

Trident Limited  
21st Annual Report 2010-11

# THINKING BEYOND!



TRIDENT LIMITED  
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## CORPORATE INFORMATION

### Board of Directors

Mr Rajinder Gupta  
Mr S K Tuteja  
Ms Pallavi Shroff  
Mr Rajiv Dewan  
Dr M A Zahir  
Mrs Kavita Singh  
Mr Raman Kumar

### Chief Financial Officer

Mr Arun Goyal

### Company Secretary

Mr Pawan Jain

### Statutory Auditors

Deloitte Haskins & Sells

### Internal Auditors

KPMG

### Cost Auditors

Ramanath Iyer & Co.

### Tax Auditors

S C Vasudeva & Co.

### Bankers

State Bank of India  
Punjab National Bank  
Canara Bank  
State Bank of Patiala  
Corporation Bank  
Oriental Bank of Commerce

### Registered Office

**Trident Group**  
Raikot Road,  
Sanghera – 148 101, India  
Tel: +91-1679-244700-03  
Fax: +91-1679-244708  
email: corp@tridentindia.com

### Corporate Office

E-212,  
Kitchlu Nagar  
Ludhiana – 141 001  
Tel: +91-161-5039999, 5038888  
Fax: +91-161-5039900, 5038800  
email: corp@tridentindia.com

### US Office

295 Fifth Avenue  
Room 1112  
New York  
NY 10016  
USA  
email: corp@tridentindia.com

### Registrar & Transfer Agent

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



## **THINKING BEYOND...**

...is the ability to foresee tomorrow and initiate steps today, with the objective to accelerate growth, ensure sustainability and enhance value.

Growth is derived from the ability to conceptualise product demand today but commercialise them across the near future.

Sustainability is derived from the ability to invest in technology and innovation today and enhance revenues tomorrow.

Value creation is the ability to look into the future but initiate action today.



## ABOUT TRIDENT

Trident Limited is a young and growing business conglomerate.

The Company could have remained content with growing its presence in spinning and home textiles; it extended into paper manufacture.

The Company could have remained content with paper and textiles; it ventured into energy and chemicals.

This widening presence was based around a singular urgency. **THINKING BEYOND!**

### Vision

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

### Values

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

### Corporate philosophy

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

### Lineage

- Company Identification Number [CIN]: L99999PB1990PLC010307
- The Company's name was changed from Abhishek Industries Limited to Trident Limited with effect from April 18, 2011 as a part of its branding strategy.

### Presence

- Headquartered in Ludhiana (Punjab), with manufacturing facilities in Barnala (Punjab) and Budni (Madhya Pradesh)
- Equity shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchanges (NSE)

### Scale

The Company is one of the world's largest terry towel manufacturers, one of the largest yarn spinners and the world's largest wheat straw-based paper manufacturer.

### Human capital

The Company comprises youth and experience with a cumulative organisational strength of more than 10,000 members.

Capacities			
Segment	Unit	Installed capacity	Under implementation
Spindles	(No.)	224,448	275,904
Rotors	(No.)	1,920	3,384
Processed yarn	(TPA)	6,825	–
Towel	(Looms)	388	–
Paper	(TPA)	175,000	–
Sulphuric acid	(TPA)	100,000	–
Energy (captive)	(MW)	50	–
Steam	(TPH)	410	–
Caustic Soda	(TPD)	110	–

## Performance

### Financials

Total Revenue	EBIDTA	Net Profit	Exports
₹28,438 million	₹4,158 million	₹671 million	₹12,095 million
Growth of 44.1%	Growth of 16.8%	Growth of 18.8%	Growth of 44.1%

### Production

Terry towels	Yarn	Paper	Greigh Towel
31,774 tonnes	61,212 tonnes	136,716 tonnes	1,959 tonnes
Growth of 9.0%	Growth of 27.2%	Growth of 10.6%	Growth of 500.9%

## MANAGING DIRECTOR'S MESSAGE



**‘THINKING BEYOND** – We have constantly explored opportunities beyond the existing markets, products, processes and customers, which increased our market share and returns on employed capital.

