

N. M. RAIJI & CO.
Chartered Accountants
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Independent Auditor's Report

To the Board of Directors of Trent Hypermarket Limited

We have audited the accompanying consolidated financial statements of **Trent Hypermarket Limited** ("the Company") and its joint venture and the subsidiary of its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For N.M. RAIJI & CO.,
Chartered Accountants
(Registration No. 108296W)


Y.N. THAKKAR
Partner
Membership No. 33329

Place : Mumbai
Date : 26th May 2014

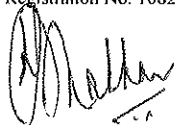
TRENT HYPERMARKET LIMITED
Consolidated Balance Sheet as at 31st March 2014

1

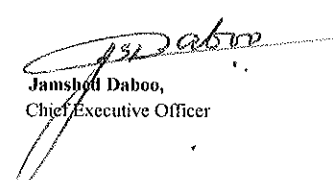
Sr No	Particulars	Note No.	As at 31st March 2014		As at 31st March 2013
			Rs. In Crores	Rs. In Crores	Rs. In Crores
I	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a)Share capital	1	222.71		222.71
	(b)Reserves and surplus	2	(174.95)		(105.56)
				47.76	117.15
2	Minority Interest - Trent Limited			1.73	-
3	Non-current liabilities				
	(a)Long term borrowings	3	205.74		110.75
	(b)Other long term liabilities	4	2.08		1.39
	(c)Long term provisions	5	25.29		25.09
				233.11	137.23
4	Current liabilities				
	(a)Trade payables	6	113.53		117.00
	(b)Other current liabilities	7	42.64		26.06
	(c)Short term provisions	8	1.46		1.01
				157.63	144.07
	TOTAL			440.23	398.45
II	ASSETS				
1	Non-Current Assets				
	(a)Fixed assets	9			
	(i)Tangible assets		166.87		162.69
	(ii)Intangible assets		6.36		5.18
	(iii)Capital work-in-progress		94.78		61.75
	(iv)Intangible assets under development		0.08		-
	(b) Non Current Investment (Full figure for current year Rs 19,900/-)	10	-		-
	(c)Deferred tax assets (net)	11	14.68		14.20
	(d)Long term loans and advances	12	28.00		15.05
	(e)Other non-current assets	13	0.75		-
				311.52	258.87
2	Current assets				
	(a)Current investment	14	-		1.75
	(b)Inventories	15	59.02		59.63
	(c)Trade receivables	16	5.84		6.71
	(d)Cash and cash equivalents	17	14.91		16.28
	(e)Short term loans and advances	18	48.24		51.99
	(f)Other current assets	19	0.70		3.22
				128.71	139.58
	TOTAL			440.23	398.45
	Significant Accounting Policies and Notes to Accounts	1-27			

As per our report attached.

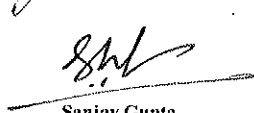
For N. M. RAIJI & CO,
Chartered Accountants
Registration No. 108296W



Y. N. THAKKAR
Partner
Membership No. 33329
Mumbai
26th May 2014



Jamshod Daboo,
Chief Executive Officer




Sanjay Gupta
Company Secretary & Chief Financial Officer

For and on behalf of the Board,



N.N. Tata - Chairman



A.D. Cooper - Director



P. Venkatesalu - Director

Mumbai, 26th May 2014



Consolidated Statement of Profit & Loss for the Year Ended 31st March 2014

Sr No	Particulars	Refer Note No.	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
			Rs. In Crores	Rs. In Crores
I	Revenue from Operations	20	815.02	782.42
II	Other Income	21	7.59	4.03
III	Total Revenue (I+II)		822.61	786.45
IV	Expenses:			
	Cost of raw materials consumed		18.02	18.13
	Purchases of Stock-in-Trade		628.36	615.11
	Changes [(Accretion)/decretion] in inventories of finished goods & stock in trade		8.47	11.70
	Employee benefits expenses	22	59.12	54.44
	Finance cost	23	9.87	10.10
	Depreciation & amortisation expenses	9	13.38	11.96
	Other expenses	24	149.28	139.14
	Total Expenses (IV)		886.50	860.58
V	Profit/(Loss) before exceptional and extraordinary items and Tax (III-IV)		(63.89)	(74.13)
VI	Exceptional items	25	6.03	2.00
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		(69.92)	(76.13)
VIII	Extraordinary Items		-	-
IX	Profit/(Loss) before tax (VII- VIII)		(69.92)	(76.13)
X	Tax expense:			
	Current tax		-	-
	Deferred tax		(0.49)	(4.05)
	Total Tax Expenses		(0.49)	(4.05)
XI	Profit/(Loss) for the year (IX-X)		(69.43)	(72.08)
XII	Less:- Minority Share of Profit/(Loss)		(0.04)	-
XIII	Profit/(Loss) for the year after Minority Interest		(69.39)	(72.08)
XIV	Earnings per Equity share:			
	Basic & Diluted in Rs	27.08	(9.45)	(9.82)

As per our report attached.

