

TRIGGER APPARELS LIMITED



Annual Report for the year ended
March 31, 2013



TRIGGER APPARELS LIMITED

BOARD OF DIRECTORS

Shri Surinder Chhibber
Shri KG Baalakrishnan
Shri G V S Desikan
Shri A Velusamy
Shri G Krishnakumar
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 Fourteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2013.

The Company has incurred a net profit of Rs.31.95 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 KG Baalakrishnan and Shri Surinder Chhibber, 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, 2013 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
28.05.2013

On behalf of the Board
KG Baalakrishnan
Chairman of the Meeting

TRIGGER APPARELS LIMITED

COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

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 31st March, 2013 [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 01.06.2012, 27.07.2012, 30.10.2012 and 30.01.2013 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 31.03.2012 was held on 29.09.2012 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 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 and the appointment of Additional Director has been duly made. However there was no appointment of Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Whole time Director has resigned wef., 28.01.2013. The company is not required to appoint any Managing Director / Whole Time Director / Manager.
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 31.03.2013 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: 28.05.2013

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

ANNEXURE 'A'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

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 : 28.05.2013

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

ANNEXURE 'B'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

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 31st March, 2013:

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 & 23ACAXBRL	220	Profit and Loss Account and Balance Sheet as at 31.03.2012	13.01.2013 Q05824438	Yes	Not Applicable
2.	20B	159	Annual Return made up to 29.09.2012	10.12.2012 Q04118287	Yes	Not Applicable
3.	66	383A	Secretarial Compliance Certificate for the year ended 31.03.2012	10.12.2012 Q04094751	No	Yes
4.	32	303(2)	Appointment of Shri G Krishnakumar as Additional Director and Resignation of Shri N Rajagopalan as Whole Time Director	18.02.2013 B68159045	Yes	Not Applicable

Regional Director
Nil
Central Government & Other Authorities
Nil

Place : Coimbatore
Date : 28.05.2013

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

TRIGGER APPARELS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRIGGER APPARELS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TRIGGER APPARELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the 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 aforesaid 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

TRIGGER APPARELS LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants
CA. R MAHADEVAN
Partner
Membership No.27497
Firm Regn. No.000960S

Coimbatore
28.05.2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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.
- 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.

TRIGGER APPARELS LIMITED

- 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 prescribed 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, 2013 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 2013. The Company has not incurred any cash loss during the financial year covered by our audit and 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.

TRIGGER APPARELS LIMITED

- 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 the company has utilized the funds raised on short term basis for long term investments to the extent of Rs.98.87 lakhs.
- 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.

coimbatore
28.05.2013

TRIGGER APPARELS LIMITED

BALANCE SHEET AS AT 31st MARCH 2013

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
(Rs.in lakhs)			
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUNDS			
(a) Share Capital	1	200.00	200.00
(b) Reserves and Surplus	2	(437.49)	(469.44)
(c) Money received against share warrants		-	-
2 SHARE APPLICATION MONEY PENDING ALLOTMENT			
3 NON-CURRENT LIABILITIES			
(a) Other Long-term Liabilities	3	216.81	162.16
(b) Long-term Provisions	4	25.13	18.85
4 CURRENT LIABILITIES			
(a) Short-term Borrowings	5	553.97	552.57
(b) Trade Payables		1850.27	1654.82
(c) Other Current Liabilities	6	60.67	107.20
(d) Short-term Provisions	7	1.13	3.81
TOTAL		2470.49	2229.97
II. ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets	8		
(i) Tangible Assets		77.34	83.88
(ii) Capital Work-in-Progress		-	-
(b) Long-term Loans and Advances	9	0.60	2.00
(c) Deferred tax assets (Net)		177.10	175.14
2 CURRENT ASSETS			
(a) Inventories	10	1133.17	968.59
(b) Trade Receivables	11	859.44	821.50
(c) Cash and Cash Equivalents	12	60.04	26.55
(d) Short-term Loans and Advances	13	162.80	152.31
TOTAL		2470.49	2229.97

