.6
– Finished goods		767.9		566.9
Stores and spares		346.7		348.5
Total		**5,204.0**		**6,789.3**
(a) Work in process comprises				
Yarn		273.7		136.3
Towel		492.7		434.0
Paper		46.4		94.3
Total		**812.8**		**664.6**

* At cost or net realizable value, whichever is lower

(Rs. million)

Note 16 TRADE RECEIVABLES				
(Unsecured considered good, unless otherwise stated)				
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
– Considered good	1.5		61.8	
– Considered doubtful	36.3		2.1	
	37.8		63.9	
Less: Provision for doubtful debts	36.3	1.5	2.1	61.8
Others	2,011.4		1,926.4	
Less: Provision for debts	93.9	1,917.5	–	1,926.4
Total		**1,919.0**		**1,988.2**

(Rs. million)

Note 17 CASH AND CASH EQUIVALENT				
Cash on hand		5.2		3.5
Balances with banks :				
– In current accounts		135.4		18.9
– In EEFC accounts		0.3		0.2
– In deposits accounts (original maturity more than 12 months)		21.2		21.1
– In earmarked accounts				
(i) Unpaid dividend accounts		12.5		4.4
(ii) Held as margin money or security against borrowings and other commitments		55.7		19.4
Total		**230.3**		**67.5**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement.		140.9		22.6

(Rs. million)

Note 18 SHORT TERM LOANS AND ADVANCES				
(Unsecured considered good, unless otherwise stated)				
Loans and advances to related parties		90.4		116.6
Loans and advances to employees		9.1		24.7
Advances to vendors		984.5		182.1
Prepaid expense		71.6		48.7
Balance with customs, excise and port trust authorities		759.7		1,062.8
Others		133.9		23.2
Total		**2,049.2**		**1,458.1**

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Note 19 OTHER CURRENT ASSETS				
Interest accrued on deposits		10.9		8.3
Insurance claim receivables		0.9		76.3
Others		–		30.0
Total		**11.8**		**114.6**

* At cost or net realizable value, whichever is lower

(Rs. million)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Note 20 REVENUE FROM OPERATIONS				
Sale of products:				
Manufactured				
– Yarn		7,382.8		7,876.2
– Processed yarn		263.8		283.8
– Towel		12,126.2		10,385.5
– Paper		6,373.9		5,762.9
– Sulphuric acid		379.1		335.1
Traded				
– Towel		260.0		97.9
Sale of services		10.6		–
Other operating revenue:				
Waste sale		820.3		671.8
Total		**27,616.7**		**25,413.2**

(Rs. million)

Note 21 OTHER INCOME				
Interest income		34.2		25.6
Dividend income		–		1.3
Profit on sale of current investments (non-trade)	–		4.1	
Carrying amount of current investments (non-trade)	–		(0.2)	
Loss on sale of current investments (non-trade)	(0.5)		(0.8)	
Profit on sale of non-current investments (non-trade)	2.3		–	
Long term - others, non trade investment written off	–	1.8	(3.0)	0.1
Profit on sale of fixed assets (net)		27.1		117.3
Sales tax subsidy		95.4		–
Miscellaneous income		43.1		18.1
Total		**201.6**		**162.4**

(Rs. million)

Note 22 COST OF MATERIAL CONSUMED				
Raw material consumed				
Opening stock		5,209.3		2,591.2
Add: Purchase of raw material		14,321.6		17,087.1
		19,530.9		19,678.3
Less: Closing stock		3,276.6		5,209.3
Net consumption (refer (a) below)		16,254.3		14,469.0
a) Raw material consumed comprises:				
Cotton and fibers		8,998.1		7,543.0
Yarn		3,594.7		3,440.2
Dyes and chemicals		2,234.9		1,872.3
Agro based products		1,310.5		1,477.2
Others		116.1		136.3
Total		**16,254.3**		**14,469.0**

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Note 23 PURCHASE OF STOCK IN TRADE				
Towels for resale		723.1		238.7
Less: sale of material bought back after processing		(531.7)		(168.0)
Total		191.4		70.7

(Rs. million)

Note 24 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROCESS				
Opening Stock				
Finished goods	566.9		508.6	
Work-in-process	664.6	1,231.5	492.3	1,000.9
Add: Stock on commissioning of new plants				
Finished goods	80.8		30.3	
Work-in-process	78.7	159.5	22.5	52.8
Less : Closing Stock				
Finished goods	767.9		566.9	
Work-in-process	812.9	1,580.8	664.6	1,231.5
(Increase) / decrease		(189.8)		(177.8)

(Rs. million)

Note 25 EMPLOYEE BENEFIT EXPENSES				
(Refer note 31)				
Salaries and wages		1,808.4		1,663.7
Contribution to provident and other funds		161.8		171.0
Staff welfare expenses		44.7		35.4
Total		2,014.9		1,870.1

(Rs. million)

Note 26 FINANCE COSTS				
Interest expense				
– On loans for fixed period		766.0		764.6
– Others		707.8		441.5
Other borrowing costs		100.8		82.9
Fluctuation on foreign currency transactions and translations		143.2		–
Total		1,717.8		1,289.0

(Rs. million)

Note 27 OTHER EXPENSES				
Stores and spares consumed		504.7		466.8
Packing material and charges		763.6		700.5
Power and fuel (net of utilized by others)		2,152.4		1,873.4
Rent		48.0		53.7
Repairs and maintenance				
– Plant and machinery		35.8		44.8
– Buildings		31.4		25.5
– Others		7.6		6.6
Insurance charges		69.8		66.5
Rates and taxes		24.2		38.8
Commission		238.8		262.0
Freight, clearing and octroi charges		730.8		790.6
Rebates and discount		122.5		115.6
Business promotion		60.5		51.1
Net loss of foreign currency transaction and translation		659.3		43.7
Auditors' remuneration (refer note 30)		8.0		6.8

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Particulars	Year ended March 31, 2012		Year ended March 31, 2011	
Note 27 OTHER EXPENSES *(Contd.)*				
Travelling and conveyance		48.4		52.2
Postage and telephone		25.5		23.3
Legal and professional		68.1		59.0
Doubtful debts and advances written off		4.0		59.0
Provision for doubtful and other debts		128.7		0.3
Charity and donation		11.7		6.0
Loss on fire of raw material stock (net)		–		3.8
Miscellaneous expenses		307.4		246.7
Total		6,051.2		4,996.7

(Rs. million)

Note 28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):				
I. Contingent liabilities				
a) Claims* (excluding claims by employees where amounts are not ascertainable) not acknowledged as debt:				
– Service Tax		4.1		3.7
– Excise duty		82.5		6.0
– Income Tax		11.0		22.8
– Others		0.5		2.8
b) Bills discounted		995.3		1,069.5
c) Guarantees given to banks on behalf of others Rs.1,358.1 million (Previous year Rs.308.1 million) - loan availed		676.1		141.9
II. Commitments				
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)		53.4		2,128.4
b) Other commitments #				

* All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of the management, have a material effect on the results of operations or financial position of the Company.

