

# TRIGGER APPARELS LIMITED



Annual Report for the year ended  
March 31, 2012



## TRIGGER APPARELS LIMITED

### BOARD OF DIRECTORS

Shri Surinder Chhibber  
Shri KG Baalakrishnan  
Shri G V S Desikan  
Shri A Velusamy  
Shri N Rajhagopallan  
Shri S Kalyanasundaram

**Registered Office**      2, FCI Complex  
Karamadai, Coimbatore - 641 104.

**Auditors**                M/s Gopalaiyer and Subramanian  
Chartered Accountants  
Coimbatore.

# TRIGGER APPARELS LIMITED

## DIRECTORS' REPORT

Your Directors present the Thirteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012.

The Company has incurred a net profit of Rs.10.59 Lakhs during the year, due to higher operating margin. The Company's sales and profitability are expected to improve in the current year.

### STATUTORY PARTICULARS

During the year there were no employees in receipt of remuneration covered by Section 217(2A) of the Companies Act, 1956.

### CONSERVATION OF ENERGY

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956 are not applicable to your Company.

### DIRECTORS

Shri G V S Desikan and Shri A Velusamy, retire by rotation at the ensuing annual general meeting and are eligible for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the Directors of your Company confirm;

- a) that all applicable accounting standards have been followed in the preparation of annual accounts and there are no material departure;
- b) that such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit of the Company for the year ended on the date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

### AUDITORS

M/s Gopalaiyer and Subramanian, the present Auditors of the Company retire at the conclusion of ensuing Annual General Meeting. They are eligible for reappointment.

### SECRETARIAL COMPLIANCE CERTIFICATE

Compliance certificate obtained under Section 383A(1) of the Companies Act, 1956 is enclosed and the same shall form part of this Report.

Coimbatore  
01.06.2012

On behalf of the Board  
KG Baalakrishnan  
Chairman of the Meeting

# TRIGGER APPARELS LIMITED

## COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

CIN : U18101TZ1999PLC008956

Nominal Capital: Rs.2,00,00,000/-.

To

The Members

**TRIGGER APPARELS LIMITED**

2, FCI Complex

Karamadai, Coimbatore - 641 104.

Sir,

I have examined the registers, records, books and papers of TRIGGER APPARELS LIMITED, [the Company] as required to be maintained under the Companies Act, 1956, [the Act] and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2012 [financial year]. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under except as stated in Annexure 'B'.
3. The Company, being a Public Limited Company, has a Paid up Capital of Rs.2,00,00,000/-.
4. The Board of Directors duly met four times respectively on 23.05.2011, 11.08.2011, 11.11.2011 and 06.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 29.09.2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. i) There was no transfer/ allotment / transmission of securities during the financial year.  
ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.  
iii) The Company has was not required to post warrants to any member of the company as no dividend was declared during the financial year.  
iv) The Company has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.  
v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. However there was no appointment of Alternate Directors, Additional Directors and Directors to fill casual vacancy during the financial year.
15. The Re-appointment of Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act during the Financial Year 31.03.2007 and is valid up to 31.03.2016.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued preference shares / debentures and hence there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amounts borrowed by the Company from banks during the financial year ending 31.03.2012 are within the borrowing limits of the company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.

# TRIGGER APPARELS LIMITED

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable.

Place: Coimbatore  
Date: 01.06.2012

Sd/-  
Name of the Company Secretary : M.R.L.NARASIMHA  
C.P.No: 799

## ANNEXURE 'A'

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**  
TRIGGER APPARELS LIMITED  
CIN : U18101TZ1999PLC008956  
Nominal Capital : Rs.2,00,00,000/-.

Registers as maintained by the Company:

- 1) Register of Members u/s.150
- 2) Register of Directors u/s. 303
- 3) Register of Directors Share Holding u/s.307
- 4) Register of Share Transfer
- 5) Board Meeting Minutes u/s.193
- 6) Annual General Meeting Minutes u/s.193
- 7) Register of Charges u/s. 143 and copies of instruments creating the charge u/s.136
- 8) Register of Contracts in which Directors are interested u/s.301 and 301(3)
- 9) Application and Allotment Register

Place : Coimbatore  
Date : 01.06.2012

Sd/-  
Name of the Company Secretary: M.R.L.NARASIMHA  
C.P.No: 799

## ANNEXURE 'B'

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**  
TRIGGER APPARELS LIMITED  
CIN : U18101TZ1999PLC008956  
Nominal Capital : Rs.2,00,00,000/-.