For N. M. RAIJI & CO,
Chartered Accountants
Registration No. 108296W



Y. N. THAKKAR
Partner
Membership No. 33329
Mumbai, 26th May 2014

Mr. Jamshed Daboo,
Chief Executive Officer



Sanjay Gupta
Company Secretary & Chief Financial Officer



For and on behalf of the Board,

N.N. Tata - Chairman

A.D. Cooper - Director

P. Venkatesalu - Director

Mumbai, 26th May 2014

Note 1 Share Capital

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Rs in Crores	Number	Rs in Crores
(a) AUTHORISED				
Equity Shares of Rs 10 each at par	125,000,000	125.00	99,050,000	99.05
Preference Shares of Rs 10 each at par	150,000,000	150.00	1,000,000	1.00
(b) ISSUED, SUBSCRIBED AND PAID UP :				
Equity Shares of Rs 10 each fully paid	73,420,790	73.42	73,420,790	73.42
10 % p.a. Non Cumulative Optionally Convertible Pref. Shares of Rs 10 each	149,288,927	149.29	149,288,927	149.29
Total	222,709,717	222.71	222,709,717	222.71

(c) The above equity & preference shares are held by Trent Limited, the holding company.

(d) Rights, Preferences and restrictions attached to Equity shares

Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of The Companies Act 1956 read together with the Memorandum of Association and Articles of Association of the company as applicable.

(e) Rights, Preferences and restrictions attached to Preference Shares

The Preference Shares shall carry a fixed preference dividend at the rate of 10% p.a on the capital for the time being paid up there on respectively on non cumulative basis. The Preference Shares shall rank for dividend in priority to equity shares for the time being of the company.

The Preference shares shall be redeemed on or before expiry of 3 years from the date of allotment thereof, subject however to the right of conversion exercisable at the option of holder there of within a period of 3 years from the date of allotment. Every nine Preference shares are convertible into one equity shares of Rs 10 each at a premium of Rs 80 per share. A holder of Preference Shares shall be entitled to offer part of his holding for conversion in one or more tranches and hold the balance of his holdings till the full date of maturity thereof. The Preference Shares held as on the date of maturity shall be redeemed at par by the company.

The Preference Shares shall not carry any voting rights except as provided for under provision of section 87 of The Companies Act, 1956 as amended or replaced from time to time. The Preference Shares shall in case of winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to commencement of winding up, in priority to equity shares but shall not be entitled to any further participation in profits or assets

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Rs in Crores	Number	Rs in Crores
(f) Reconciliation of Share Capital				
Equity shares				
Number of shares at the beginning	73,420,790	73.42	73,420,790	73.42
Add: Issued on a Right Basis	-	-	-	-
Number of shares at the end of year	73,420,790	73.42	73,420,790	73.42
Preference Shares				
Non Cumulative Optionally Convertible Pref. Shares				
Number of shares at the beginning	149,288,927	149.29	-	-
Add: Issued during the year on Right Basis	-	-	-	-
Less: Redeemed during the year	-	-	-	-
Number of shares at the end of year	149,288,927	149.29	-	-

The details of shareholders holding more than 5 % shares is as under:	As at 31st March 2014		As at 31st March 2013	
	No. of shares	% to total shares	No. of shares	% to total shares
Name of the shareholder:- Trent Limited				
Equity Shares of Rs 10 each fully paid	73,420,790	100%	73,420,790	100%
10 % p.a. Non Cumulative Optionally Convertible Pref. Shares of Rs 10 each	149,288,927	100%	149,288,927	100%

As per the records of the Company, including its Register of Shareholders/ Members and other declaration received from Shareholders regarding Beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 2 Reserves and Surplus

Particulars	As at 31st March 2014		As at 31st March 2013
	Rs in Crores	Rs in Crores	Rs in Crores
Securities Premium Account			
Balance as per Last account	3.85		25.01
Less:- Debenture redemption premium adjusted (Refer note (a) Below)	-		5.68
Less:- Debenture issue expenses adjusted (Refer note (b) below)	-		3.33
Less:- Preference Share issue expenses adjusted (Refer note (c) below)	-		0.15
Less: - Diminution in value of inventory (Refer note (d) below)	-		12.00
		3.85	3.85
Surplus / (Deficit) in Statement of Profit & Loss			
Balance as per last financial statement	(109.41)		(37.33)
Add:- Loss for the year	(69.39)		(72.08)
		(178.80)	(109.41)
Total		(174.95)	(105.56)

- (a) Premium payable on redemption of debentures has been debited to Securities Premium Account as per section 78 (2) (d) of The Companies Act, 1956.
- (b) Expenses incurred relating to issue of Non Convertible Debentures has been debited to Securities Premium Account as per section 78(2)(c) of The Companies Act, 1956.
- (c) During the year 2012-13, the company has issued 10 % p.a. Non Cumulative Optionally Convertible Preference Shares of Rs 10 each to Trent Ltd at par. Expenses relating to preference shares issue has been debited to securities premium account as per section 78(2)(c) of The Companies act, 1956.
- (d) Pursuant to Court Order dated 30th March 2012, Securities Premium Account of the Company has been utilised during the year 2012-13 for adjusting the diminution in value of inventory of Rs.12 Crores.