The Company has other commitments for purchase/sale orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employee benefits. The Company does not have any long term commitment or material non cancelable contractual commitments/contracts which might have a material impact on the financial statements other than commitment and advance given for advertisement in print media of Rs.300 million for Trident limited and its group entities.

Note 29

There are no disputed dues of sales tax, wealth tax and cess matters which have not been deposited by the Company. The details of disputed excise duty, service tax, custom duty and income-tax dues as at March 31, 2012 are as follows:

(Rs. million)

Statue	Nature of Dues	Forum where dispute is pending	Amount involved	Period to which the amount relates
Central Excise Law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	82.5	2002-03, 2009-10 and 2010-11
Central Excise Law	Custom Duty	Commissioner (Appeals), Bhopal	0.5	2008-09 and 2009-10
Service Tax	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	3.6	2008-09, 2009-10 and 2010-11
Service Tax	Service Tax	Commissioner (Appeals), Chandigarh	0.5	2007-08 and 2008-09

Notes forming part of the financial statements *(Contd.)*

Note 29 *(Contd.)*

The following matters have been decided in favour of the Company, although the Department has preferred appeals at higher levels:

(Rs. million)

Statue	Nature of Dues	Forum where department has preferred appeals	Amount	Period to which the amount relates
Central Excise Law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	40.0	2005-06 and 2006-07
Central Excise Law	Excise Duty	Commissioner (Appeals)	26.1	2009-10
Service Tax Act	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2.0	2004-05 and 2005-06
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	64.6	(A.Y.) 1990-91, 2004-05, and 2006-07
Income Tax Act	Income Tax	High Court	18.1	(A.Y.) 1990-91, 1993-94, 1997-98, 1998-99, 1999-00 and 2004-05

(Rs. million)

Note 30 AUDITORS' REMUNERATION

Particulars	Current year	Previous year
As auditors (audit fee)	3.8	3.8
In other capacities		
– Limited Review	3.1	1.8
– Others	1.0	1.2
Reimbursement of expenses	0.1	0.2

Note 31 EMPLOYEE BENEFITS

a) Defined contribution plans

The Company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Company recognized Rs. 149.0 million (Previous year Rs. 129.6 million) during the year as expense towards contribution to these plans. Out of Rs. 149.0 million, Rs.8.5 million (Previous year Rs. 0.6 million) is included under fixed assets / capital work in progress.

(Rs. million)

Company's contribution to provident fund	105.3	91.7
Company's contribution to employee's state insurance scheme	33.6	29.7
Administrative charges on above	10.1	8.2

b) Defined benefit plans

Gratuity scheme

The amount of gratuity has been computed based on respective employee's salary and the years of employment with the Company. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary. The amount is funded through trusts' group gratuity schemes managed by Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and Metlife India Insurance Company Limited. The Company is contributing to trusts towards the payment of premium of such group gratuity schemes.

Compensated Absences

Compensated absences include earned leaves and sick leaves. Long term compensated absences have been provided on accrual basis based on year end actuarial valuation and short term compensated absences on actual basis.

Notes forming part of the financial statements *(Contd.)*

Note 31 EMPLOYEE BENEFITS *(Contd.)*

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Gratuity	Earned and sick leave	Gratuity	Earned and sick leave
A. Expenses recognized in the statement of profit and loss for the year ended March 31, 2012				
Current Service Cost	27.0	4.6	29.3	7.8
Interest Cost	9.1	0.8	8.1	2.6
Expected return on plan assets	(10.5)	–	(9.7)	–
Actuarial (gains)/losses	1.7	(3.7)	14.6	(3.1)
Total Expenses	27.3	1.7	42.3	7.3
B. Net liabilities recognized in the Balance Sheet as at March 31, 2012				
Present value of defined benefit obligation as at March 31, 2012	141.4	31.4	149.9	38.8
Fair value of plan assets with LIC, SBI Life, ICICI prudential and Metlife*	(154.7)	–	(139.6)	–
Funds with Employee Trust*	(12.0)	–	(10.3)	–
Funded status – unfunded / (excess funded)	(25.3)	31.4	–	38.8
C. Change in the obligation during the year ended March 31, 2012				
Present value of defined benefit obligation at the beginning of the year	149.9	38.8	107.8	37.4
Current Service Cost	27.0	4.6	29.3	7.8
Interest Cost	9.1	0.8	8.1	2.6
Actuarial (gains)/losses	1.7	(3.7)	14.6	(3.1)
Benefit payments	(46.3)	(9.1)	(9.9)	(5.9)
Present value of defined benefit obligation at the end of the year	141.4	31.4	149.9	38.8
D. Change in assets during the year ended March 31, 2012				
Plan assets at the beginning of the year	139.6	–	96.0	–
Expected return on plan assets	10.5	–	9.7	–
Contribution by the company	50.9	–	43.8	–
Actual benefits paid	(46.3)	–	(9.9)	–
Plant assets at the end of the year	154.7	–	139.6	–
E. Main actuarial assumptions				
Discount rate	8.6%	8.6%	7.5%	7.5%
Rate of increase in compensation levels	7.0%	7.0%	7.0%	7.0%
Rate of return on plan assets	9.25%	–	9.3%	–
Mortality rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

*The plan assets are maintained with Life Insurance Corporation of India, SBI Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Metlife India Insurance Company Limited and Trust. The details of the investment maintained by these parties are not available with the company and have not been disclosed.

(Rs. million)

Particulars	As at March 31, 2012				
	2012	2011	2010	2009	2008
Gratuity					
Present value of defined benefit obligation at the end	141.4	149.9	107.8	78.0	62.3
Fair value of plan Assets at the end of the year	166.7	149.9	104.9	76.0	47.7
Net liability (asset) recognised in balance sheet	(25.3)	–	2.9	2.0	14.6
Net actuarial (gains)/ losses recognised	1.7	14.6	12.1	(2.9)	18.5
Earned and sick leave					
Present value of defined benefit obligation at the end	31.4	38.8	37.4	31.8	29.3
Fair value of plan Assets at the end of the year	–	–	–	–	–
Net liability recognised in balance sheet	31.4	38.8	37.4	31.8	29.3
Net actuarial (gains)/ losses recognised	(3.7)	(3.1)	(3.3)	(4.0)	5.1

The experience adjustments arising on plan liabilities and plan assets and the employer's best estimate of contributions expected to be paid in next financial year is not ascertained and has accordingly not disclosed above.

