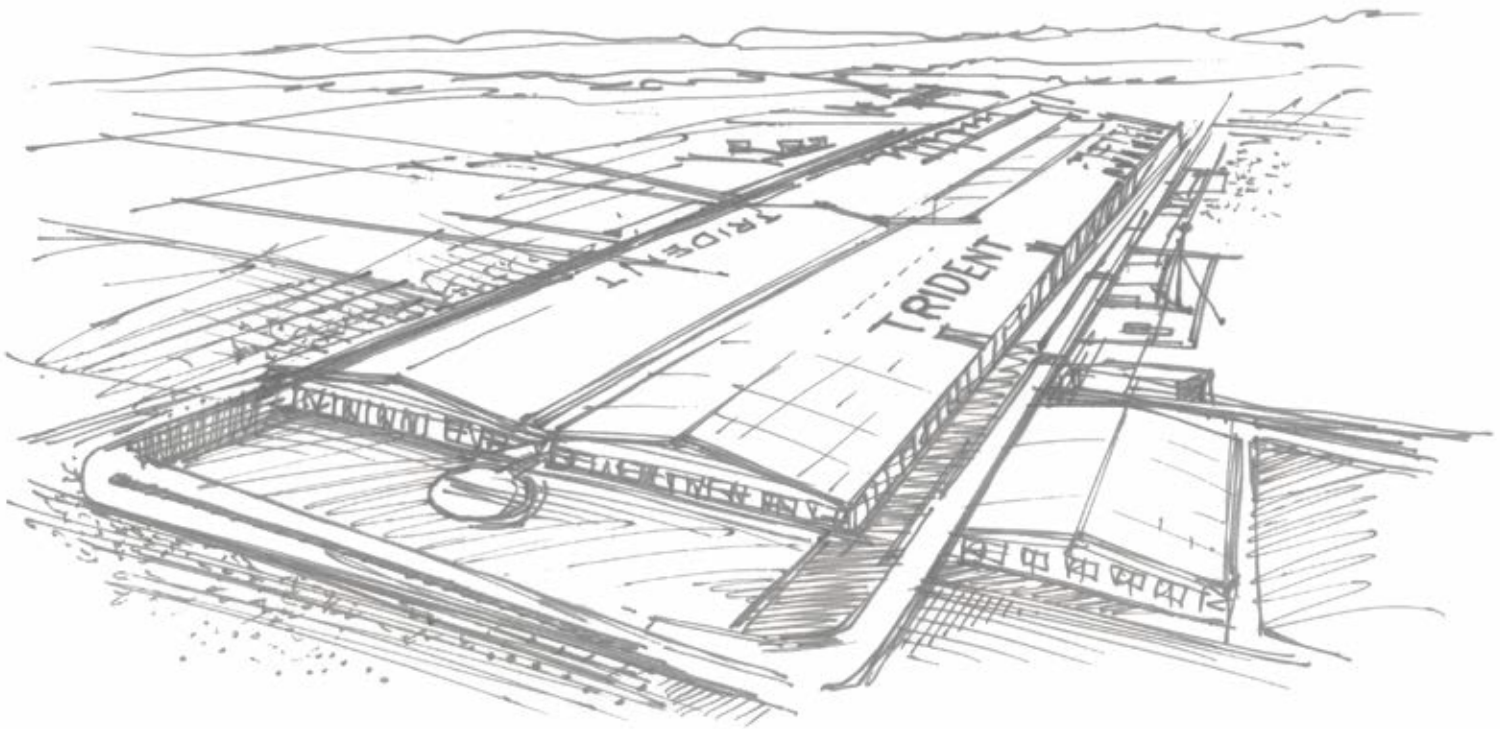


bringing dreams to life!

TRIDENT LIMITED
24th Annual Report 2013-14



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bringing dreams to life!

- At Trident, we believe that the biggest limitations exist only in the mind. Consequently, we invested in a larger production capacity that made it possible for us to emerge as the world's largest terry towel manufacturer.
- At Trident, we believe being versatile in a volatile market counts. Consequently, we didn't simply specialise in one product category; we addressed the entire value chain.
- At Trident, we believe that economies-of-scale can only be achieved by consciously evolving our portfolio. So rather than strengthening our downstream competencies, we reinforced our presence across the value chain.

The result is that Trident has established its leadership position in the industries that it operates: textiles and paper. Trident is now one of the world's largest integrated home textile manufacturers and the world's largest wheat straw-based paper manufacturer.

At Trident, we believe in bringing dreams to life!



at Trident, we believe that ‘bringing dreams to life’ is not just a state of mind...

We invest in the best technologies even when cheaper variants are available.