Forms and Returns filed by the Company with the Registrar of Companies during the Financial Year Ending 31<sup>st</sup> March, 2012:

S.No.	Form No. Return	Filed U / s.	For	Date of Filing SRN.	Whether filed within prescribed Time	If delay in filing whether requisite additional fees paid
1.	23AC & 23ACA	220	Profit and Loss Account and Balance Sheet as at 31.03.2011	25.12.2011 P83693978	Yes	Not Applicable
2.	20B	159	Annual Return made up to 29.09.2011	22.11.2011 P79915096	Yes	Not Applicable
3.	66	383A	Secretarial Compliance Certificate for the year ended 31.03.2011	01.12.2011 P81983652	No	Yes
4.	23	192	Reappointment of Shri Natarajan Rajhagopallan as Whole-time Director	24.10.2011 B23423460	Yes	Not Applicable
5.	25C	269(2) Sch III	Reappointment of Shri Natarajan Rajhagopallan as Whole-time Director	18.08.2011 B18452805	No	Yes

Regional Director  
Nil  
Central Government & Other Authorities  
Nil

Place : Coimbatore  
Date : 01.06.2012

Sd/-  
Name of the Company Secretary: M.R.L.NARASIMHA  
C.P.No: 799

# TRIGGER APPARELS LIMITED

## AUDITORS' REPORT TO THE MEMBERS OF TRIGGER APPARELS LIMITED

- 1 We have audited the attached Balance Sheet of TRIGGER APPARELS LIMITED as on 31<sup>st</sup> March 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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) (Amendment) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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 Further to our comments in the Annexure referred to above, we report that:
  - (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 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 and Statement of Profit and Loss dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 5 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:
  - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
  - (b) In the case of Statement of Profit & Loss, the PROFIT for the year ended on that date;
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For GOPALAIYER AND SUBRAMANIAN  
Chartered Accountants

CA. R MAHADEVAN  
Partner  
Membership No.27497  
Firm Regn. No.000960S

Coimbatore  
01.06.2012

## ANNEXURE REFERRED TO IN PARAGRAPH [3] OF OUR REPORT OF EVEN DATE

- I (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year discrepancies noticed on such physical verification were not material and have been properly dealt with in books of accounts.
- (c) There were no disposal of substantial part of fixed assets during the year and hence the going concern of the Company is not affected.
- II (a) Physical verification of Inventory has been conducted at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventory and discrepancies noticed on physical verification of inventories as compared to book records were not material and have been appropriately dealt with.
- III During the year, the company has neither taken any loans secured or unsecured nor has granted any loans secured or unsecured to parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence sub clauses a to g of clause (iii) are not applicable.

# TRIGGER APPARELS LIMITED

- IV (a) In our opinion and according to the explanations and information given to us there are adequate internal control systems commensurate with the size of the Company and the nature of the business for the purchase of inventory and for the sale of goods.  
(b) During the course of our audit no major weakness has been noticed in the internal controls.
- V (a) The transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been recorded in the register maintained for the purpose.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, which have been made at prices which are reasonable having regard to the prevailing market prices.
- VI During the year the Company has not accepted any deposits from the public and hence the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies [Acceptances of Deposit Rules 1975] and other relevant provisions of the Companies Act, 1956 are not applicable.
- VII In our opinion, the Company's present Internal Audit System is commensurate with its size and nature of business.
- VIII The Central Government has not prescribed any cost records to be maintained under Section 209(1) of the Companies Act, 1956. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records 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 made and maintained. We have not, however, made a detailed examination of the same.
- IX (a) According to the information and explanations given to us and records examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Cess and other statutory dues with the appropriate authorities, whichever is applicable during the year.  
According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2012 for a period more than six months from the date they became payable.  
(b) According to the information and explanations given to us there are no disputed arrears of statutory dues.
- X The Company has accumulated losses as at 31st March 2012. The Company has not incurred any cash loss during the financial year covered by our audit. However, the Company has incurred cash loss during the immediately preceding financial year.
- XI Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- XII During the year, the Company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- XIII In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- XIV 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.
- XV In our opinion, according to the information and explanations given to us, the Company, during the year has not given any guarantee for loans taken by others from banks or financial institutions.
- XVI In our opinion, and according to the information and explanations given to us, as on overall basis, the company has not borrowed any term loans during the year and hence reporting on utilization of the same does not arise.
- XVII According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
- XVIII The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained Under Section 301 of the Companies Act, 1956.
- XIX The Company has not raised any debentures during the financial year and hence creation of security in respect of debentures does not arise.
- XX The company has not raised any money through a public issue during the year.
- XXI Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For GOPALAIYER AND SUBRAMANIAN  
Chartered Accountants