Notes forming part of the financial statements *(Contd.)*

(Rs. million)

Note 32 DEFERRED TAXATION

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred tax liability (DTL) on account of accelerated depreciation	1,533.5	1,231.2
Less: Deferred Tax Asset (DTA) arising on		
– expenses deductible on payment	(162.7)	(48.0)
– unabsorbed depreciation and brought forward losses	(611.0)	(270.1)
Net deferred tax liability	759.8	913.1

Note 33

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, during the year is Rs. 23.6 million (previous year Rs. 17.8 million). The amount of interest accrued during the year and remaining unpaid at as March 31, 2012 is Rs. 0.1 million (Previous year Rs. 0.2 million).

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(Rs. million)

Note 34 THE EARNINGS/(LOSS) PER SHARE (EPS) DISCLOSED IN THE PROFIT AND LOSS ACCOUNT HAVE BEEN CALCULATED AS UNDER:

Particulars		Current year	Previous year
(Loss)/Profit attributable to equity shareholders (Rs. in million)	(A)	(437.4)	670.8
Weighted average number of equity shares (Nos)	(B)	275,850,906	222,232,281
Potential dilutive equity shares (number) *	(C)	Nil	791,540
Weighted average number of equity shares in computing diluted earning per share	(D)=(B+C)	275,850,906	223,023,821
Basic Earnings/(Loss) per share (Rs per share) (face value of Rs 10 each)	(A/B)	(1.59)	3.02
Diluted Earnings/(Loss) per share (Rs per share) (face value of Rs 10 each)	(A/D)	(1.59)	3.01

* Nil, as exercise price of outstanding ESOP and share warrants is more than the fair value of share, hence considered anti-dilutive.

Note 35 PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION INCLUDES:

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Opening balance:		106.1		169.3
Add: Expenses incurred during the year:				
Project and pre-operatives expenses				
Salary, wages and bonus etc.	86.4		46.5	
Legal and professional	47.7		26.7	
Electricity and water charges	26.6		0.6	
Travelling and conveyance	3.6		1.4	
Financial cost (including foreign exchange fluctuation)	165.0		28.3	
Bank charges	14.8		22.0	
Stores and spares consumed	1.6		0.2	
Others	55.3	401.0	10.0	135.7
Expenses incurred during trial run period				
Raw material consumed	1,271.9		34.4	
Interest expenses	245.5		2.4	
Electricity and water charges	145.7		3.8	
Salary, wages and bonus etc.	80.1		0.5	
Store and spares consumed	25.8		0.9	
Freight, clearing and octroi charges	38.8		1.0	
Commission	21.9		0.7	
Legal and professional	0.3		0.1	
Repair and maintenance	0.2		–	
Travelling and conveyance	1.4		0.1	
Others	7.9		0.3	
(Increase)/decrease in work in progress and finished goods	(159.4)		(11.2)	
	1,680.1		33.0	

Notes forming part of the financial statements *(Contd.)*

Note 35 PROJECT AND PRE OPERATIVE EXPENSES PENDING ALLOCATION INCLUDES *(Contd.)*:

(Rs. million)

Particulars	As at March 31, 2012		As at March 31, 2011	
Less: Income earned during trial run period				
Sales	1,343.0		37.7	
	1,343.0	337.1	37.7	(4.7)
Grand Total		844.2		300.3
Less: Allocated to fixed assets and capital work in progress	832.7		194.2	
Closing balance, included in capital work in progress	11.5		106.1	

Note 36

The related party disclosures as per Accounting Standard- 18 are as under:

A. **Name of related party and nature of related party relationship**

(i) Enterprises where control exists
- a) Enterprise that controls the Company
  - – Madhuraj Foundation (directly or indirectly holds majority voting power)
- b) Enterprises that are controlled by the Company, i.e. subsidiary companies - None

(ii) Other related parties where transactions have taken place during the year:
- a) Enterprises under the common control as the Company
  - – Trident Group Limited
  - – Trident Infotech Limited (Ceased to be related party w.e.f. 21.11.2011)
  - – Trident Corporation Limited
  - – Trident Capital Limited
  - – Trident Towels Limited
  - – Abhishek Ventures & Projects Limited
  - – Trinetra Technologies Limited
- b) Enterprise on which Company exercise significant influence
  - – Lotus Integrated Texpark Limited
  - – Trident Agritech Limited (Ceased to be related party w.e.f. 21.11.2011)
- c) Key management personnel
  - – Mr. Rajinder Gupta
  - – Mr. Raman Kumar (upto 12.11.2011)
  - – Mr. Deepak Nanda (w.e.f. 12.11.2011)
- d) Relative of Key management personnel
  - – Mrs. Madhu Gupta
  - – Mr. Abhishek Gupta

B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2012.

Particulars	Enterprise that controls the Company		Subsidiaries		Enterprises that are under common control as the Company		Significant Influence		Key management personnel		Relative of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services												
– Trident Infotech Limited $					–	20.0						
– Trident Group Limited					–	0.2						
– Lotus Integrated Texpark Limited							14.2	9.5				
Sale of Goods/Services												
– Trident Corporation Limited					0.5	–						
– Rainbow Retail Limited *					–	2.5						
Rent received												
– Lotus Integrated Texpark Limited							0.5	0.6				
– Mr. Rajinder Gupta									0.6	0.6		
Rent paid												
– Madhuraj Foundation ^	1.0	1.0										
– Lotus Integrated Texpark Limited							25.6	26.6				
Interest received												
– Abhishek Ventures & Projects Limited#					4.7	–						
– Trident Agritech Limited $							–	3.5				
Security Deposit received												
– Lotus Integrated Texpark Limited							–	10.0				
Remuneration paid												
– Mr. Rajinder Gupta									24.0	38.5		
– Mr. Raman Kumar									1.1	1.8		
– Mr. Deepak Nanda									2.5	–		
– Mrs Madhu Gupta											2.4	2.2
– Mr. Abhishek Gupta											7.2	5.4