*Dear Shareholders,*

We have always believed in challenging the paradigm and coming up with new ideas that reflect our ideology of ‘Thinking Beyond’. We have constantly explored opportunities beyond the existing markets, products, processes and customers, which increased our market share and returns on employed capital.

In pursuance of our goals, the Company embarked on projects worth over Rs. 1200 crores to be implemented by 2013. This will reduce costs, strengthen efficiencies and reinforce our sustainability.

For the financial year 2010-11, the Company proposed a dividend of 12 percent. Through proactive investments, we intend to sustain our growth and ensure that our shareholders are satisfied with our performance.

I would like to express my gratitude to all our stakeholders for their constant support and trust. I am sure that with their guidance, the Company will scale greater heights in the future.

With warm regards,

A handwritten signature in black ink, appearing to be 'Rajinder Gupta'.

Rajinder Gupta

## FINANCIAL HIGHLIGHTS

(Rs. million)

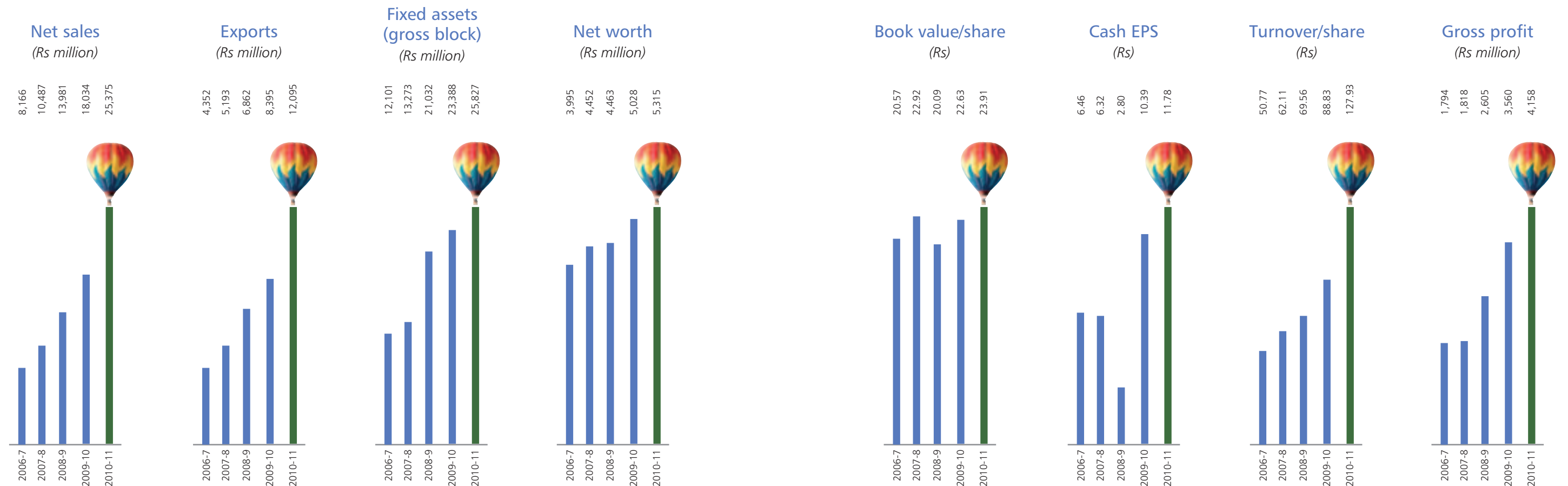
Year ended	Mar 2007	Mar 2008	Mar 2009	Mar 2010	Mar 2011
Gross Turnover*	9,860	12,062	15,456	19,737	28,438
Net Sales	8,166	10,487	13,981	18,034	25,375
Exports	4,352	5,193	6,862	8,395	12,095
Gross Profit (PBITD)	1,794	1,818	2,605	3,560	4,158
Net Profit after tax	409	400	(530)	565	671
Net Worth	3,995	4,452	4,463	5,028	5,315
Fixed Assets (Gross block)	12,101	13,273	21,032	23,388	25,827
Current Assets (Net)	3,372	2,785	2,365	5,285	8,020