Note 3 Long Term Borrowings

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs in Crores	Rs in Crores
(a) Bonds / Debentures		
(i) SECURED DEBENTURES		
0% Non convertible debentures (Refer note (a) below)	25.00	25.00
(ii) UNSECURED DEBENTURES :		
- 7.75% Non convertible debentures (Refer note (b) below)	75.00	75.00
- 10% Optionally Convertible Debentures (Refer note (c) below)	18.99	-
(b) Loans & advances from related parties		
(i) Loan From Holding Company (Refer note (e) below)	86.75	10.75
Total	205.74	110.75

- (a) In March 2012, the Company has issued 250 Secured Redeemable Unlisted Non Convertible Debentures of Rs 10 lakhs each on private placement basis. These Debentures do not carry any interest & would be redeemed on completion of 5 years from the date of allotment i.e. 12th March, 2012 and are redeemable at a premium of Rs 685000/- per debenture on the due date. The premium on the debentures has been fully provided and is debited to the Securities Premium Account. However the holders of the debentures have the option to redeem the debentures 10 days prior to the redemption date (early repayment date) at a premium of Rs 680000/- per debenture. The debentures are secured in the form of Corporate Guarantee given by Trent Limited on 11th May 2012 in favour of Debenture Trustee guaranteeing the repayment of the debentures along with the accrued redemption premium. The debentures are also secured by way of charge on an immovable property of the company.
- (b) During the year ended 31st March 2013, the Company has issued 750 Unsecured Listed Redeemable Non Convertible Debentures of Rs 10 lakhs each on private placement basis. These Debentures carry an interest rate of 7.75% P.a & would be redeemed on completion of 5 years from the date of allotment and are redeemable in three installment at a premium of Rs 25,240/- per debenture at the end of 42nd 51st and 60th month from the date of allotment. The premium on the debentures has been fully provided and is debited to the Securities Premium Account. The debentures are secured in the form of Corporate Guarantee given by Trent Limited on 14th June 2012 in favour of Debenture Trustee guaranteeing the timely payment of coupon, redemption premium and principal amount and any other fees and expenses payable by the issuer.
- (c) In the year 2011-12, Virtuous Shopping Centres Limited has issued 56,955,950, 10% unsecured, optionally convertible debentures (OCD) of Rs 10 each having maturity period of five years from the date of issue. The holder of the OCD has the option to convert the OCD into equity shares at a premium of Rs 10 (i.e. two OCDs are convertible into one equity share) at any time after six months from the date of issue but before end of maturity period. Further upon conversion, the equity shares issued to such holder shall rank pari passu in all respect with the other equity shares of company. Expenditures incurred on Issue of Debentures have been adjusted against Securities Premium Account. Unless the option of conversion is exercised by the holder thereof, the OCD will be compulsorily redeemed at a face value of Rs 10 per OCD at the end of maturity period.
- (d) In view of the accumulated losses as at 31st March 2014 and losses incurred for the year ended 31st March 2014, no amount has been transferred to Debenture Redemption Reserve Account.
- (e) Loan from the Holding Company as on 31st March, 2014 carries interest of 10% p.a. (previous year 10.25% p.a.) & is repayable after three years from the date of loan.

Note 4 Other Long Term Liabilities

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs in Crores	Rs in Crores
Others		
Security Deposits Received	0.08	0.05
Creditors for capital expenditure (Full figure for current year Rs. 6,293/-)	-	0.01
Retention Money	2.00	-
Total	2.08	0.06
Add :- Share in joint venture	-	1.33
Total	2.08	1.39

Note 5 Long Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
Provision for Employee benefits		
Provision for leave encashment	2.49	2.29
Other Provision		
Premium on redemption of debentures (Refer Note No 3(a) & 3(b) on Pg. No.5)	22.80	22.80
Total	25.29	25.09

Note 6 Trade payables

Particulars	As at 31st March 2014	As at 31st March
	Rs in Crores	Rs in Crores
Trade payables (Refer Note No 27.05 on Page No 29)	113.53	117.00
Total	113.53	117.00
Add:- Share of joint venture (Full Figure for Previous Year Rs.35,680/-)	-	0.00
Total	113.53	117.00

Note 7 Other Current Liabilities

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
<u>Income Received in advance</u>		
(a) Pre received Income	0.01	0.20
<u>Interest accrued but not due on borrowings</u>		
(a) Interest accrued but not due on debentures	6.28	4.57
(b) Interest on unsecured loan payable to holding company	1.46	-
<u>Current maturities of long term borrowings</u>		
(a) Loan from Trent Limited- Holding Company (Refer Note 3(e) on page no 5)	10.75	-
<u>Other Payables</u>		
(a) Security deposits	1.42	1.66
(b) Withholding tax & other statutory payments	6.04	2.88
(c) Employee related liability	10.80	9.10
(d) Creditors for capital expenditure	2.12	2.71
(e) Other liabilities	3.76	2.87
Total	42.64	23.99
Add:- Share of joint venture	-	2.07
Total	42.64	26.06

Note 8 Short Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
<u>Provision for Employee benefits</u>		
(a) Provision for Gratuity	0.86	0.37
(b) Leave encashment	0.60	0.64
Total	1.46	1.01