CA. R MAHADEVAN  
Partner

Membership No.27497  
Firm Regn. No.000960S

Coimbatore  
01.06.2012

# TRIGGER APPARELS LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2012

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
(Rs.in lakhs)			
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	200.00	200.00
(b) Reserves and Surplus	2	(469.44)	(480.03)
(c) Money received against share warrants		-	-
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
<b>3 NON-CURRENT LIABILITIES</b>			
(a) Other Long-term Liabilities	3	162.16	144.72
(b) Long-term Provisions	4	18.85	12.60
<b>4 CURRENT LIABILITIES</b>			
(a) Short-term Borrowings	5	552.57	596.67
(b) Trade Payables		1654.82	1571.73
(c) Other Current Liabilities	6	107.20	102.11
(d) Short-term Provisions	7	3.81	-
<b>TOTAL</b>		<b>2229.97</b>	<b>2147.80</b>
<b>II. ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		83.88	89.52
(ii) Capital Work-in-Progress		-	-
(b) Long-term Loans and Advances	9	2.00	0.47
(c) Deferred tax assets (Net)		175.14	179.64
<b>2 CURRENT ASSETS</b>			
(a) Inventories	10	968.59	790.50
(b) Trade Receivables	11	821.50	934.54
(c) Cash and Cash Equivalents	12	26.55	38.40
(d) Short-term Loans and Advances	13	152.31	114.73
<b>TOTAL</b>		<b>2229.97</b>	<b>2147.80</b>

The notes form an integral part of these financial statements

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants

**CA. R MAHADEVAN**  
Partner

Coimbatore  
01st June, 2012

Membership No.27497  
Firm Regn. No.000960S

**KG BAALAKRISHNAN**  
Director

**A VELUSAMY**  
Director



# TRIGGER APPARELS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2012

PARTICULARS	NOTE NO.	31.03.2012	31.03.2011
(Rs. in lakhs)			
I. Revenue from operations	14	3119.36	3048.13
II. Other Income	15	14.77	17.59
III. Total Revenue (I+II)		3134.13	3065.72
IV. Expenses:			
Cost of materials consumed	16	1103.47	915.50
Purchases of Stock-in-Trade	17	293.69	682.19
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(157.35)	(3.79)
Other Manufacturing Expenses	19	679.82	525.05
Employee Benefits Expenses	20	160.91	142.91
Finance Costs	21	97.27	79.24
Depreciation and Amortization Expense		7.29	6.00
Other Expenses	22	933.94	806.17
Total Expenses		3119.04	3153.27
V. Profit/Loss before exceptional and extraordinary items and tax (III-IV)		15.09	(87.55)
VI. Exceptional Items		-	-
VII. Profit/Loss before extraordinary items and tax (V-VI)		15.09	(87.55)
VIII. Extraordinary Items:		-	-
IX. Profit/Loss before tax (VII-VIII)		15.09	(87.55)
X. Tax Expense :			
(1) Current Tax		3.07	-
(2) MAT Credit Entitlement		(3.07)	-
(3) Deferred Tax		4.50	(19.13)
		4.50	(19.13)
XI. Profit/Loss for the period from continuing operations (IX-X)		10.59	(68.42)
XII. Profit/Loss from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/Loss from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/Loss for the period (XI + XIV)		10.59	(68.42)
XVI. Earnings per equity share			
(1) Basic		0.53	(3.42)
(2) Diluted		0.53	(3.42)
Weighted Number of Equity Shares		2000000	2000000