\* Includes inter-segment sales

## KEY FINANCIAL INDICATORS

Year Ended	Mar 2007	Mar 2008	Mar 2009	Mar 2010	Mar 2011
Gross Profit Margin (%)	22	17	19	20	15
Return on Net Worth (%)	10	9	-	11	13
Export Sales/Net Sales (%)	53	50	49	47	48
Debt/Equity ratio	2.48	2.88	3.49	3.40	3.6
CEPS (Rs)	6.46	6.32	2.80	10.39	11.78
EPS (Rs)	2.11	2.06	(2.64)	2.54	3.02
Book Value/Share (Rs)	20.57	22.92	20.09	22.63	23.91
Turnover per Share (Rs)	50.77	62.11	69.56	88.83	127.93

## FINANCIAL GRAPHS



## BUSINESS PILLARS

### Low manufacturing cost

An integrated business model facilitates low conversion costs and stronger competitive advantage.

### Scale

The Company is one of the world's largest terry towel manufacturers, one of the largest yarn spinners and the world's largest wheat straw-based paper manufacturer.

### Technology

The Company acquired technology from global leaders, resulting in the manufacture of innovative value-added products. It is among the leading global players to produce 92 percent ISO brightness paper using agro-residue.

### Project management

The Company possesses dedicated project management and monitoring teams to ensure timely project implementation. It executed projects worth Rs. 20,000 million over five years.

### Human capital

The Company comprises youth and experience with a cumulative organisational strength of more than 10,000 members.

### Quality and R&D

The Company invested in quality and R&D teams across all business segments, resulting in a stringent conformance with global quality standards.

### Range

The Company created a wide and innovative product range across all segments, emerging as a preferred partner to several global customers.

### Clientele

The Company's prominent international customers include 9 of 10 top retailers in USA, 6 leading retailers in Europe and UK, 5 of 7 major retailers in ANZ and customers in more than 75 countries across five continents.

### Environment responsibility

The Company invested in a state-of-the-art waste water management plant to emerge as a zero discharge company. The Company also uses environment-friendly, elementary chlorine-free bleached pulp for paper manufacture.

### Ethical

The Company complies with the highest ethical standards. It was recognised by ICSI as the best Indian Company in adopting Corporate Governance Practices.