We service demanding global customers even when easier clients would suffice.

We specialise in customised products even when a commodity strategy would be simpler.

We focus on raising the service bar even when a simple ‘make-and-deliver’ approach would work.

We complemented our innovation-oriented mindset with consistent brand-building when a commodity approach would have been suggested.

Because, at Trident, bringing dreams to life is what we do. Day in and day out.

Vision

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

Our philosophy

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

Who we are

Trident Limited is the flagship Company of Trident Group, a US\$ 1 billion Indian business conglomerate and a global player. Headquartered in Ludhiana (Punjab), Trident is the largest terry towel and wheat straw-based paper manufacturer in the world.

The Company operates in two major business segments – textiles and paper – with manufacturing facilities located in Punjab and Madhya Pradesh. Trident’s customer base spans more than 75 countries across six continents and comprises numerous global retail brands.

Trident Limited is a publicly-held Company with its shares traded on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).



What we do

Trident Limited is one of the world’s largest integrated home textile manufacturers. The Company is the largest manufacturer of terry towels in the world and one of India’s largest yarn spinners. The entire Company’s textile operation is integrated. The Company is also the world’s largest wheat straw-based paper manufacturer.

At Trident, bringing dreams to life is embedded in our DNA.

| | |
|--------------------------------|--|
| Continuous quality improvement | Business excellence activities like Kaizen, TQM, TPM, 5S and Change Management focused on lean manufacture TPM policy resulting in zero accidents, zero defects and zero breakdowns |
| Focus on value-addition | Innovation in design and product development (textiles and paper products) Patented technologies for superior quality Air Rich™ towels for better functionality and aesthetics Paper division geared towards high-margin copier segment |
| Brownfield expansion | Sheeting unit in Budni with 500 looms 38,802 TPA of additional cotton yarn capacities to address rising demand Capital outlay moderated on account of government incentives (Central and State) |

| | |
|----------------------------|---|
| Cost efficiency | 50 MW captive power; power cost-to-revenues ratio one of the lowest in the sector Access to suppliers (India, China and Egypt) for quality cotton supply |
| New markets | Continuous focus on broadbasing the global presence Entered new markets (UK, Italy, France, Japan, Australia, South Africa and Canada) |
| Branding | Aggressive home textile branding to address the premium segment New look to be introduced for the copier paper and new terry towel brands |
| Geographic diversification | Locational advantage related to logistics (Madhya Pradesh unit close to ports) and governmental support (mega project incentives), strengthening margins |

Our presence - India

- Trident Limited is headquartered in Ludhiana (Punjab)
- State-of-the-art manufacturing units in Dhaura and Sanghera (Punjab) and Budni (Madhya Pradesh).

Our presence - world-wide

The Company's marketing presence is spread across India and customers spread in more than 75 countries, over six continents.

Our certifications

- ISO 9001:2008 & OHSAS 18001:2007 certified for quality management accredited by DNV, Netherlands
- ISO 9001:2008 certification from Intertek Systems Certification for quality management system
- Licensed to use 'Suprema 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'
- Certificates for manufacturing organic products from TOC
- Certified by Oeko-tex, Switzerland for safe dyes and chemical use
- Certificate of compliance with AATCC, ASTM and CTPAT standards
- Global certification to use FSC label for its paper
- Fair Trade certification guarantees better deals for producers from developing countries
- BIS quality certification
- Global recycle standard
- Institute for Market Ecology certification
- Global Organic Textile standard
- C&A certification
- PREPS Certification (Publishers' Database for Responsible Environment Paper Sourcing)
- Certified by Scientific Certification Systems for paper production using the transfer and credit system

Awards and accreditations

- Four-time winner of Wal Mart's 'Supplier of the Year' award
- Three-time winner of the JC Penney award ('Best Supplier' and 'Innovation & Quality')
- Two-time winner of the Ikea Quality and Sustainability award
- Three-time winner of the Corporate Governance award
- Winner of numerous Texprocil Export Performance awards
- Rajiv Gandhi National Quality award (Textiles) by the Bureau of Indian Standards
- Winner of Inclusive Growth award from CISCO (India and SAARC)
- 'Principal Partner - Bath' accreditation from Sears Holding Corporation