The notes form an integral part of these financial statements

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**

Chartered Accountants

**CA. R MAHADEVAN**

Partner

Coimbatore

01st June, 2012

Membership No.27497

Firm Regn. No.000960S

**KG BAALAKRISHNAN**

Director

**A VELUSAMY**

Director

# TRIGGER APPARELS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	31.03.2012	31.03.2011
(Rs.in lakhs)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit/loss before tax and extraordinary items	15.09	-87.55
Adjustments for:		
Depreciation	7.29	6.00
Interest Charges	97.27	79.24
<b>Operating Profit/Loss before working capital changes</b>	<b>119.65</b>	<b>-2.31</b>
Adjustments for:		
Trade and other receivables	113.04	-180.00
Inventories	-178.09	33.20
Loans & Advances	-39.11	105.72
Trade and other payables	140.02	59.50
<b>Cash generated from operations</b>	<b>155.51</b>	<b>16.11</b>
<b>Cash flow before extraordinary items</b>	<b>155.51</b>	<b>16.11</b>
Extraordinary items	-	-
<b>Net cash from operating activities</b>	<b>155.51</b>	<b>16.11</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisitions of fixed assets	-1.66	-23.18
<b>Net cash used in investing activities</b>	<b>-1.66</b>	<b>-23.18</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short Term borrowings from banks	-44.10	83.05
Other Loans	-24.33	-4.59
Interest paid	-97.27	-79.24
<b>Net cash used in financing activities</b>	<b>-165.70</b>	<b>-0.78</b>
<b>Net Increase in cash and cash equivalents</b>	<b>-11.85</b>	<b>-7.85</b>
Cash and cash equivalents as at 1st April, 2011 (Opening Balance)	38.40	46.25
Cash and cash equivalents as at 31st March, 2012 (Closing Balance)	<b>26.55</b>	<b>38.40</b>

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants

**CA. R MAHADEVAN**  
Partner

Coimbatore  
01st June, 2012

Membership No.27497  
Firm Regn. No.000960S

**KG BAALAKRISHNAN**  
Director

**A VELUSAMY**  
Director

# TRIGGER APPARELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
(Rs. in lakhs)		
<b>Note 1 - Share Capital</b>		
<u>Authorised</u>		
2000000 Equity Shares of Rs.10 each	200.00	200.00
<u>Issued</u>		
2000000 Equity Shares of Rs.10 each	200.00	200.00
<u>Subscribed &amp; Paid up</u>		
2000000 Equity Shares of Rs.10 each, fully paid	200.00	200.00

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2012	31.03.2011
Shares outstanding at the beginning of the year 2000000 Number	200.00	200.00
Shares outstanding at the end of the year 2000000 Number	200.00	200.00

Shares in the company held by each shareholder holding more than 5 percent shares

Name of the Shareholder	31.03.2012		31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K G Denim Limited (Holding Company)	2000000	100	2000000	100

Terms and Conditions of Equity Shares :

The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share.

In the event of liquidation the Equity Shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

	31.03.2012	31.03.2011
	(Rs. in lakhs)	
<b>Note 2 - Reserves and Surplus</b>		
<b>Surplus</b>		
Opening Balance	(480.03)	(411.61)
(+) Net Profit/(Net Loss) for the current year	10.59	(68.42)
(+) Transfer from Reserves	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<u>(469.44)</u>	<u>(480.03)</u>
<b>Total</b>	<u>(469.44)</u>	<u>(480.03)</u>

### Note 3 - Other Long - Term Liabilities

(a) Trade Payables	-	-
(b) Others	<u>162.16</u>	<u>144.72</u>
<b>Total</b>	<u>162.16</u>	<u>144.72</u>

# TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
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## Note 4 - Long-Term Provisions

(Rs. in lakhs)

(a) Provision for employee benefits Gratuity (unfunded)	18.85	12.60
(b) Others	-	-
<b>Total</b>	<b>18.85</b>	<b>12.60</b>

## Note 5 - Short-Term Borrowings

### Secured

(a) Loans repayable on demand Working Capital Loan from Banks (Secured)	552.57	596.67
There are no case of default in repayment of loan and interest as on date of Balance Sheet		
<b>Total</b>	<b>552.57</b>	<b>596.67</b>

Working capital facilities from Indian Overseas Bank is secured by an exclusive first charge on the fixed and current assets besides corporate guarantee by Holding Company viz., K G Denim Limited. The loans are also personally guaranteed by Shri KG Baalakrishnan, Director.

## Note 6 - Other Current Liabilities

(a) Customer Credit Balance	37.31	48.79
(b) Security Deposits	44.38	-
(c) Duties and Taxes	25.51	28.99
(d) Credit Balance in Scheduled Banks(Current Account)	-	24.33
<b>Total</b>	<b>107.20</b>	<b>102.11</b>

## Note 7 - Short-Term Provisions

(a) Provision for employee benefits Gratuity (unfunded)	0.74	-
(b) Others Income Tax Provision (Net of Advance Tax)	3.07	-
<b>Total</b>	<b>3.81</b>	<b>-</b>