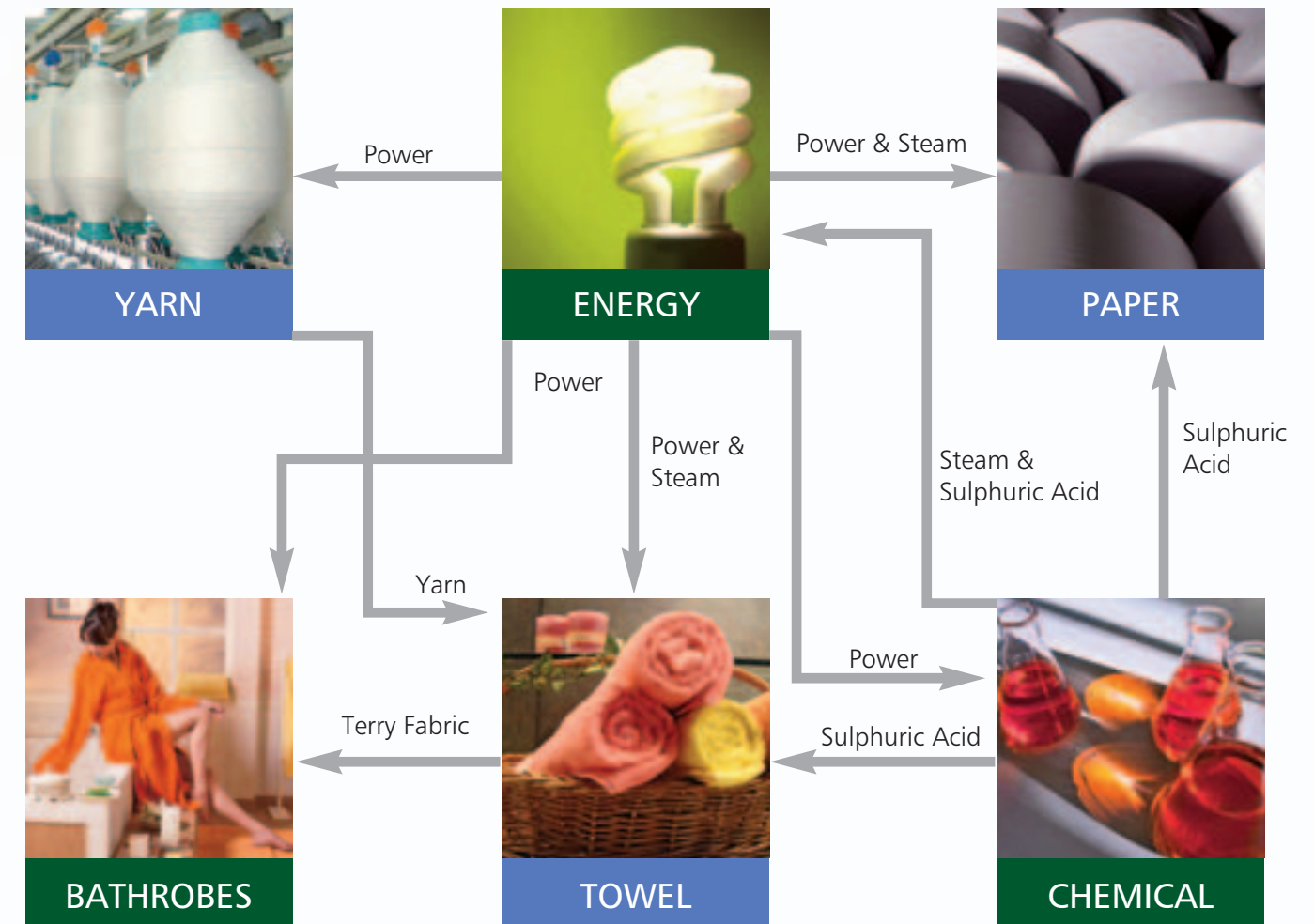
### Awards

- Rajiv Gandhi National Quality Award (textiles) by the Bureau of Indian Standards
- Ranked 45th in Great Place to Work Survey among 471 participants
- Sustainability (Trading area, South Asia) by IKEA
- Texprocil Top Export Performer (made-ups category) – silver trophy
- J C Penny Innovation Award 2010

### Recognition and licenses

- Forest Stewardship Council's (FSC) Chain of Custody certificate for its responsible sourcing of pulpwood fiber
- Licensed to use 'Suprima Cotton' and 'Egyptian Cotton' logo
- Licensed to use 'Cotton USA' logo
- Certified by FLO for 'Fair Trade Cotton'
- GOTS certification by CUC for 'Organic Cotton'
- ISO 9001 certified by Intertek
- ISO 14001:2004 certified by EMS
- Certified by Oeko-tex, Switzerland, for safe dyes and chemicals use
- Compliant with AATCC, ASTM and CTPAT standards
- ISO 9001:2008 & OHSAS 18001:2007-certified for quality management accredited by DNV, Netherlands
- BIS Quality Certification

## INTEGRATED OPERATING MODEL





## THINKING BEYOND EXISTING SCALE

THINKING BEYOND THE IMMEDIATE HAS BEEN A LONGSTANDING TRIDENT ATTRIBUTE REFLECTED IN THE FOLLOWING SCALE-CENTRIC INITIATIVES:

### Textiles business

- The Company commenced terry towel manufacture with a 66 loom capacity in 1998-99, which increased to 388 looms by 2010-11.
- The Company strengthened its spinning capacity from 17,280 spindles in 1993-94 to 224,448 spindles in 2010-11.
- These consistent capacity investments balanced the Company's spinning and weaving capacities, resulting in an enhanced ability to service growing customer needs.