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
28th May, 2013

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 31st MARCH 2013

PARTICULARS	NOTE NO.	31.03.2013	31.03.2012
(Rs. in lakhs)			
I. Revenue from operations	14	3819.64	3119.36
II. Other Income	15	15.33	14.77
III. Total Revenue (I+II)		3834.97	3134.13
IV. Expenses:			
Cost of materials consumed	16	1066.00	1103.47
Purchases of Stock-in-Trade	17	1130.81	293.69
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(68.34)	(157.35)
Other Manufacturing Expenses	19	626.69	679.82
Employee Benefits Expenses	20	165.86	160.91
Finance Costs	21	88.17	97.27
Depreciation and Amortization Expense		7.63	7.29
Other Expenses	22	785.65	933.94
Total Expenses		3802.47	3119.04
V. Profit before exceptional and extraordinary items and tax (III-IV)		32.50	15.09
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		32.50	15.09
VIII. Extraordinary Items:		-	-
IX. Profit before tax (VII-VIII)		32.50	15.09
X. Tax Expense :			
(1) Current Tax		5.18	3.07
(2) MAT Credit Entitlement		(5.03)	(3.07)
(3) Deferred Tax		(1.96)	4.50
(4) Prior Year Taxes		2.36	-
		0.55	4.50
XI. Profit for the period from continuing operations (IX-X)		31.95	10.59
XII. Profit from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit for the period (XI + XIV)		31.95	10.59
XVI. Earnings per equity share			
(1) Basic		1.60	0.53
(2) Diluted		1.60	0.53
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

KG BAALAKRISHNAN
Director

A VELUSAMY
Director

CA. R MAHADEVAN
Partner

Coimbatore
28th May, 2013

Membership No.27497
Firm Regn. No.000960S

TRIGGER APPARELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

PARTICULARS	31.03.2013	31.03.2012
(Rs.in lakhs)		
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	32.50	15.09
Adjustments for:		
Depreciation	7.63	7.29
Interest Charges	88.17	97.27
Operating Profit before working capital changes	128.30	119.65
Adjustments for:		
Trade and other receivables	-37.94	113.04
Inventories	-164.58	-178.09
Loans & Advances	-9.09	-39.11
Trade and other payables	207.16	140.02
Cash generated from operations	123.85	155.51
Cash flow before extraordinary items	123.85	155.51
Extraordinary items	-	-
Cash flow after extraordinary items	123.85	155.51
Income Tax	-2.51	-
Net cash from operating activities	121.33	155.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisitions of fixed assets	-1.08	-1.66
Net cash used in investing activities	-1.08	-1.66
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Short Term borrowings from banks	1.40	-44.10
Other Loans	-	-24.33
Interest paid	-88.17	-97.27
Net cash used in financing activities	-86.77	-165.70
Net Increase in cash and cash equivalents	33.49	-11.85
Cash and cash equivalents as at 1st April, 2012 (Opening Balance)	26.55	38.40
Cash and cash equivalents as at 31st March, 2013 (Closing Balance)	60.04	26.55

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

KG BAALAKRISHNAN
Director

A VELUSAMY
Director

CA. R MAHADEVAN
Partner

Coimbatore
28th May, 2013

Membership No.27497
Firm Regn. No.000960S

TRIGGER APPARELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Note 1 - Share Capital	(Rs.in lakhs)	
<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 & 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	31.03.2013	31.03.2012
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	31.03.2013		31.03.2012	
	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.

	31.03.2013	31.03.2012
	(Rs.in lakhs)	
Note 2 - Reserves and Surplus		
Surplus		
Opening Balance	-469.44	-480.03
(+) Net Profit for the current year	31.95	10.59
(+) Transfer from Reserves	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<u>-437.49</u>	<u>-469.44</u>
Total	<u>-437.49</u>	<u>-469.44</u>

Note 3 - Other Long -Term Liabilities

(a) Trade Payables	-	-
(b) Others-Security Deposit	<u>216.81</u>	<u>162.16</u>
Total	<u>216.81</u>	<u>162.16</u>

TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Note 4 - Long-Term Provisions (Rs.in lakhs)		
(a) Provision for employee benefits Gratuity (unfunded)	25.13	18.85
(b) Others	-	-
Total	25.13	18.85

Note 5 - Short-Term Borrowings

Secured

(a) Loans repayable on demand Working Capital Loan from Banks (Secured)	553.97	552.57
There are no case of default in repayment of loan and interest as on date of Balance Sheet		
Total	553.97	552.57

Secured Loan : Working capital loan 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	41.64	37.31
(b) Security Deposits	4.28	44.38
(c) Duties and Taxes	14.75	25.51
Total	60.67	107.20

Note 7 - Short-Term Provisions

(a) Provision for employee benefits Gratuity (unfunded)	0.98	0.74
(b) Others Income Tax Provision (Net of Advance Tax)	0.15	3.07
Total	1.13	3.81

Note 8 - Fixed Assets

(Rs.in lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at 1st April, 2012	Additions	Disposals	Brought into use	Balance as at 31st March, 2013	Balance as at 1st April 2012	Depreciation charge for the year	Adjustment due to revaluations	On Disposals	Balance as at 31st March 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
(a) Tangible Assets												
Furniture & Fixtures	90.77	-	-	-	90.77	21.77	5.74	-	-	27.51	63.26	68.99
Office Equipment	21.09	1.08	-	-	22.17	6.20	1.89	-	-	8.09	14.08	14.89
Total	111.86	1.08	-	-	112.94	27.97	7.63	-	-	35.60	77.34	83.88
Previous Year	110.20	1.66	-	-	111.86	20.68	7.29	-	-	27.97	83.88	89.52
(b) Capital work in Progress												
Total	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	111.86	1.08	-	-	112.94	27.97	7.63	-	-	35.60	77.34	83.88
Previous Year	110.20	1.66	-	-	111.86	20.68	7.29	-	-	27.97	83.88	89.52

TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
	(Rs. in lakhs)	
Note 9 - Long-Term Loans and Advances		
a. Capital Advances		
Advance for Capital Goods-Un secured considered good	-	-
b. Security Deposits		
Security Deposits - Un secured considered good	0.60	2.00
	<u>0.60</u>	<u>2.00</u>
c. Loans and advances to related parties		
Advance to related parties-Un secured considered good	-	-
	<u>-</u>	<u>-</u>
Total	<u>0.60</u>	<u>2.00</u>
Note 10 - Inventories		
a. Raw Materials and Components	189.41	93.17
Goods-in transit	-	-
	<u>189.41</u>	<u>93.17</u>
b. Work-in-progress	116.01	183.17
Goods-in transit	-	-
	<u>116.01</u>	<u>183.17</u>
c. Finished Goods	788.20	692.25
Goods-in transit	-	-
	<u>788.20</u>	<u>692.25</u>
d. Stock-in-trade	39.55	-
Goods-in transit	-	-
	<u>39.55</u>	<u>-</u>
Total	<u>1133.17</u>	<u>968.59</u>
Mode of Valuation : Refer Note 24.2 in Significant Accounting Policies		
Details of Raw Materials		
Fabrics	130.67	42.14
Accessories	58.74	51.03
Total	<u>189.41</u>	<u>93.17</u>

TRIGGER APPARELS LIMITED

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
	(Rs. in lakhs)	
Details of Work-in-process		
Garments	116.01	183.17
Total	<u>116.01</u>	<u>183.17</u>
Details of Finished Goods		
Garments	788.20	692.25
Total	<u>788.20</u>	<u>692.25</u>
Details of Stock-in-trade		
Garments	39.55	-
Total	<u>39.55</u>	<u>-</u>
Note 11 - Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	176.83	174.68
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	682.61	646.82
Total	<u>859.44</u>	<u>821.50</u>
Note 12 - Cash and Cash Equivalents		
a. Balances with banks	46.83	13.95
b. Cheques, drafts on hand	-	-
c. Cash on hand	4.30	4.20
d. Others		
Margin Money Deposits	8.91	8.40
Total	<u>60.04</u>	<u>26.55</u>
Note 13 - Short-term loans and advances		
Unsecured, considered good		
Advance Recoverable in Cash or in kind or for value to be received		
For Material Purchase	0.94	0.70
For Expenses / Others	150.37	137.32
For Duties & Taxes	9.43	13.01
Prepaid Expenses	2.06	1.28
Total	<u>162.80</u>	<u>152.31</u>

TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2013	31.03.2012
	(Rs. in lakhs)	
Note 14 - Revenue from Operations		
Sale of Products	3845.07	3137.35
Other Operating Revenues : Waste / Accessories Sales	-	12.17
<u>Less:</u>		
Excise Duty	25.43	30.16
Total	<u>3819.64</u>	<u>3119.36</u>
Details of Sale of Products		
Garments	3098.60	3137.35
Fabrics	746.47	-
Total	<u>3845.07</u>	<u>3137.35</u>
Note 15 - Other Income		
Interest Income	-	0.72
Insurance Claim Received	2.54	-
Other non-operating income (net of expenses directly attributable to such income)	12.79	14.05
Total	<u>15.33</u>	<u>14.77</u>
Note 16 - Cost of Materials Consumed		
Opening Stock	93.16	72.43
Purchases	1162.25	1124.20
Sub-total	1255.41	1196.63
Less : Closing Stock	189.41	93.16
Raw Materials Consumed	<u>1066.00</u>	<u>1103.47</u>
Imported and Indigenous Raw Materials consumed		
Imported	-	-
Indigenous	1066.00	1103.47
Total	<u>1066.00</u>	<u>1103.47</u>
Details of Raw Material Consumed		
Fabrics	780.70	837.06
Accessories	285.30	266.41
Total	<u>1066.00</u>	<u>1103.47</u>
Note 17 - Purchases of Stock-in-Trade		
Garments Purchase	447.97	293.69
Fabric Purchase	682.84	-
Total	<u>1130.81</u>	<u>293.69</u>

TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2013	31.03.2012
	(Rs. in lakhs)	
Note 18 - Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		
Opening Stock :		
Work-in-Process	183.17	102.67
Finished Goods	692.25	615.40
Traded Items	-	-
	<u>875.42</u>	<u>718.07</u>
Closing Stock :		
Work-in-Process	116.01	183.17
Finished Goods	827.75	692.25
Traded Items	-	-
	<u>943.76</u>	<u>875.42</u>
Total	<u>(68.34)</u>	<u>(157.35)</u>
Note 19 - Other Manufacturing Expenses		
(a) Processing Charges	477.04	497.17
(b) Repairs & Maintenance		
For Others	4.50	13.76
(c) Others - Excise Duty on Readymade Garments	145.15	168.89
Total	<u>626.69</u>	<u>679.82</u>
Note 20 - Employee Benefits Expenses		
(a) Salaries and Wages	143.55	138.46
(b) Salaries- Whole Time Director	9.00	9.00
(c) Gratuity as per Actuarial Valuation	9.47	8.24
(d) Staff Welfare Expenses	3.84	5.21
Total	<u>165.86</u>	<u>160.91</u>
Note 21 - Finance Costs		
Interest Expense	81.34	88.76
Other Borrowing Costs	6.83	8.51
Total	<u>88.17</u>	<u>97.27</u>

TRIGGER APPARELS LIMITED

PARTICULARS	31.03.2013	31.03.2012
	(Rs. in lakhs)	
Note 22 - Other Expenses		
Rent	51.94	44.16
Insurance	6.40	5.78
Rates and Taxes, excluding, Taxes on Income	13.45	14.38
Payments to the Auditor as		
a) As Auditor	0.22	0.22
b) For Taxation Matters	0.28	0.28
c) For Other Services	0.42	0.02
Legal, Professional & Consultancy Charges	8.35	12.07
Printing and Stationery	3.22	3.63
Postage, Telegrams and Telephones	10.92	10.61
Travelling Expenses and Maintenance of Vehicles	66.88	44.81
Software Maintenance Expenses	3.10	2.84
Commission on Sales	326.89	319.32
Discount on Sales	131.05	184.51
Selling Expenses	72.75	124.32
Freight Outwards	38.61	37.16
Bad Debts Written Off	-	59.49
Miscellaneous Expenses	51.17	70.34
Total	785.65	933.94

TRIGGER APPARELS LIMITED

NOTE 23

The financial statements for the year ended 31st March, 2012 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, 2013 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.