Note 9 FIXED ASSETS

ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				Impairment Loss	NET BLOCK As at 31.03.2014
	As at 01.04.2013	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2014	As at 01.04.2013	On Deductions/ Adjustments	For the Year	As at 31.03.2014		
	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)	(Rs.in Crores)		
Tangible Assets										
Land leasehold	0.21 (0.21)	-	-	0.21 (0.21)	0.01 (0.01)	-	0.00 (0.00)	0.01 (0.01)	-	0.21 (0.21)
Buildings Own	45.23 (32.93)	-	-	45.23 (45.23)	2.13 (1.42)	-	0.74 (0.71)	2.86 (2.13)	-	42.37 (43.11)
Building leasehold	33.53 (33.68)	5.89 (0.41)	4.32 (0.56)	35.10 (33.53)	6.74 (4.24)	0.63	2.28 (2.49)	8.39 (6.74)	- (2.00)	26.71 (24.79)
Plant and Equipment	67.15 (66.43)	5.96 (1.04)	1.68 (0.32)	71.43 (67.15)	11.03 (7.54)	0.24	4.09 (3.30)	14.88 (11.03)	-	56.55 (56.12)
Furniture and Fixture	39.12 (37.29)	5.42 (1.84)	0.66 (0.01)	43.88 (39.12)	10.58 (8.19)	0.33 (0.00)	3.02 (2.38)	13.26 (10.58)	-	30.62 (28.54)
Vehicles	0.11 (0.11)	-	-	0.11 (0.11)	0.02 (0.01)	-	0.01 (0.01)	0.03 (0.02)	-	0.08 (0.09)
Office Equipment	1.64 (1.60)	0.22 (0.06)	0.07 (0.02)	1.79 (1.64)	0.29 (0.22)	0.01	0.09 (0.08)	0.36 (0.29)	-	1.43 (1.35)
Computer	14.20 (12.50)	3.07 (1.72)	0.21 (0.02)	17.06 (14.20)	5.73 (3.63)	0.10 (0.01)	2.54 (2.11)	8.16 (5.73)	-	8.90 (8.47)
Subtotal	201.20 (184.76)	20.57 (17.37)	6.94 (0.94)	214.82 (201.20)	36.51 (25.26)	1.32 (0.01)	12.76 (11.28)	47.96 (36.51)	- (2.00)	166.87 (162.69)
Add :- Share in Joint Venture	0.01 (0.01)	-	0.01	- (0.01)	0.00 (0.00)	-	-	0.00 (0.00)	-	- (0.01)
Total of Tangible Assets	201.21 (184.77)	20.57 (17.37)	6.95 (0.94)	214.82 (201.20)	36.51 (25.26)	1.32 (0.01)	12.76 (11.28)	47.96 (36.51)	- (2.00)	166.87 (162.69)
Intangible Assets										
Goodwill	0.05 (0.05)	-	-	0.05 (0.05)	0.05 (0.05)	-	-	0.05 (0.05)	-	-
Goodwill on consolidation	0.25 (0.25)	-	-	0.25 (0.25)	-	-	-	-	-	0.25 (0.25)
Goodwill on consolidation of Subsidiaries	-	4.61	-	4.61	-	-	-	-	-	4.61
Computer software	3.71 (3.55)	0.26 (0.16)	0.02	3.96 (3.71)	1.85 (1.18)	0.01	0.62 (0.68)	2.46 (1.85)	-	1.50 (1.86)
Subtotal	4.01 (3.85)	4.87 (0.16)	0.02	8.87 (4.01)	1.90 (1.22)	0.01	0.62 (0.68)	2.51 (1.90)	-	6.36 (2.11)
Add Share in Joint Venture	3.08 (3.08)	-	3.08	- (3.08)	-	-	-	-	-	- (3.08)
Total of Intangible Assets	7.09 (6.93)	4.87 (0.16)	3.09	8.87 (7.09)	1.90 (1.22)	0.01	0.62 (0.68)	2.51 (1.90)	-	6.36 (5.18)
Total	208.29 (191.69)	25.44 (17.53)	10.04 (0.94)	223.69 (208.28)	38.42 (26.48)	1.33 (0.01)	13.38 (11.96)	50.47 (38.43)	- (2.00)	173.23 (167.87)
Capital Work-in-Progress (Ref. Note (a) below)										94.78 (14.55)
Add Share in Joint Venture										- (47.20)
Intangible assets under development										0.08
Total Capital Work-in-Progress										94.86 (61.75)
Total										268.09 (229.62)

Capital Work-in-Progress (Ref. Note (a) below)

Add Share in Joint Venture

Intangible assets under development

Total Capital Work-in-Progress

Total

Notes:-

a) Borrowing Cost capitalised during the year is Rs.0.55 Crores (Previous year Rs. 0.31 Crores) including Rs. 0.27 Crores included in CWIP (Previous year Rs. 0.31 Crores)

b) Figures in bracket are in respect of previous year.

c) Additions/adjustments during the year includes the assets of consolidated accounts of Virtuous Shopping Centres Limited being considered as subsidiary of the company in the terms of AS-21 (Also refer note 26(1)(b) on page no 28.)

Note 10 Non Current Investments

Particulars	As at 31st March 2014			As at 31st March 2013	
	Proportion of holding(%)	Numbers	Rs in Crores	Numbers	Rs in Crores
Trade Investments- Long Term					
a) Investment in Equity instruments (unquoted & fully paid)					
Others					
Trent Retail Services Limited Equity Shares of Rs. 100 each fully paid (Full figure for current year Rs. 19,900/-)	19.90%	995	-	-	-
Total Investment			-		-
Aggregate of quoted investment			-		-
Aggregate of non quoted investment			-		-
Total			-		-

Note 11 Deferred Tax

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
(a) Deferred Tax Liability		
(i) Depreciation difference	9.54	9.23
Total Deferred tax liability	9.54	9.23
(b) Deferred Tax Asset		
(i) Retirement benefit	0.95	0.78
(ii) Unabsorbed depreciation (Refer note below)	22.65	22.65
(iii) Others	0.62	-
Total Deferred tax Asset	24.22	23.43
Subtotal	14.68	14.20
Add :- Share of joint venture (Full figure for previous year is Rs.4,934/-)	-	0.00
Deferred Tax Asset (Net)	14.68	14.20

Note :-
In respect of Deferred tax assets on unabsorbed depreciation, the same has been recognised, based on the current tax laws entailing the benefit over the lifetime of the Company against any taxable source of Income. As a matter of prudence, no Deferred tax asset has been created on the additional unabsorbed depreciation for the year being carried forward.