## Note 8 - Fixed Assets

(Rs. in lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at 1st April, 2011	Additions	Disposals	Brought into use	Balance as at 31st March, 2012	Balance as at 1st April 2011	Depreciation charge for the year	Adjustment due to revaluations	On Disposals	Balance as at 31st March 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
<b>(a) Tangible Assets</b>												
Furniture & Fixtures	90.51	0.26	-	-	90.77	16.03	5.74	-	-	21.77	68.99	74.48
Office Equipment	19.69	1.40	-	-	21.09	4.65	1.55	-	-	6.20	14.88	15.04
<b>Total</b>	<b>110.20</b>	<b>1.66</b>	<b>-</b>	<b>-</b>	<b>111.86</b>	<b>20.68</b>	<b>7.29</b>	<b>-</b>	<b>-</b>	<b>27.97</b>	<b>83.88</b>	<b>89.52</b>
Previous Year	87.02	23.18	-	-	110.20	14.68	6.00	-	-	20.68	89.52	72.34
<b>(b) Capital work in Progress</b>												
Total	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>110.20</b>	<b>1.66</b>	<b>-</b>	<b>-</b>	<b>111.86</b>	<b>20.68</b>	<b>7.29</b>	<b>-</b>	<b>-</b>	<b>27.97</b>	<b>83.88</b>	<b>89.52</b>
Previous Year	87.02	23.18	-	-	110.20	14.68	6.00	-	-	20.68	89.52	72.34

# TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
	(Rs. in lakhs)	
<b>Note 9 - Long-Term Loans and Advances</b>		
<b>a. Capital Advances</b>		
Advance for Capital Goods-Un secured considered good	-	-
<b>b. Security Deposits</b>		
Security Deposits - Un secured considered good	2.00	0.47
	<u>2.00</u>	<u>0.47</u>
<b>c. Loans and advances to related parties</b>		
Advance to related parties-Un secured considered good	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>2.00</u>	<u>0.47</u>

## Note 10 - Inventories

<b>a. Raw Materials and Components</b>	93.17	72.43
Goods-in transit	-	-
	<u>93.17</u>	<u>72.43</u>
<b>b. Work-in-progress</b>	183.17	102.67
Goods-in transit	-	-
	<u>183.17</u>	<u>102.67</u>
<b>c. Finished Goods</b>	692.25	615.40
Goods-in transit-Fabrics	-	-
	<u>692.25</u>	<u>615.40</u>
<b>d. Stock-in-trade</b>	-	-
Goods-in transit	-	-
	<u>-</u>	<u>-</u>
<b>e. Stores and Spares</b>	-	-
Goods-in transit	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>968.59</u>	<u>790.50</u>

Mode of Valuation : Refer Note 24.2 in Significant Accounting Policies

### Details of Raw Materials

Fabrics	42.14	31.37
Accessories	51.03	41.06
<b>Total</b>	<u>93.17</u>	<u>72.43</u>

# TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2012	ASAT 31.03.2011
	(Rs. in lakhs)	
<b>Details of Work-in-process</b>		
Garments	183.17	102.67
<b>Total</b>	<u>183.17</u>	<u>102.67</u>
<b>Details of Finished Goods</b>		
Garments	692.25	615.40
<b>Total</b>	<u>692.25</u>	<u>615.40</u>
 <b>Note 11 - Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	174.68	235.19
 Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	646.82	699.35
<b>Total</b>	<u>821.50</u>	<u>934.54</u>
 <b>Note 12 - Cash and Cash Equivalents</b>		
a. Balances with banks	13.95	21.62
b. Cheques, drafts on hand	-	-
c. Cash on hand	4.20	6.63
d. Others		
Margin Money Deposits	8.40	10.15
<b>Total</b>	<u>26.55</u>	<u>38.40</u>
 <b>Note 13 - Short-term loans and advances</b>		
Unsecured, considered good		
Advance Recoverable in Cash or in kind or for value to be received		
For Material Purchase	0.70	4.50
For Expenses / Others	137.32	102.43
For Duties & Taxes	13.01	7.11
Prepaid Expenses	1.28	0.69
<b>Total</b>	<u>152.31</u>	<u>114.73</u>

# TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2012	31.03.2011
	(Rs. in lakhs)	
<b>Note 14 - Revenue from Operations</b>		
Sale of Products	3137.35	3037.33
Other Operating Revenues : Waste / Accessories Sales	12.17	10.80
<u>Less:</u>		
Excise Duty	30.16	-
<b>Total</b>	<u>3119.36</u>	<u>3048.13</u>
<b>Details of Sale of Products</b>		
Garments	3137.35	3037.33
<b>Total</b>	<u>3137.35</u>	<u>3037.33</u>
<b>Note 15 - Other Income</b>		
Interest Income	0.72	0.37
Insurance Claim Received	-	3.67
Other non-operating income (net of expenses directly attributable to such income)	14.05	13.55
<b>Total</b>	<u>14.77</u>	<u>17.59</u>
<b>Note 16 - Cost of Materials Consumed</b>		
Opening Stock	72.43	109.41
Purchases	1124.20	878.52
<b>Sub-total</b>	<u>1196.63</u>	<u>987.93</u>
Less : Closing Stock	93.16	72.43
<b>Raw Materials Consumed</b>	<u>1103.47</u>	<u>915.50</u>
<b>Imported and Indigenous Raw Materials consumed</b>		
Imported	-	-
Indigenous	1103.47	915.50
<b>Total</b>	<u>1103.47</u>	<u>915.50</u>
<b>Details of Raw Material Consumed</b>		
Fabrics	837.06	634.80
Accessories	266.41	280.70
<b>Total</b>	<u>1103.47</u>	<u>915.50</u>
<b>Note 17 - Purchases of Stock-in-Trade</b>		
Garments Purchase	293.69	682.19
<b>Total</b>	<u>293.69</u>	<u>682.19</u>

# TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2012	31.03.2011
	(Rs. in lakhs)	
<b>Note 18 - Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade</b>		
Opening Stock :		
Work-in-Process	102.67	237.34
Finished Goods	615.40	476.94
Traded Items	-	-
	<u>718.07</u>	<u>714.28</u>
Closing Stock :		
Work-in-Process	183.17	102.67
Finished Goods	692.25	615.40
Traded Items	-	-
	<u>875.42</u>	<u>718.07</u>
<b>Total</b>	<u>(157.35)</u>	<u>(3.79)</u>
<b>Note 19 - Other Manufacturing Expenses</b>		
(a) Processing Charges	497.17	512.85
(b) Repairs & Maintenance		
For Plant & Machinery	-	-
For Buildings	-	-
For Others	182.65	12.20
<b>Total</b>	<u>679.82</u>	<u>525.05</u>
<b>Note 20 - Employee Benefits Expenses</b>		
(a) Salaries and Wages	138.46	130.12
(b) Salaries- Whole Time Director	9.00	9.00
(c) Contributions to Provident Fund and Other Funds	-	-
(d) Gratuity as per Actuarial Valuation	8.24	(3.44)
(e) Staff Welfare Expenses	5.21	7.23
<b>Total</b>	<u>160.91</u>	<u>142.91</u>
<b>Note 21 - Finance Costs</b>		
Interest Expense	88.76	72.90
Other Borrowing Costs	8.51	6.34
<b>Total</b>	<u>97.27</u>	<u>79.24</u>



# TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2012	31.03.2011
	(Rs. in lakhs)	
<b>Note 22 - Other Expenses</b>		
Rent	44.16	82.18
Insurance	5.78	6.29
Rates and Taxes, excluding, Taxes on Income	14.38	14.38
<b>Payments to the Auditor as</b>		
a) As Auditor	0.22	0.24
b) For Taxation Matters	0.28	-
c) For Other Services	0.02	-
Legal, Professional & Consultancy Charges	12.07	19.13
Printing and Stationery	3.63	4.59
Postage, Telegrams and Telephones	10.61	14.82
Travelling Expenses and Maintenance of Vehicles	44.81	42.29
Software Maintenance Expenses	2.84	1.18
Commission on Sales	319.32	240.67
Discount on Sales	184.51	181.87
Selling Expenses	124.32	82.07
Freight Outwards	37.16	35.35
Bad Debts Written Off	59.49	-
Miscellaneous Expenses	70.34	81.11
<b>Total</b>	<u>933.94</u>	<u>806.17</u>

# TRIGGER APPARELS LIMITED

## NOTE 23

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

## NOTE 24

### SIGNIFICANT ACCOUNTING POLICIES

#### 24.1 DISCLOSURE AND BASIS OF ACCOUNTING

- a) The financial statements have been prepared under the historical cost convention which is in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956. The Company has complied with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and as referred u/s 211 (3C) of the Companies Act, 1956.
- b) The Company has been consistently following the accrual basis of accounting in respect of its Income and Expenditure.
- c) The Accounts are prepared on the basis of going concern concept.
- d) The presentation of financial statements require estimates and assumptions to be made which affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenditure during the reporting period.