Notes forming part of the financial statements *(Contd.)*

Note 36 *(Contd.)*

B. Disclosure of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2012. *(Contd.)*

Particulars	Enterprise that controls the Company		Subsidiaries		Enterprises that are under common control as the Company		Significant Influence		Key management personnel		Relative of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales of Assets												
– Trident Agritech Limited $							–	219.5				
Investments made												
– Trident Agritech Limited $ (Purchased from third party)							–	50.0				
– Trident Agritech Limited							–	100.0				
– Trident Corporation Limited ## @					247.0	–						
Equity Shares allotted to												
– Trident Capital Limited					277.1	–						
Sale of Investment to												
– Trident Corporation Limited (Share of Trident Global Inc. , USA)					–	0.5						
– Trident Towels Limited (Share of Trident Global Inc., USA Rs. Nil Previous year Rs.21,000)					–	–						
(Share of Trident Infotech Inc. , USA Rs. 42,165)					–	–						
– Trinetra Technologies Limited (Share of Trident Infotech Inc. , USA Rs. 1,721)					–	–						
Expenses incurred on behalf of												
– Abhishek Global Ventures Limited **			–	0.1								
– Lotus Integrated Texpark Limited							16.5	–				
– Trident Corporation Limited					–	20.8						
– Trident Infotech Limited $					–	0.7						
Loans and advances given												
– Abhishek Global Ventures Limited **			–	3.0								
– Trident Infotech Limited $					–	3.1						
– Trident Corporation Limited					–	2.9						
– Trident Agritech Limited $							–	15.5				
– Lotus Integrated Texpark Limited							20.4	–				
Balances as at March 31, 2012												
Share Application Money												
– Trident Corporation Limited					25.0	–						
– Rainbow Retail Limited *					–	30.0						
Security Deposit receivable:												
– Madhuraj Foundation ^	102.5	82.5										
Amounts receivable												
– Abhishek Global Ventures Limited **			–	11.4								
– Abhishek Ventures & Projects Limited#					64.4	–						
– Trident Infotech Limited $					–	4.8						
– Rainbow Retail Limited *					–	4.9						
– Trident Corporation Limited					0.3	24.2						
– Trident Agritech Limited $							–	77.8				
– Lotus Integrated Texpark Limited							28.7	–				
Security Deposit payable												
– Trident Infotech Limited $					–	0.2						
– Lotus Integrated Texpark Limited							40.0	40.0				
Amounts payable												
– Trident Group Limited					–	0.1						
– Lotus Integrated Texpark Limited							–	2.2				
– Mr. Rajinder Gupta									–	6.8		

* Ceased w.e.f. 27th November 2010.
** Ceased w.e.f. 9th February 2011.
# Amount incorporated pursuant to amalgamation with Trident Agritech Limited (refer note 43).
^ Amount incorporated pursuant to amalgamation with Trident Infotech Limited (refer note 43).
$ Amalgamated with the Company (refer note 43).
Includes Rs.147.0 million incorporated pursuant to amalgamation of Trident Agritech Limited with the Company.
@ Excluding share application money of Rs.178 million given and received back during the year.

Note 37 SEGMENT INFORMATION

I. Segment Accounting Policies:

a. The business segments comprise of the following:

• Yarn	:	Yarn manufacturing (Including utility service)
• Towel	:	Towel, Dyed Yarn manufacturing (Including utility service)
• Paper and Chemical	:	Paper and Sulphuric Acid (Including utility service)
• Others	:	Sale of software and related services

b. Business segments have been identified based on the nature and class of products and services, their customers and assessment of differential risks and returns and financial reporting system within the Company.

c. The geographical segments considered for disclosure are based on markets, broadly as under:
- • Sale in the USA
- • Sale in rest of the world

Notes forming part of the financial statements *(Contd.)*

Note 37 SEGMENT INFORMATION *(Contd.)*

d. Segment accounting policies: In addition to the significant accounting policies, applicable to the business as set out in note 2, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and fixed assets including capital work in progress, net of allowances and provisions, which are reported as direct offset in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:
Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales: Inter segment sales are accounted for at cost and are eliminated in consolidation.

II. Detail of primary business segments:

(Rs. million)

Particulars	Yarn		Towel		Paper & Chemicals		Other		unallocable		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment revenue														
– External Sales	8,084.7	8,443.3	12,716.8	10,832.3	6,511.3	5,930.9	10.0	–			–	–	27,322.8	25,206.5
– Inter segment Sales	3,450.6	2,852.8	5.5	67.6	3.9	6.8	–	–			(3,460.0)	(2,927.2)	–	–
– Other incomce	149.3	16.1	13.3	8.6	18.5	125.1	–	–	20.5	12.6	–	–	201.6	162.4
Total revenue	11,684.6	11,312.2	12,735.6	10,908.5	6,533.7	6,062.8	10.0	–	20.5	12.6	(3,460.0)	(2,927.2)	27,524.4	25,368.9
2. Segment results	(53.7)	1,308.8	1,291.4	854.2	295.7	312.5	(12.5)	–					1,520.9	2,475.5
Unallocated corporate expenses (net off unallocated Income)													(393.8)	(282.1)
Profit before interest and tax													1,127.1	2,193.4
Interest expense													(1,717.8)	(1,289.0)
Provision for taxation													153.3	(233.6)
3. Profit/(Loss) after tax													**(437.4)**	**670.8**
4. Other Information														
A. Segment assets	16,568.2	12,936.5	6,744.1	6,775.5	8,688.0	7,955.8	1,024.0	–			(2,092.1)	(1,676.0)	30,932.2	25,991.8
Unallocated corporate assets									1,733.8	2,275.9			1,733.8	2,275.9
Total assets	**16,568.2**	**12,936.5**	**6,744.1**	**6,775.5**	**8,688.0**	**7,955.8**	**1,024.0**	**–**	**1,733.8**	**2,275.9**	**(2,092.1)**	**(1,676.0)**	**32,666.0**	**28,267.7**
B. Segment liabilities	952.1	970.0	815.4	759.2	2,683.5	1,354.4	3.2	–	–	–	(2,092.1)	(1,676.0)	2,362.1	1,407.6
Unallocated corporate liabilities									30,303.9	26,860.1			30,303.9	26,860.1
Total liabilities	**952.1**	**970.0**	**815.4**	**759.2**	**2,683.5**	**1,354.4**	**3.2**	**–**	**30,303.9**	**26,860.1**	**(2,092.1)**	**(1,676.0)**	**32,666.0**	**28,267.7**
Capital Expenditure	5,258.0	1,028.6	259.7	269.4	438.5	331.2	928.3	–	44.3	39.0			6,928.8	1,668.2
Depreciation	619.2	581.7	563.1	550.7	857.0	793.1	7.8	–	28.2	21.3			2,075.3	1,946.8
Non-Cash expenses other than depreciation	**2.8**	**4.2**	**94.1**	**15.2**	**35.5**	**0.4**	**0.3**	**–**	**–**	**39.8**			**132.7**	**59.6**