Note 12 Long Term Loans & Advances

Particulars	As at 31st March 2014		As at 31st March 2013
	Rs in Crores	Rs in Crores	Rs in Crores
Unsecured, Considered Good (unless otherwise stated)			
(a) Capital Advances			
(i) Considered Doubtful	0.11		0.06
(ii) Others	4.05		1.36
		4.16	1.42
Less :- Provision for doubtful capital advances		0.11	0.06
		4.05	1.36
(b) Security Deposits			
(i) Security deposit given for Premises		22.77	11.81
(ii) Security deposit others		0.78	0.54
		23.55	12.35
(c) Other loans and advances			
(i) Loans To employees		0.19	0.16
(ii) Prepaid expenses		0.21	0.24
		0.40	0.40
(d) Loans to Related Parties			
(i) Commonwealth Developers Ltd (Refer Note (i) below)		-	0.90
Total		28.00	15.01
Add :- Share of joint venture		-	0.04
Total		28.00	15.05

Note :-

(i) Loan to Commonwealth Developers Ltd carries interest rate of 10% pa.

Note 13 Other Non Current Assets

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
<u>Unsecured, Considered Good</u>		
Other Receivable	0.75	-
Total	0.75	-

Note 14 Current Investment

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
Investment in Units of Mutual Fund (Unquoted & Fully paid)		
Investment in TATA Liquid Fund (8130.953 Units)	-	1.75
Total	-	1.75
Aggregate Book Value of Investment		
Quoted	-	-
Unquoted	-	1.75
Total	-	1.75

Note 15 Inventories

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
(a) Raw Materials	1.04	1.15
(b) Stock in trade	55.18	56.17
(c) Packing Materials	1.78	1.55
(d) Stores & Spares	1.02	0.76
Total	59.02	59.63

Note 16 Trade Receivables (Current)

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
Unsecured		
Trade receivables outstanding for a period exceeding six month	2.47	2.30
Trade receivables other than above	4.87	6.37
Total Trade receivables	7.34	8.66
Less :- Provision for doubtful receivables	1.50	1.95
Total	5.84	6.71
Considered Good	5.84	6.71
Considered Doubtful	1.50	1.95
Total	7.34	8.66

Note 17 Cash & Cash Equivalents

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
(a) Balance with banks	6.85	8.53
(b) Balance in Fixed Deposit Account	2.00	-
(c) Cash on hand	5.56	4.92
(d) Balance with banks to the extent held as margin money for more than 12 months maturity	0.05	0.70
(e) Balance with banks to the extent held as margin money for less than 12 months maturity	0.45	0.61
Total	14.91	14.76
Add :- Share of joint venture	-	1.52
Total	14.91	16.28

Note 18 Short term Loans & Advances

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
<u>Unsecured, Considered Good</u>		
(a) Security Deposits for Premises	37.32	41.00
(b) Loans and Advances to Staff	0.37	0.32
(c) Advances to creditors	3.43	3.91
(d) Balance with statutory / Government authorities	4.99	3.73
(e) Advance Payment Of Taxes - Net Of Provision	1.03	1.80
(f) Prepaid expenses	0.73	0.66
(g) Other receivables	0.37	0.50
Total	48.24	51.92
Add :- Share of joint venture	-	0.07
Total	48.24	51.99

Notes forming part of the Consolidated Balance Sheet

Note 19 Other Current Assets

Particulars	As at 31st March 2014	As at 31st March 2013
	Rs in Crores	Rs in Crores
<u>Unsecured, Considered good</u>		
(i) Interest Receivable	0.19	1.74
(ii) Other Receivable		
(a) From Joint venture	-	0.06
(b) From Others	0.51	1.35
(iii) Rent Equalisation	-	0.05
		-
Total	0.70	3.20
Add:- Share of joint venture	-	0.02
Total	0.70	3.22

Note 20 Revenue from Operations

Particulars	For the Year Ended 31st March 2014		For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores	Rs in Crores
Sale of products (Gross)	813.53		777.24
Less :- VAT	50.98		50.01
		762.55	727.23
Other operating revenues			
(a) Display & Sponsorship Income	21.16		16.99
(b) Commission on sales	0.11		0.10
(c) Discounts & Fees	27.83		30.37
(d) Others	1.88		1.91
(e) Rent	1.80		4.86
		52.78	54.23
Less : Excise Duty		0.31	0.34
Total		815.02	781.12
Add :- Share of Joint Venture		-	1.30
Total		815.02	782.42

Note 21 Other Income

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores
(a) Interest on Loans and Advances	7.40	0.01
(b) Interest on Deposits with Bank	0.17	0.21
(c) Profit on sale of current investment	0.02	0.05
(d) Other Income (Full figure for current year Rs 8,056/-)	0.00	-
Total	7.59	0.27
Add :- Share of Joint Venture	-	3.76
Total	7.59	4.03

Note 22 Employee Benefit Expenses

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores
(a) Salaries, Wages, Bonus, etc.	52.90	48.33
(b) Contribution to Provident, Superannuation and Gratuity Funds	3.80	3.28
(c) Staff Welfare Expenses	2.42	1.62
Total	59.12	53.23
Add :- Share of Joint Venture	-	1.21
Total	59.12	54.44