#### 24.2 VALUATION OF INVENTORIES

Inventories are valued at the lower of cost and net realizable value. The cost formula used is average cost.

#### 24.3 CASH FLOW STATEMENT

The Cash Flow Statement is prepared under indirect method as per the Institute of Chartered Accountants of India guidelines.

#### 24.4 REVENUE RECOGNITION

Revenue from sale transactions is recognized as and when the property in the goods sold is transferred to the buyer for a definite consideration and there is no uncertainty regarding the amount of consideration or collectability.

#### 24.5 RELATED PARTY DISCLOSURES

The related party transactions are disclosed in the notes on accounts as per the Institute of Chartered Accountants of India guidelines.

#### 24.6 DEPRECIATION ACCOUNTING

Depreciation on fixed assets has been provided under straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. The Company uses both continuous process machines and general plant & machinery and other assets for which the respective applicable rates of depreciation as prescribed under Schedule XIV have been adopted.

#### 24.7 ACCOUNTING FOR EMPLOYEE RETIREMENT BENEFITS

- a) Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis.
- b) Gratuity liability as per the Actuarial valuation has been provided in the accounts as at the year end.

# TRIGGER APPARELS LIMITED

## NOTE 25 : GRATUITY

In accordance with the revised Accounting Standard AS - 15, details of actuarial provision are given below which is certified by the actuary and relied upon by the auditors though the company has provided the liability in accounts, to meets its liability from internal generation.

I.	Principal Actuarial Assumptions (Expressed as weighted averages)	31.03.2012	31.03.2011
	Discount Rate	8.00 %	8.00 %
	Salary Escalation Rate	10.00 %	10.00 %
	Attrition Rate	5.00 %	5.00 %
	Expected Rate of Return on Plan Assets	0.00 %	0.00 %
II.	Changes in the present value of the obligation (PVO) -	(Rs.lakhs)	(Rs.lakhs)
	Reconciliation of Opening and Closing Balances		
	PVO as at the beginning of the period	12.59	16.04
	Interest Cost	0.96	1.28
	Current Service Cost	4.72	3.09
	Past Service Cost - (Non Vested Benefits)	0	0
	Past Service Cost - (Vested Benefits)	0	0
	Benefits Paid	(1.25)	0
	Actuarial Loss / (Gain) on obligation (Balancing Figure)	2.56	(9.21)
	PVO as at the end of the period	19.58	12.60
III.	Changes in the fair value of plan assets -	(Rs.lakhs)	(Rs.lakhs)
	Reconciliation of Opening and Closing Balances	0	0
	Fair Value of plan assets as at the beginning of the period	0	0
	Expected return on plan assets	0	0
	Contributions	1.25	0
	Benefits Paid	(1.25)	0
	Actuarial Gain / (Loss) on plan assets (Balancing Figure)	0	0
	Fair Value of plan assets as at the end of the period	0	0
IV.	Actual return on plan assets	(Rs.lakhs)	(Rs.lakhs)
	Expected return on plan assets	0	0
	Actuarial Gain / (Loss) on plan assets	0	0
	Actual return on plan assets	0	0
V.	Actuarial Gain / Loss recognised	(Rs.lakhs)	(Rs.lakhs)
	Actuarial Gain / (Loss) for the period - Obligation	2.56	(3.44)
	Actuarial Gain / (Loss) for the period - plan assets	0	0
	Total Gain / (Loss) for the period	2.56	(3.44)
	Actuarial Gain / (Loss) recognised in the period	3.44	(3.44)
	Unrecognised actuarial (Gain) / Loss at the end of the year	0	0
VI.	Amounts recognised in the balance sheet and related analyses	(Rs.lakhs)	(Rs.lakhs)
	Present Value of the obligation	19.58	12.60
	Fair Value of plan assets	0	0
	Difference	19.58	12.60
	Unrecognised transitional liability	0	0
	Unrecognised past service cost-non vested benefits	0	0
	<b>Liability recognised in the balance sheet</b>	<b>19.58</b>	<b>19.58</b>
VII.	Expenses recognised in the statement of profit and loss	(Rs.lakhs)	(Rs.lakhs)
	Current Service Cost	4.72	3.09
	Interest Cost	0.96	1.28
	Expected return on plan assets	0	0
	Net actuarial (Gain) / Loss recognised in the year	2.56	(3.44)
	Transitional Liability recognised in the year	0	0
	Past Service Cost - Non-Vested Benefits	0	0
	Past Service Cost - Vested Benefits	0	0
	<b>Expenses recognised in the statement of profit and loss</b>	<b>8.23</b>	<b>(3.44)</b>
VIII.	Movements in the Liability recognised in the balance sheet	(Rs.lakhs)	(Rs.lakhs)
	Opening net liability	12.60	16.04
	Expense as above	8.23	(3.44)
	Contribution paid	(1.25)	0
	<b>Closing net liability</b>	<b>19.58</b>	<b>12.60</b>