III. Secondary Segment–Geographical

(Rs. million)

Particulars	Current year	Previous year
Segment sales in:		
USA	8,575.9	6,669.4
India and other countries	18,746.9	18,537.1
Total Sales	**27,322.8**	**25,206.5**
Segment assets in:		
USA	448.9	433.9
India and other countries	32,575.4	27,233.9
Capital expenditure:		
USA	–	11.6
India and other countries	6,928.8	1,656.6

Notes forming part of the financial statements *(Contd.)*

Note 38 THE FOREIGN CURRENCY EXPOSURE OF THE COMPANY AS ON MARCH 31, 2012 IS AS UNDER:

a) Category wise quantitative data

(Rs. million)

Particulars	Nos.		Amounts	
	Current Year	Previous Year	Current Year	Previous Year
Put and Call Option contracts	9	9	From USD 5.0 million to 6.4 million per month	From USD 5.0 million to 6.4 million per month
Put and Call Spread Option contracts	–	2	–	USD 2 million
Vanilla Call Option contracts	4	–	USD 0.73 million Euro 0.10 million	
Forward contracts against exports	359	83	USD 178.13 million	USD 85.25 million Euro 0.14 million
Forward contracts against imports	11 8	15 –	USD 2.45 million Euro 3.67 million	USD 2.56 million
Forward contracts against foreign currency loans	2	1	USD 8.75 million	USD 2.5 million

b) Derivative instruments are for hedging foreign exchange risk arising from underlined transaction, firm commitmentsand/or highly probable forecast transactions.

c) Foreign currency exposures remaining unhedged at the year end:

Against Imports (Creditors)	– Euro 0.1 million (Previous year Euro 0.1 million)
	– USD 1.3 million (Previous year USD 1.2 million)
Against Imports (Advance to Creditors)	– Euro 0.6 million (Previous year Euro 0.5 million)
	– USD 1.0 million (Previous year USD 1.3 million)
	– CHF Nil (Previous year CHF 0.2 million)
	– JPY 1.1 million (Previous year JPY Nil)
Foreign Currency Loans	– USD 64.5 million (Previous year USD 62.9 million)
Acceptances	– USD 3.6 million (Previous year USD 1.1 million)
	– Euro 15.2 million (Previous year Euro 2.3 million)
	– CHF 1.8 million (Previous year CHF Nil)
	– SEK Nil (Previous year SEK 4.3 million)

Note 39

A major part of revenue of the Company comes from export sales and as such company has foreign currency fluctuation exposure:

a) During the previous years, the Company has hedged its foreign currency fluctuation exposure by taking various derivative options from various banks having maturity up to January 2013. These derivative options are proprietary products of banks, which do not have a ready market and as such are marked to a model, which is usually bank specific instead of being marked to market. In view of the significant fluctuations associated with the above derivative options, the loss on such derivative options has been provided on settlement basis. Based on the marked to market concept, the loss on valuation on this account amounts to Rs. 343.6 million as on March 31, 2012.

b) The Company has not accounted for reinstatement loss on forward contracts in view of the significant currency fluctuations associated with the exchange rates for the quarter and year ended March 31, 2012. In view of the significant fluctuations associated with these contracts, the loss on such forward contracts has been provided on settlement basis. Based on the marked to market concept, the loss on valuation on this account amounts to Rs. 263.5 million as on March 31, 2012.

Note 40

The Company has entered into operating lease agreements for offices. These lease arrangements are cancellable in nature and range between one to three years. The aggregate lease rentals under these agreements amounting to Rs.48.0 million (Previous year Rs. 53.7 millions) have been charges under "Rent" in note 27.

Notes forming part of the financial statements *(Contd.)*

Note 41 MONEY RECEIVED AGAINST SHARE WARRANT

The Company on April 27, 2011 had issued 3,50,00,000 warrants carrying an option to the holder of such warrants to subscribe to one equity share of Rs 10 for every warrant held, within 18 months from the date of allotment of warrants, at a premium of Rs. 7.05 per share.

Pursuant to exercise of conversion option by the holder of warrants, the Company has, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009; allotted 3,00,00,000 equity shares of Rs. 10 each fully paid up for cash at a premium of Rs 7.05 per share i.e. at the price of Rs. 17.05 per equity share on March 30, 2012.

Number of warrants outstanding as on March 31, 2012 are 50,00,000, which can be converted into equity shares within 18 months from the date of allotment i.e anytime before October 26, 2012. Against these outstanding warrants as on March 31, 2012, an amount of Rs. 21.30 million i.e. 25% of Rs. 17.05 per warrant has been received by the Company.

Note 42 SECURED LOANS

A. Long term loans from banks and financial institutions:

(Rs. million)

Sr.	Outstanding balance on		Repayment Terms
No.	March 31, 2012	March 31, 2011	Presently payble in:
1.	1129.0	1281.3	20 Quarterly installments of Rs. 54.5 million.
2.	215.8	257.0	21 Quarterly installments of Rs. 10.3 million.
3.	196.4	267.8	11 Quarterly installments of Rs. 17.9 million.
4.	2728.0	739.6	32 Quarterly installments of Rs. 111.6 million starting from January 2013.
5.	339.3	410.7	19 Quarterly installments of Rs. 17.9 million.
6.	165.7	248.6	8 Quarterly installments of Rs. 20.7 million.
7.	326.9	398.9	18 Quarterly installments of Rs. 18.0 million. Last installment of Rs. 2.9 million.
8.	462.9	555.9	19 Quarterly installments of Rs. 23.3 million. Last installment of Rs. 21.1 million.
9.	500.0	–	11 Quarterly installments of Rs. 41.7 million. Last installment of Rs. 41.3 million starting from June 2013.
10.	158.8	256.8	6 Quarterly installments of Rs. 24.5 million. Last installment of Rs. 12.0 million.
11.	362.0	413.7	22 Quarterly installments of Rs. 16.1 million.
12.	169.0	301.0	4 Quarterly installments of Rs. 33.0 million. Last installment of Rs. 37.0 million.
13.	187.7	216.7	23 Quarterly installments of Rs. 12.5 million.
14.	450.0	–	6 Quarterly installments of Rs. 5.0 million. 12 Quarterly installments of Rs. 10.0 million. 16 Quarterly installments of Rs. 17.5 million. Last installment of Rs. 20.0 million starting from July 2012.
15.	1529.9	1663.6	14 Quarterly installments of Rs. 101.7 million. Last installment of Rs. 81.6 million.
16.	393.6	551.1	10 Quarterly installments of Rs. 39.4 million.
17.	500.0	–	2 Quarterly installments of Rs. 10.0 million. 4 Quarterly installments of Rs. 30.0 million. 6 Quarterly installments of Rs. 60.0 million starting from December 2012.
18.	250.0	50.0	31 Quarterly installments of Rs. 7.9 million. Last installment of Rs. 5.1 million starting from January 2013.
19.	500.0	–	20 Quarterly installments of Rs. 15.0 million. 10 Quarterly installments of Rs. 20.0 million starting from August 2012.
20.	1343.8	1619.1	10 Quarterly installments of Rs. 118.6 million. Last installment of Rs. 105.4 million.
21.	16.4	49.2	2 Quarterly installments of Rs. 8.2 million.
22.	241.0	383.9	6 Quarterly installments of Rs. 35.7 million. Last installment of Rs. 26.8 million.