Note 23 Finance Cost

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores
(a) Interest on loans from Holding Company	2.71	5.79
(b) Interest on unsecured Debentures	7.16	4.31
Total	9.87	10.10

Note 24 Other Expenses

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores
Packing Materials Consumed	5.79	3.70
Power and Fuel	26.36	26.30
Repairs to Building	8.30	8.33
Repairs to Machinery	8.84	6.64
Repairs Others	2.57	1.77
Rent	25.90	25.43
Rates and Taxes	5.47	3.75
Insurance	0.40	0.61
Advertisement and Sales Promotion	16.19	16.47
Travelling Expenses	1.87	1.80
Professional and Legal Charges	3.16	2.91
Printing and Stationery	1.01	0.70
Bank Charges	4.35	4.20
Postage, Telegrams and Telephones	2.42	1.60
General Expenses (Refer Note No 27.04, Page No 29)	21.10	20.14
Foreign Exchange Fluctuation Expense	0.33	0.01
Retail Business Fees	10.93	11.18
Directors' Fees	0.06	0.06
Loss on Fixed Assets Sold/Discarded (Net)	1.11	0.03
Freight and forwarding charges	2.66	2.18
Advance Written off	0.12	0.05
Provision for doubtful debts and Advances	0.17	0.89
Bad Debts Written off	0.10	0.15
Other receivable written off	0.06	0.17
Total	149.28	139.07
Add :- Share of Joint Venture	-	0.07
Total	149.28	139.14

Note 25 Exceptional Items

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
	Rs in Crores	Rs in Crores
<u>Expenses</u>		
Provision for Impairment Loss	-	2.00
Settlement Compensation (Net)	2.41	-
Loss on discarded assets (Net of Impairment loss)	2.30	-
Dismantling cost	0.41	-
Bad debts written off	0.10	-
Deposit/advances written off	0.81	-
Total	6.03	2.00

Note :-

The company has closed one of its store during the year & the expenses/losses incurred in connection with closure of the store and termination of related agreements (net of impairment provided in previous year) has been treated as exceptional item.

Notes to consolidated financial statement for the year ended 31st March 2014

Note 26 CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

26.1 Basis of preparation of accounts

- a) The Consolidated Financial Statement have been prepared in accordance with the Accounting Standard-21 (AS-21) " Consolidated Financial Statements " issued by Institute of Chartered Accountants of India. The Consolidated Financial Statements are prepared by consolidating the accounts of Trent Hypermarket Limited with its subsidiaries-Virtuous Shopping Centres Limited and Commonwealth Developers Limited.
- b) During the year 2013-14, Trent Limited (holding company) had acquired 33.34% stakes of Xander entities in Virtuous Shopping Centres Limited & Joint Venture Agreement (JVA) with Xander Group for setting up the SPVs to execute standalone freehold projects has been terminated w.e.f. 4th April, 2013. Accordingly, the company has classified its investment in Virtuous Shopping Centres Limited as investment in subsidiary.
- c) Other Significant accounting policies are set out in the Notes to Accounts under the notes " Significant Accounting Policies" of Trent Hypermarket Limited, Virtuous Shopping Centres Limited , Commonwealth Developers Limited

26.2 Income

- 2.1 Sale of goods is recognised on delivery to customers.
- 2.2 Interest income is accounted on accrual basis.
- 2.3 Income from services are accounted on accrual basis & are exclusive of service tax if any.

Note 27 OTHER NOTES

27.01 **Commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 5.49 Crores (2012-13 - Rs 4.75 Crores)
- b) Other commitments- Rs. 22.72 Crores (2012-13 - Rs. Nil)

27.02 **Contingent liabilities**

- a) Contingent Liabilities in respect of Sales Tax Demands against which the Company has filed appeals Rs 0.07 Crore (2012-13 - 0.98 Crore)
- b) Contingent Liabilities in respect of Income Tax Demands against which the Company has filed appeals Rs 0.18 Crore (2012-13 - 0.71 Crore)
- c) Contingent Liabilities in respect of other matters against which the Company has filed appeals Rs 1.71 Crore (2012-13-Nil)

27.03 **Claims against the company not acknowledged as debts** :-Suits filed against the company-Rs 46.67 Crs (2012-13-Amount not ascertained)

	2013-14	2012-13
	Rupees in Crores	Rupees in Crores
27.04 General Expenses (Note 24) include :		
Auditors' Remuneration -		
Audit Fees	0.07	0.09
Fee For Taxation Matter	0.02	0.02
Other services	0.03	0.03
Reimbursement of out of pocket expenses	0.01	-

	2013-14	2012-13
	Rupees in Crores	Rupees in Crores
Auditors remuneration included in capital work in progress of subsidiary		
Audit fees (Full figure for current year Rs 28,090/- & for previous year Rs 18,725/-)	0.00	0.00
Other Services (Full figure for current year Rs 33,707/- & for previous year Rs 22,470/-)	0.00	0.00

- 27.05 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

27.06 RELATED PARTY TRANSACTIONS :**Related parties****06.1 Parties where Control exists**

1) Trent Limited - Holding Company (100%)

06.2 Other Related Parties with whom transactions have taken place during the year:

1) Fiora Services Limited - Fellow Subsidiary Company.