### Paper business

- The Company entered the wheat straw-based paper manufacturing business in 2001-2 with an installed capacity of 34,250 TPA, which increased to 175,000 TPA by 2010-11, the world's largest wheat straw-based paper capacity.

The progressive investments resulted in a competitive capital cost as compared with greenfield capacity, creating effective industry entry barriers.

Following proactive investments in enhanced capacity across businesses, gross revenues grew from ₹248.31million in 1993-94 to

**₹28,438**  
million in 2010-11.



# THINKING BEYOND EXISTING TECHNOLOGY

THINKING BEYOND THE IMMEDIATE TECHNOLOGY HELPED TRIDENT COUNTER TECHNOLOGY OBSOLESCENCE AND ACHIEVE THE BEST QUALITY STANDARDS THROUGH THE FOLLOWING INITIATIVES:

## Textiles business

- Installed textile looms from Toyota and leading German suppliers, resulting in the manufacture of world-class products
- Incorporated state-of-the-art yarn equipment from LMW (India), Rieter (Switzerland), Murata (Japan), Zinser (Germany) and Savio (Italy), resulting in superior efficiency

## Paper business

- Procured paper manufacturing equipment from Allimand (France), Metso (Sweden) and Bielomatik (Germany), resulting in the manufacture of quality elemental chlorine-free paper from agro residues
- Equipped with the latest AFBC power plant and multi-fuel boiler technology (which can be fed agro-waste, ETP sludge, methane gas as well as pet and imported coke)
- Emerged as India's first company to implement fuzzy-logic technology in lime kiln burners

## Chemical business

Invested in a state-of-the-art plant imported from QVF Germany, and introduced new products – sulphuric acid LR and AR – with a production capacity of 33 TPD.

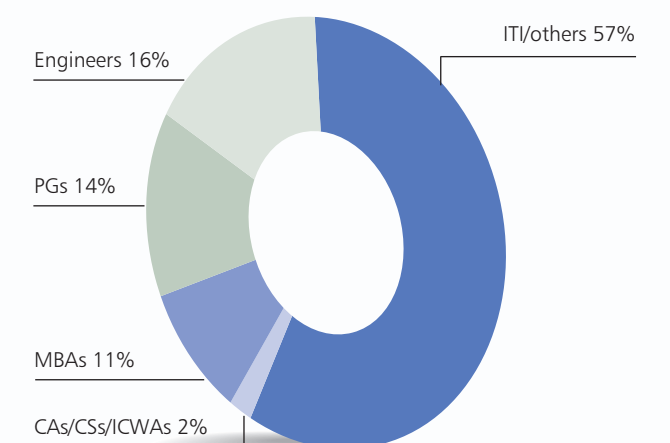
Return on  
gross block was  
**16.1%**  
in 2010-11.

# THINKING BEYOND EXISTING COMPETENCIES

THINKING BEYOND AVAILABLE COMPETENCIES HELPED TRIDENT INVEST IN PEOPLE AND THEIR SKILL SETS WITH THE OBJECTIVE TO ENHANCE SUSTAINABILITY ACROSS MARKET CYCLES .

- Trident attracted the best talent from premier engineering colleges and business schools
- Restructured organisational hierarchy to accelerate career growth
- Implemented Kaizen, 5S, total quality management and shop floor activities to enhance productivity
- Established the sprawling Takshashila – Centre for Excellence in Barnala, comprising modern classrooms, conference rooms and world-class laboratories
- Created a youthful enterprise with an average employee age of only 27 years
- Created ASMITA, a women empowerment cell, wherein female employees can freely discuss and resolve their problems
- HAY Group survey has been done for employees so as to provide feedback to employees and accordingly leverage their skills and providing them job fitment with enriched role.
- Introduced 360° feedback system for each employee in management cadre

Professionals



Trident was ranked  
**45th**  
in the 'Great Places to Work'  
survey out of 471 participating  
companies conducted by the  
Great Place to Work Institute,  
ahead of a number of Indian  
multinationals