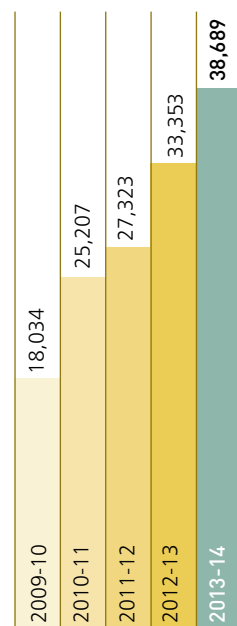
Our production capacities

| Business | | Operations | |
|---------------------|---------------|-------------------|-------------------------|
| Division | Product | Existing | Post ongoing expansions |
| Home textiles | Terry towels | 688 looms | 688 looms |
| | Sheeting | — | 500 looms |
| | Yarn | 3.66 lac spindles | 5.42 lac spindles |
| | | 5,500 rotors | 5,500 rotors |
| | Dyed yarn | 6,825 TPA | 6,825 TPA |
| Paper and chemicals | Paper | 1,75,000 TPA | 2,00,000 TPA |
| | Chemicals | 1,00,000 TPA | 1,00,000 TPA |
| Energy | Captive power | 50 MW | 110 MW |

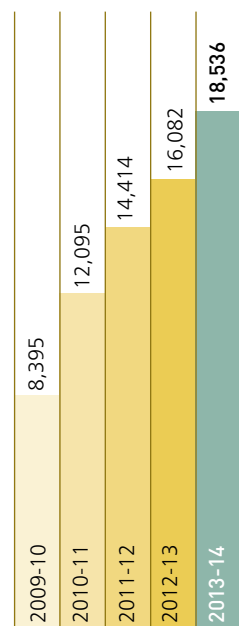
Financial highlights

| Particulars | Unit | Mar-14 | Mar-13 | Mar-12 | Mar-11 | Mar-10 | Mar-09 | Mar-08 | Mar-07 | Mar-06 | Mar-05 |
|----------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Months | (no.) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 15 |
| Gross turnover | (₹ million) | 42,649 | 36,846 | 30,984 | 28,296 | 19,737 | 15,242 | 12,232 | 9,924 | 8,810 | 8,090 |
| Net sales | (₹ million) | 38,689 | 33,353 | 27,323 | 25,207 | 18,034 | 13,981 | 10,487 | 8,166 | 7,436 | 7,056 |
| Exports | (₹ million) | 18,536 | 16,082 | 14,414 | 12,095 | 8,395 | 6,862 | 5,193 | 4,352 | 4,190 | 3,300 |
| EBITDA | (₹ million) | 7,439 | 5,778 | 3,202 | 4,140 | 3,560 | 2,605 | 1,818 | 1,794 | 1,588 | 1,464 |
| PAT | (₹ million) | 1,970 | 493 | (437) | 671 | 565 | (530) | 400 | 409 | 568 | 426 |
| Net worth | (₹ million) | 9,309 | 7,063 | 6,505 | 5,315 | 5,028 | 4,463 | 4,452 | 3,995 | 3,585 | 3,150 |
| Fixed assets (Gross block) | (₹ million) | 34,858 | 34,056 | 33,323 | 25,827 | 23,388 | 21,032 | 13,273 | 12,101 | 10,074 | 8,218 |
| Total debt | (₹ million) | 18,623 | 22,398 | 22,837 | 19,181 | 17,111 | 15,569 | 12,856 | 9,899 | 6,895 | 4,664 |
| Long-term debt | (₹ million) | 7,659 | 9,492 | 12,726 | 11,125 | 11,859 | 11,528 | 10,272 | 7,614 | 5,032 | 3,502 |
| Enterprise value (EV) | (₹ million) | 22,792 | 24,385 | 25,912 | 22,270 | 19,980 | 16,930 | 15,643 | 13,270 | 12,031 | 10,659 |
| EBITDA margin | (%) | 19% | 17% | 12% | 16% | 20% | 19% | 17% | 22% | 21% | 21% |
| EV/EBITDA | (times) | 3.06 | 4.23 | 8.09 | 5.38 | 5.61 | 6.50 | 8.60 | 7.40 | 7.58 | 7.28 |
| Debt-equity ratio | (times) | 2.00 | 3.17 | 3.51 | 3.61 | 3.40 | 3.49 | 2.88 | 2.48 | 1.92 | 1.47 |
| EPS | (₹) | 6.33 | 1.60 | (1.59) | 3.02 | 2.54 | (2.64) | 2.06 | 2.11 | 2.93 | 2.19 |
| Cash EPS | (₹) | 14.96 | 10.09 | 5.94 | 11.74 | 10.39 | 2.80 | 6.32 | 6.46 | 6.35 | 6.16 |
| Net debt-to-EBITDA | (times) | 2.45 | 3.81 | 7.06 | 4.62 | 4.73 | 5.90 | 6.85 | 5.22 | 4.04 | 2.99 |
| Book value/share | (₹) | 29.92 | 22.72 | 21.27 | 23.91 | 22.63 | 20.09 | 22.92 | 20.57 | 18.12 | 16.22 |
| RoCE | (%) | 28% | 19% | 6% | 13% | 11% | 9% | 6% | 9% | 11% | 13% |