2) Landmark Limited - Fellow Subsidiary Company (Merged with Trent Limited w.e.f. 1st April, 2013)

3) Fiora Hypermarket Limited - Fellow Subsidiary Company.

06.3 Directors of the Company

Directors

Mr. N.N.Tata

Mr.A.D.Cooper

Mr.P.Venkatesalu

06.4 Key Management Personnel

Chief Executive Officer

Mr. Jamshed Daboo

	2013-14 Rupees in crores	2012-13 Rupees in crores
06.5 Sales to and Other recoveries from related parties		
Trent Limited	0.48	0.08
06.6 Purchase/other services from related parties		
Fiora Services Limited	4.91	4.70
Landmark Limited (Full figure for previous Year Rs. 18,636/-)	-	0.00
Trent Limited	0.58	0.38
06.7 Purchase of Fixed Assets		
Fiora Services Limited	-	0.01
06.8 Purchase of equity shares of other company's from Related Parties		
Trent Limited (Full figure for current year Rs. 19,900/-)	0.00	-
06.9 Sale of Fixed Assets		
Trent Limited	0.15	-
06.10 Interest/Dividend paid to related parties		
Trent Limited	2.71	5.83
06.11 Sitting fees paid to Directors		
Director	0.06	0.06
06.12 Remuneration paid		
Key managerial personnel	2.05	1.88
06.13 Loan taken from		
Trent Limited	91.75	125.00
06.14 Issue of Preference Shares		
Trent Limited	-	149.29
06.15 Loan outstanding as on 31.03.2014		
Trent Limited	97.50	10.75
06.16 Outstanding balance as on 31.03.2014 due to company		
Trent Limited	0.12	0.03
Fiora Hypermarket Limited	0.05	-
Landmark Limited	-	0.04
06.17 Outstanding balance as on 31.03.2014 payable by Company		
Fiora Services Limited	0.02	0.05
Trent Limited	1.49	-
06.18 Guarantee availed as on 31.03.2014		
Trent Limited	156.71	162.52
06.19 Loan Repaid to		
Trent Limited	5.00	270.00

27.07 INTEREST IN JOINT VENTURE :

As per the contractual arrangement, Trent Hypermarket Limited has joint control over Virtuous Shopping Centres Limited which has been treated as a Jointly Controlled Entity for the purpose of the Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures". till 3rd April 2013. Also refer note 26(1)(b) on page no 28.

The Company's interests, as a venture, in jointly controlled entities are:

Name of the Company	Country of Incorporation	% Ownership interest as at 31st March 2014	% Ownership interest as at 31st March 2013
Virtuous Shopping Centres Limited	India	Refer note 26(1)(b) on page no 28	66.66%

	2013-14	2012-13
	Rs. In Crores	Rs. In Crores
I Income		
1. Income from Operations	-	1.30
2. Other Income	-	3.76
II Expenditure		
1. Expenses	-	5.08
III Assets		
1. Non current assets		
Fixed assets (Full figure for previous year Rs. 49,026/-)	-	0.00
Non current investment	-	3.74
Long-term loan & Advances	-	37.60
2. Current assets		
Cash and Bank Balance	-	0.16
Short-term loans & advances	-	0.03
Other current Asset	-	5.21
IV Liabilities		
Non Current liabilities		
Long Term Borrowing	-	37.97
Current liabilities		
Trade payables (Full figure for previous year Rs. 47,349/-)	-	0.00
Other current liabilities	-	5.24

Note :- Commonwealth Developers Private Limited is 100% subsidiary of Virtuous Shopping Centres Limited hence Trent Hypermarket Limited indirectly holds 66.66% of ownership interest. Also refer note 26(1)(b) on page no 28.

27.08 EARNINGS PER SHARE (EPS) :

- (a) Weighted Average Number of shares outstanding during the year.
- (b) Net Profit/(Loss) after tax available for Equity Share Holders (Rupees in Crores)
- (c) Earnings Per Share (Rs.) Face value of Rs.10/- Basic & Diluted

	2013-14	2012-13
(a)	73,420,790	73,420,790
(b)	(69.39)	(72.08)
(c)	(9.45)	(9.82)

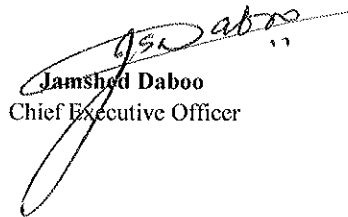
- 27.09 During the year 2011-12, Virtuous Shopping Centres Limited had aquired, 1,09,000 fully paid equity shares of Rs. 10 each from the erstwhile promoters of Commonwealth Developers Limited (the company). The management after the takeover of the company from the erstwhile promoters had decided to treat the inventory work in progress as fixed assets and consequently the opening balance along with expenses incurred during the year 2011-12 had been treated as capital work in progress since the construction of the assets is yet to be completed, all the expenses(net) incurred during the year 2011-12, 2012-13 & 2013-14 have been treated as capital work in progress. Such expenses incurred during the year include finance cost of Rs.6.79 Crores (previous year Rs.5.64 Crores).
- 27.10 Trent Hypermarket Limited ("the company"), a wholly owned subsidiary of Trent Limited ("Trent"), operates Star Bazaar Business. The company together with Trent, has entered into definitive agreements regarding investment in the Company by Tesco Overseas Investment Limited ("Tesco Overseas"), a wholly owned subsidiary of Tesco PLC, UK ("Tesco"). The agreement envisage that Tesco Overseas would purchase part of the equity shares currently held by Trent in the Company for amount of approx. Rs. 150 Crores and would saperately subscribe to additional equity shares of the Company for an amount of approx. Rs. 700 Crores. Following the conclusion of proposed investment, Trent and Tesco Overseas will each hold a 50% stake in the company.
- 27.11 As per agreement dated 31st March, 2014, between the company & Fiora Hypermarket Limited (a wholly owned subsidiary of Trent Limited, the Holding Company), the company agreed to transfer with effect from 1st April, 2014 certain store assets and related agreements with respect to four Star Bazaar Stores located in Gujrat & Tamilnadu states.
- 27.12 There are no amounts due & outstanding to be credited to investor education & protection fund.
- 27.13 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /disclosure