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)	31.03.2013	31.03.2012
	Discount Rate	8.10 %	8.50 %
	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	19.58	12.59
	Interest Cost	1.54	0.96
	Current Service Cost	5.69	4.72
	Past Service Cost - (Non Vested Benefits)	0	0
	Past Service Cost - (Vested Benefits)	0	0
	Benefits Paid	(2.94)	(1.25)
	Actuarial Loss / (Gain) on obligation (Balancing Figure)	2.23	2.56
	PVO as at the end of the period	26.11	19.58
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	2.94	1.25
	Benefits Paid	(2.94)	(1.25)
	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	(2.23)	(2.56)
	Actuarial Gain / (Loss) for the period - plan assets	0	0
	Total Gain / (Loss) for the period	2.23	2.56
	Actuarial Gain / (Loss) recognised in the period	2.23	2.56
	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	26.11	19.58
	Fair Value of plan assets	0	0
	Difference	26.11	19.58
	Unrecognised transitional liability	0	0
	Unrecognised past service cost-non vested benefits	0	0
	Liability recognised in the balance sheet	26.11	19.58
VII.	Expenses recognised in the statement of profit and loss	(Rs.lakhs)	(Rs.lakhs)
	Current Service Cost	5.69	4.72
	Interest Cost	1.54	0.96
	Expected return on plan assets	0	0
	Net actuarial (Gain) / Loss recognised in the year	2.23	2.56
	Transitional Liability recognised in the year	0	0
	Past Service Cost - Non-Vested Benefits	0	0
	Past Service Cost - Vested Benefits	0	0
	Expenses recognised in the statement of profit and loss	9.47	8.23
VIII.	Movements in the Liability recognised in the balance sheet	(Rs.lakhs)	(Rs.lakhs)
	Opening net liability	19.58	12.60
	Expense as above	9.47	8.23
	Contribution paid	(2.94)	(1.25)
	Closing net liability	26.11	19.58

TRIGGER APPARELS LIMITED

Annexure to Notes Accounts :

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

(Rs.in lakhs)

Particulars	2012-2013				2011-2012			
	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	1555.26	114.15	-	-	759.67	86.77	-	-
Sale of goods	6.93	-	-	-	11.24	0.07	-	-
Processing Charges paid	178.49	-	-	-	211.55	-	-	-
Managerial Remuneration	-	-	9.00	-	-	-	9.00	-

26.2 Balance outstanding as on 31.03.2013

(Rs.in lakhs)

Particulars	2012-13				2011-2012			
	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	1397.65	3.07	-	-	728.55	2.07	-	-

26.3

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

- 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.1.50 lakhs more than 30 days and exceeding of Rs.1.50 lakh to the following parties; a) Super Poly Packs Rs.0.83 lakhs b) Theiva Packs Rs.0.37 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)

	2012-13	2011-12
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 2 (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
28th May, 2013

Membership No.27497
Firm Regn. No.000960S

KG BAALAKRISHNAN
Director

A VELUSAMY
Director

K G DENIM (USA) INC

BALANCE SHEET AS AT 31ST MARCH, 2013 (Un audited)

SOURCES OF FUNDS	AS AT 31.03.2013		AS AT 31.03.2012	
	USD	Rs. Lakhs	USD	Rs. Lakhs
Shareholders Funds				
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	0.38	700.00	0.36
Un Secured Loan From K G Denim Limited India (Holding Company)	6224.12	3.38	5624.12	2.86
	6924.12	3.76	6324.12	3.22
APPLICATION OF FUNDS				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Cash at Bank of India , Newyork Branch	2545.00	1.38	2601.00	1.32
Incorporation Expenses	700.00	0.38	700.00	0.36
Pre Operative Expenses	3679.12	2.00	3023.12	1.54
	6924.12	3.76	6324.12	3.22

Note :

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