Notes forming part of the financial statements *(Contd.)*

Note 42 SECURED LOANS *(Contd.)*

A. Long term loans from banks and financial institutions:

(Rs. million)

Sr.	Outstanding balance on		Repayment Terms
No.	March 31, 2012	March 31, 2011	Presently payble in:
23.	121.4	142.9	17 Quarterly installments of Rs. 7.1 million.
24.	349.0	431.2	17 Quarterly installments of $ 0.4 million.
25.	326.6	–	32 Quarterly installments of Rs. 13.6 million starting from February 2013.
26.	386.7	412.5	30 Quarterly installments of Rs. 12.9 million.
27.	550.0	–	27 Quarterly installments of Rs. 19.7 million. Last installment of Rs. 19.5 million starting from March 2013.
28.	37.5	62.5	6 Quarterly installments of Rs. 6.3 million.
29.	101.5	–	32 Quarterly installments of Rs. 3.1 million starting from April 2013.

The Company has given common security for these loans which has been given in note 5.

B. Vehicle Loans from banks

Vehicle loans are secured by hypothecation of vehicles acquired against such loans, repayable on equal monthly installments, amount due in a year is Rs. 20.1 million (previous year Rs. 22.5 million)

Note 43 AMALGAMATION OF THE ERSTWHILE TRIDENT INFOTECH LIMITED AND ERSTWHILE TRIDENT AGRITECH LIMITED

a) Pursuant to the Scheme of Arrangement for Amalgamation (the "Scheme") of the erstwhile Trident Infotech Limited (TIL) and erstwhile Trident Agritech Limited (TAL) with the Company under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Punjab and Haryana High Court vide its Order dated September 29, 2011 which became effective on November 21, 2011 on filing of the certified copy of the Order of the High Court in the Office of Registrar of Companies, at Chandigarh, all the properties, assets, both movable and immovable and liabilities of TIL and TAL have without further act or deed, been transferred to and vested in the Company, as a going concern with effect from the appointed date i.e. April 1, 2011.

For giving effect to the amalgamation in the nature of merger the 'purchase' method as prescribed by the Accounting Standard 14 "Accounting for amalgamations" issued by the Institute of Chartered Accountants of India, has been followed in these accounts wherein, the assets and liabilities as at April 1, 2011 and the transactions including income and expenses for the period April 1, 2011 to November 21, 2011 of TIL and TAL (being the period when pending effectuation of the Scheme, the business and activities of TIL and TAL were being run and managed in trust for the Company) have been incorporated in the accounts of the Company.

The value of assets and liabilities of TIL and TAL incorporated in the accounts of the Company are as under :

(Rs. million)

Particulars	TIL	TAL
Assets		
Fixed assets net block (based on the fair value approved by the Hon'ble High Court)	686.5	219.7
Investments	0.2	–
Net Current assets	145.0	234.8
Liabilities		
Secured loans	0.9	–
Unsecured loans	0.6	77.8

Consequent to the effectuation of the said Scheme:

The shareholders of TIL were entitled to five equity shares of Rs.10 each in the Company as fully paid up (exchange shares) for every six equity shares of Rs.10 each fully paid held by them in TIL.

The shareholders of TAL were entitled to twenty equity shares of Rs.10 each in the Company as fully paid up (exchange shares) for every thirty one equity shares of Rs.10 each fully paid held by them in TAL.

Notes forming part of the financial statements *(Contd.)*

Note 43 AMALGAMATION OF THE ERSTWHILE TRIDENT INFOTECH LIMITED AND ERSTWHILE TRIDENT AGRITECH LIMITED *(Contd.)*

The total number of equity shares as consideration for amalgamation is 53,503,427 equity shares of Rs 10 each allotted on December 12, 2011 as detailed below:

(Rs. million)

Particulars	Amount
To the shareholders of TIL	
24,296,651 equity shares of Rs 10 each fully paid up	243.0
To the shareholders of TAL	
29,206,776 equity shares of Rs 10 each fully paid up	292.1

The net surplus arising consequent to amalgamation of TIL and TAL in to the Company in terms of the Scheme has been credited to 'Capital Reserve'.

b) Interest (Equity) in TAL Benefit Trust

The Company is a beneficiary of a Trust viz. TAL Benefit Trust settled pursuant to the scheme of arrangement for amalgamation of erstwhile Trident Agritech Limited with the Company as sanctioned by Hon'ble Punjab and Haryana High Court at Chandigarh vide its Order dated September 29, 2011.

As at March 31, 2012, the beneficial interest of the Company in the TAL Benefit Trust is 14,548,387 (Previous year Nil) equity shares of Trident Limited aggregating to Rs.145.5 million which is shown as Investment.

Note 44 EMPLOYEE STOCK OPTIONS PLAN

The Compensation Committee of Board of Directors of the Company has granted options to the employees pursuant to Trident Employees Stock Options Plan 2007 ('the Plans') on July 9, 2007 (Grant I) and July 23, 2009 (Grant II). These options were granted at Rs.17.55 and Rs. 11.20 per option respectively, being the latest available closing market price prior to the date of grant of options in accordance with SEBI guidelines. The quoted price of share on grant and the exercise price of option is equal and therefore there is no impact on profit and loss account due to Employee Share-based options as the Company is following intrinsic value method.

The Company has allotted 32,174 equity shares under Grant II to employees during the year.