Signatures to notes on financial statement & other notes


As per our report attached.
For N. M. RAIJI & CO.,
 Chartered Accountants
 Registration No. 108296W




Y. N. THAKKAR
 Partner
 Membership No. 33329
 Mumbai
 26th May 2014



Jamshed Daboo
 Chief Executive Officer

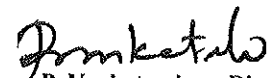


Sanjay Gupta
 Company Secretary & Chief Financial Officer

For and on behalf of the Board,

N.N. Tata - Chairman



A.D. Cooper - Director



P. Venkatesalu - Director
 Mumbai , 26th May 2014



TRENT HYPERMARKET LIMITED
CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2014

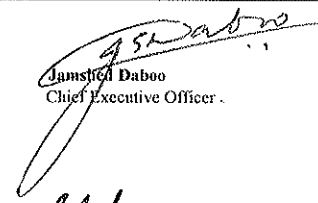
Sr. No.	PARTICULARS	1st April 2013 to 31st March 2014	31st March 2013
		Rs. In Crores	Rs. In Crores
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/ (Loss) before Taxes and Exceptional Items		(63.89)
	Adjustments for :		
	Depreciation	13.38	11.96
	Interest paid	9.87	10.10
	Foreign Exchange Fluctuation (Net)	0.20	(0.11)
	Interest Received	(1.93)	(3.98)
	Profit on sale of current investment	(0.02)	(0.05)
	Rent Equilisation Income	0.05	0.02
	Provision for doubtful debts	0.17	0.89
	Bad debts written off	0.06	0.15
	Other receivable written off	0.10	0.17
	Vendor balances written back	(0.44)	-
	Advances written off	0.12	0.05
	(Profit)/Loss on Fixed Assets sold/discarded (Net)	1.11	0.03
			19.23
	Exceptional items:-		
	Settlement Compensation	(2.41)	-
	Dismantelling Cost	(0.41)	-
			(2.82)
	Operating Profit Before Working Capital Changes		(44.04)
	Adjustments for :		
	(Increase)/Decrease in Inventories	0.61	6.69
	(Increase)/Decrease in Trade receivable	0.59	(5.13)
	(Increase)/Decrease in shortterm loans & advances	2.26	(21.36)
	(Increase)/Decrease in longterm loans & advances	(13.94)	4.01
	(Increase)/Decrease in other current assets	0.79	(1.25)
	(Increase)/Decrease in other non current assets	(0.75)	0.05
	Increase/(Decrease) in Trade payable	(3.10)	37.88
	Increase/(Decrease) in other current liabilities	8.07	8.67
	Increase/(Decrease) in longterm liabilities	0.02	(0.43)
	Increase/(Decrease) in shortterm provision	0.45	0.26
	Increase/(Decrease) in longterm provision	0.20	0.25
			(4.81)
	Cash generated from operations		(48.85)
	Direct Taxes Paid		0.79
	Net Cash from Operating Activities		(48.06)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets/CWIP	(34.50)	(39.11)
	Sale of Fixed Assets	0.22	0.89
	Purchase of current investment	-	(28.50)
	Sale of investment	1.77	26.80
	Purchase of shares of Trent Retail Services Limited (Full figure for current year Rs. 19900/-)	(0.00)	-
	Loan to Commonwealth Developers Ltd	-	(0.90)
	Interest Received	0.76	2.25
	Net cash used in Investing Activities		(31.75)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Loan taken	91.75	125.00
	Loan repaid	(5.00)	(270.00)
	Issue of debenture net of expenses	-	71.67
	Issue of shares net of expenses	-	149.14
	Interest Paid	(9.07)	(5.83)
	Net cash from Financing Activities		77.68
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(2.13)
	CASH AND CASH EQUIVALENTS AS AT 01.04.2013		16.28
	ADD: Additions on consolidations of Virtuous Shopping Centres Limited as subsidiary (Refer note 26(1)(b) on page no 28.)		0.76
	CASH AND CASH EQUIVALENTS AS AT 31.03.2014		14.91


Note: 1) All figures in brackets are outflows.
2) Previous Year figures have been regrouped wherever necessary.
3) Cash and Cash equivalent consist of Cash on hand and balance with banks as detailed in Note No 17 on Page No 19 to the Balance Sheet.

As per our report attached
For N.M.RAJI & CO.,
Chartered Accountants
Registration No 108296W




Y.N. THAKKAR
Partner
Membership No. 33329
Mumbai, 26th May 2014


Janshen Daboo
Chief Executive Officer.


Sanjay Gupta
Company Secretary & Chief Financial Officer

For and on behalf of the Board,


N.N. Tata - Chairman


A.D. Cooper - Director


P. Venkatesalu - Director

Mumbai, 26th May 2014