# TRIGGER APPARELS LIMITED

## Annexure to Notes Accounts :

### 26.1 Accounting Standard AS - 18 on "Related Party Disclosure"

(Rs.in lakhs)

Particulars	2011-2012				2010-2011			
	Holding Co.	Associates	Key Management Personnel	Relative of Key Management Personnel	Holding Co.	Associates	Key Management Personnel	Relative of key Management Personnel
Purchase of goods	759.67	86.77	-	-	639.75	182.97	-	-
Sale of goods	11.24	0.07	-	-	25.01	-	-	-
Processing Charges paid	211.55	-	-	-	190.51	-	-	-
Managerial Remuneration	-	-	9.00	-	-	-	9.00	-

### 26.2 Balance outstanding as on 31.03.2012

(Rs.in lakhs)

Particulars	2011-12				2010-2011			
	Holding Co.	Associates	Key Management Personnel	Relative of Key Management Personnel	Holding Co.	Associates	Key Management Personnel	Relative of key Management Personnel
Debtors	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-
-for Goods purchase	728.55	2.07	-	-	662..61	8.61	-	-

### 26.3

<b>Holding Company</b>	<b>K G Denim Limited</b>
<b>Associates</b>	<b>Sri Kannapiran Mills Limited K G Fabriks Limited</b>
<b>Key Management Personnel</b>	<b>Shri KG Baalakrishnan Shri N Rajagopalan</b>

27 a. Trade payables referred under Current Liability to Small Scale Industrial Units is complied on the information made available to the Company. (includes dues of Rs.5.87 lakhs of more than 30 days and exceeding Rs.4.91 lakh to the following parties; a) Shri Guhan Packs Rs.2.08 lakhs b) Super poly packs Rs.1.82 lakhs) Expo Graphics Rs.1.01 lakhs.

b. In the absence of necessary information with the company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 the information required under the said Act could not be complied and disclosed.

# TRIGGER APPARELS LIMITED

## 28 Contingent Liability

(Rs.in lakhs)

	2011-12	2010-11
Claims against the company not acknowledged a debts	6.74	6.74

29 The Company is not an Industrial Company as defined in Section 2(19AA) read with Section (198AB) of Companies Act, 1956.

30 Previous year's figures have been regrouped wherever necessary.

31 Figures have been rounded off to Rs.in lakhs.

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants

**CA. R MAHADEVAN**  
Partner

Coimbatore  
01st June, 2012

Membership No.27497  
Firm Regn. No.000960S

**KG BAALAKRISHNAN**  
Director

**A VELUSAMY**  
Director

**K G DENIM (USA) INC**

**BALANCE SHEET AS AT 31ST MARCH, 2012 (Un audited)**

<b>SOURCES OF FUNDS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
	<b>USD</b>	<b>Rs. Lakhs</b>	<b>USD</b>	<b>Rs. Lakhs</b>
<b>Shareholders Funds</b>				
Authorised Share Capital 1500 Nos of Shares of common stock with no par value				
Subscribed, Issued and Paid up Capital 700 nos of Shares of common stock with no par value	700.00	0.36	700.00	0.31
Un Secured Loan From K G Denim Limited India (Holding Company)	5624.12	2.86	4924.12	2.20
	<b>6324.12</b>	<b>3.22</b>	<b>5624.12</b>	<b>2.51</b>
<b>APPLICATION OF FUNDS</b>				
<b>MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)</b>				
Cash at Bank of India , Newyork Branch	2601.00	1.32	2700.00	1.20
Incorporation Expenses	700.00	0.36	700.00	0.31
Pre Operative Expenses	3023.12	1.54	2224.12	1.00
	<b>6324.12</b>	<b>3.22</b>	<b>5624.12</b>	<b>2.51</b>

Note :

- No Profit & Loss a/c is prepared, since the commercial activity of the Company has not yet commenced.*
- Exchange rate for Rupee vis-à-vis US Dollar has been considered as on 31st March of respective years.*