In respect of options granted under the Employees' Stock Option Plan, in accordance with Guidance Note on Accounting for Employee Share-based Payment issued by the Institute of Chartered Accountants of India, the details of Options outstanding is as under:

(Rs. million)

Particulars	Detail	
ESOP Grant Date	09.07.2007	23.07.2009
Exercise period under the ESOP	5 years from the respective dates of vesting	5 years from the respective dates of vesting
Exercise Price	Rs. 17.55 per option	Rs. 11.20 per option
Vesting Period under the ESOP		
End of First year	10%	10%
End of Second year	20%	20%
End of Third year	30%	30%
End of Fourth year	40%	40%
Total No. of Options granted	7,901,462	3,993,000
Total No. of Options Accepted	7,421,712	3,828,000
Options lapsed because of resignations	3,833,928	1,491,601
Options Exercise	–	139,010
Balance	3,587,784	2,197,389

Notes forming part of the financial statements *(Contd.)*

Note 45 ADDITIONAL INFORMATION:

a) CIF value of imports

(Rs. million)

Particulars	Current year	Previous year
Capital goods	1,616.4	336.6
Store and spares	108.3	170.7
Raw materials	528.6	420.4

b) Expenditure in foreign currency

(Rs. million)

Particulars	Current year	Previous year
Travelling	4.6	7.2
Others	134.2	187.8

c) Value of raw material/ stores and spares consumed

(Rs. million)

Particulars	Current year		Previous year	
	Imported	Indigenous	Imported	Indigenous
Raw materials	528.6	15,725.7	420.4	14,048.6
Percentage %	3.3	96.7	2.9	97.1
Components, store and spares and packing material	108.3	1,160.0	170.7	996.6
Percentage %	8.5	91.5	14.6	85.4

d) Earnings in foreign exchange

(Rs. million)

Particulars	Current year	Previous year
Export of goods calculated on FOB value	14,413.8	12,095.0

Note 46

The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board

RAJINDER GUPTA
Chairman

ABHISHEK GUPTA
Managing Director

Place : Ludhiana
Date : May 25, 2012

PAWAN JAIN
Company Secretary

ARUN GOYAL
Chief Financial Officer

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of **TRIDENT LIMITED** will be held on Monday, the 24th day of September, 2012 at 10.30 A.M. at the Registered Office of the Company at Trident Group, Raikot Road, Sanghera to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2012; Profit and Loss Account and Cash Flow Statement for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rajinder Gupta, who retires and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Pallavi Shroff, who retires and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Rajiv Dewan, who retires and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. M A Zahir, who retires and being eligible, offers himself for re-appointment.
6. To appoint Mr. Sanjay Jain as a Director in place of Ms. Kavita Singh, who retires and does not seek re-appointment.
7. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and pass following resolution as an Ordinary resolution:

   "RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, Gurgaon, (Registration No. 015125N), be and are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration including reimbursement of traveling and other out of pocket expenses as may be fixed by the Board of Directors of the Company."

By Order of the Board
For **Trident Limited**

Dated : May 25, 2012
Regd. Office: Trident Group,
Raikot Road,
Sanghera – 148 101

Pawan Jain
Company Secretary

NOTES:

i. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/ herself and the proxy need not be a member. Proxy form in order to be effective must be received by the Company atleast 48 hours before the commencement of the Meeting. A proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is enclosed.**

ii. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 15th day of September, 2012 to Monday, the 24th day of September, 2012 (both days inclusive) for the purpose of Annual General Meeting.

iii. Members are requested to:

   a) note that the copies of Annual Reports will not be distributed at the Annual General Meeting.
   b) bring their copies of Annual Report, Notice and Attendance slip duly completed and signed at the meeting.
   c) deliver duly completed and signed attendance slip at the entrance of the meeting venue.

iv. Documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.

v. Members desirous of getting any information on Accounts or other items of Notice are requested to forward their queries to the Company at least ten working days prior to the date of Annual General Meeting so as to enable the Management to keep the information ready.

vi. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

vii. Members are requested to notify immediately the change in their address, if any, to the Company or its Share Transfer Agent and in case the shares are held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay and should always quote their folio number or DP ID & Client ID, as the case may be, in all correspondence.

viii. Members wishing to claim dividends which remain unclaimed, are requested to correspond with Company Secretary of the Company. Members are requested to note that the dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per, Section 205A of the Companies Act, 1956 be transferred to the Investor Education & Protection Fund. The information regarding unclaimed and unpaid amounts shall be uploaded on the official website of the Company www.tridentindia.com within the prescribed time.

ix. Trident is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its Green Initiatives in Corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like the Notice convening the general meeting, Financial Statements, Directors Report, Auditors Report, etc to the email address provided by you to the Company, its Registrar & Share Transfer Agent or with your depositories.

We request you to update your email address with your depository participant/company to ensure that the Annual Report and other documents reach you on your preferred email. The members, if they desire, may write to the Company to obtain the physical copy of the Annual Report.

x. Reappointment of Directors

Pursuant to the provisions of Articles of Association, Mr. Rajinder Gupta, Ms. Pallavi Shroff, Mr. Rajiv Dewan, Dr. M A Zahir and Ms. Kavita Singh, Directors are retiring at the ensuing Annual General Meeting and are eligible for re-appointment. All retiring directors, except Ms. Kavita Singh, offer themselves for re-appointment. The brief resume of these directors and other information as per Clause 49 of the Listing Agreement with Stock Exchanges are provided elsewhere in the Annual Report.

xi. Appointment of Director in place of Ms. Kavita Singh

All retiring directors, except Ms. Kavita Singh, offer themselves for re-appointment. The Board has recommended appointment of Mr. Sanjay Jain as a Director of the Company in place of Ms. Kavita Singh, who does not seek re-appointment.

Mr. Sanjay Jain is founder Director of TFS Business Advisors India Private Limited. Mr. Sanjay Jain has done Post Graduate Diploma in Risk Management (PGDRM) and has over 25 years of rich and varied experience in Corporate Strategy, Financial Management, Merger & Acquisitions and Project Planning & Implementation.

Mr. Sanjay Jain also holds directorship in TFS Investment Private Limited, Lotus Integrated Texpark Limited, Rainbow Retail Limited & Trident Aerospace Limited and is Managing Director of Trident Corporation Limited. Mr. Sanjay Jain is member of Audit Committee of Lotus Integrated Texpark Ltd & Trident Corporation Limited.

The Company has received a notice under section 257 of the Companies Act, 1956 from a shareholder of the Company proposing the appointment of Mr. Sanjay Jain as a Director of the Company. The Board recommends appointment of Mr. Sanjay Jain as Director. Mr. Sanjay Jain holds 125 equity shares of the Company. Mr. Sanjay Jain is not related to any other director on the Board of the Company.

None of the Directors is interested in the resolution.

By Order of the Board
For **Trident Limited**

Dated : May 25, 2012
Regd. Office: Trident Group,
Raikot Road,
Sanghera – 148 101

Pawan Jain
Company Secretary

TRIDENT GROUP

TRIDENT LIMITED

Registered Office: Trident Group, Raikot Road, Sanghera – 148 101, Punjab

ATTENDANCE SLIP

Member's Folio No. : ....

Client ID No. : ....

DP ID No. : ....

Name of the Member : ....

Name of Proxy holder : ....

No of shares held : ....

I hereby record my presence at the **22ND ANNUAL GENERAL MEETING** of the Company held on **Monday, the 24th day of September, 2012 at 10.30 A.M.** at the Registered office of the Company at Trident Group, Raikot Road, Sanghera.

Signature of Member/Proxy

Notes :

1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of Annual Report.

TRIDENT GROUP

TRIDENT LIMITED

Registered Office: Trident Group, Raikot Road, Sanghera – 148 101, Punjab

PROXY FORM

Member's Folio No. / Client ID : ....

I/We .... of .... in the district of .... being a member/members of **TRIDENT LIMITED**, hereby appoint .... of .... in the district of .... or failing him/her .... of .... in the district of .... as my/our proxy to vote for me/us on my/our behalf at the **22ND ANNUAL GENERAL MEETING** of the Company to be held on **Monday, the 24th day of September, 2012 at 10.30 A.M.** and at any adjournment thereof.

Signed this .... day of .... 2012.

Affix Rupee One Revenue Stamp here

Note :

If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING

FORM No. 2B

NOMINATION FORM

(To filed in by individual(s) applying singly or jointly)

Alankit Assignments Limited,
Unit: TRIDENT LIMITED
2E/21, Jhandewalan Extension.
New Delhi - 110 055

Folio No..........................
No. of Shares.................

I/We .... and........................ and .... the holders of Shares bearing number(s) .... of **Trident Limited** wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my or our death.

Name of the Nominee	
Date of Birth *	
Guardian's name*	
Occupation of Nominee/ Guardian*	
Address of Nominee/ Guardian*	
Email Address	
Telephone No.	
Specimen signatures of Nominee/ Guardian*	

* To be furnished in case the nominee is a minor

	Name and address	Signatures
Sole/ 1st holder		
2nd holder		
3rd holder		

Address, Name and Signature of witnesses

Name and address	Signatures
1	
2	

Place:
Date:

Instructions:

1. The Nomination can be made by individuals only applying/holding shares on their own behalf singly or jointly. Non-individual including society, trust, body corporate, partnership firm, karta of Hindu undivided family, holder of power of attorney cannot nominate. If the shares are held jointly all joint holders will sign the nomination form. Space is provided as a specimen, if there are more joint holders more sheets can be added for signatures of holders of shares/debentures and witness.

2. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.

3. The nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu undivided family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.

4. Nomination stand rescinded upon transfer of share.

5. Transfer of shares in favour of a nominee shall be a valid discharge by the Company against the legal heir.

6. The intimation regarding Nomination/Nomination Form shall be filed in duplicate with Company/Registrar and Share Transfer Agents of the Company who will return one copy thereof to the shareholder.

7. The nomination can be varied or cancelled by executing fresh nomination form.

8. The Company will not entertain any claims other than those of a registered nominee unless so directed by a Court.

9. For shares held in dematerialized mode, nomination is required to be filed with Depository Participant with whom the shareholder maintains demat account, in their prescribed form.

Request for Change of Address

Alankit Assignments Limited,
Unit: TRIDENT LIMITED
2E/21, Jhandewalan Extension.
New Delhi - 110 055

Folio No..............................
No. of Shares....................

Dear Sir,

I/we hereby request you to update my/our address in your records as follows:

Old Address as per Company's records	New Address to be recorded
City	
State	
Pin Code	
Telephone/ Mobile No.	
e-mail ID	

For your doing the needful, I am enclosing the following documents towards proof of my current address:

Passport ☐	Election ID Card ☐	Aadhaar Card ☐	
Driving License ☐	Credit Card Statement ☐	Electricity/ Telephone bill ☐	

I hereby consent to receive the confirmation of the changed address and other shareholder communications/ notices in electronic form to my abovementioned e-mail Id.

Yours Faithfully

	Name and address	Signatures
Sole/ 1^{st} holder		
2^{nd} holder		
3^{rd} holder		

Place:
Date:

Notes : 1. Change of Address will be effected only on receipt of this Form, duly completed, alongwith all requisite documents as mentioned above.
2. The signature of the Shareholder as appearing on the Form must match with his / her specimen signature on record with the Company.
3. If the shares are held jointly all joint holders will sign the form.

Corporate information

Board of Directors
Mr Rajinder Gupta
Ms Pallavi Shroff
Dr M A Zahir
Mr Rajiv Dewan
Ms Kavita Singh
Mr Abhishek Gupta
Mr Deepak Nanda

Chief Financial Officer
Mr Arun Goyal

Company Secretary
Mr Pawan Jain

Statutory Auditors
Deloitte Haskins & Sells

Internal Auditors
KPMG

Cost Auditors
Ramanath Iyer & Co.

Tax Auditors
S C Vasudeva & Co.

Registrar & Transfer Agent
Alankit Assignments Limited
(Unit: Trident Limited)
2E/21 Jhandewalan Extension
New Delhi – 110 055
Tel : +91-11-23541234, 42541234
Fax : +91-11-42541967
email: rta@alankit.com

Registered Office
Trident Group
Sanghera – 148 101
Toll free: 1800 180 2999
Fax: +91-161-5039900, 5038800
email: corp@tridentindia.com

Corporate Office
E-212, Kitchlu Nagar
Ludhiana – 141 001

US Office
295 Fifth Avenue
Room 1112
New York,
NY 10016, USA

Bankers
State Bank of India
Punjab National Bank
Canara Bank
State Bank of Patiala
Corporation Bank
Oriental Bank of Commerce
State Bank of Travancore
State Bank of Mysore
Syndicate Bank
Allahabad Bank
Indian Bank
Bank of India
IDBI Bank
Exim Bank
Indian Overseas Bank
State Bank of Bikaner & Jaipur
State Bank of Hyderabad

TRIDENT GROUP

TRIDENT LIMITED

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