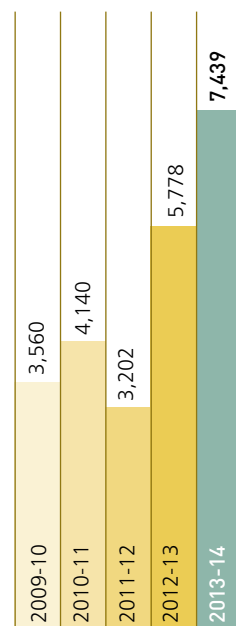
Net sales (₹million)



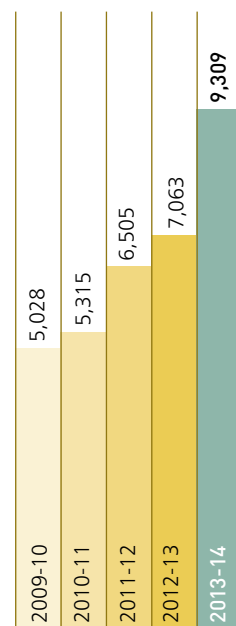
Exports (₹million)



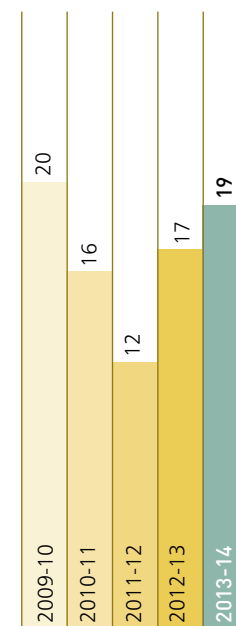
EBITDA (₹million)



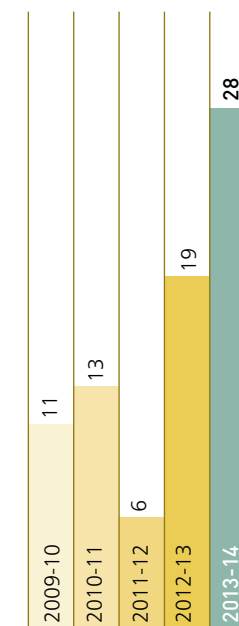
Net worth (₹million)



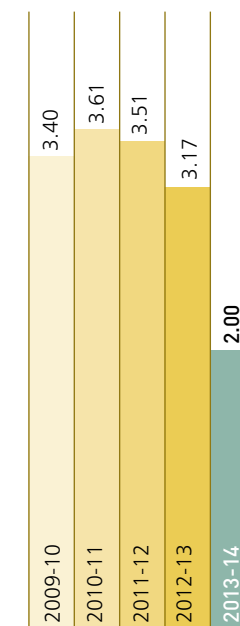
EBITDA margin (%)



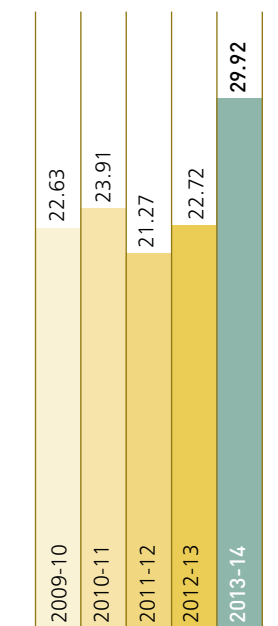
RoCE (%)



Debt-equity ratio



Book value/share (₹)





“Leveraging resources, delivering growth and creating value have been the key drivers of our business.”

Chairman's message

Dear shareholders,

The Company's financials achieved a northbound growth curve during the year. Armed with a CAGR of 30%, the Company has firmly engraved its name amongst the fastest growing business conglomerates in the country. Known for our scale of ambition, commitment and quality of operations, we aspire to achieve the highest standards in our business operations.

With the amalgamation of Trident Corporation Limited with the Company,

Trident Group now runs the world's largest state-of the-art integrated terry towel unit at a single location. The unit is a fine convergence of globally-best technologies, machinery, automation and human skills. The adoption of initiatives like Total Productive Maintenance (TPM) enhanced our deliverables in terms of economies-of-scale, consistency in quality and efficient services, strengthening our engagement with customers.

We enter the next year with the confidence to maintain the growth momentum enabled by larger capacities, better utilisation and improved product offerings. We are sure that the operational focus with prudent financial management will enable us to bring dreams to life, move faster, innovate better and become one of the best employer brands, leading to enhancement in stakeholder wealth and making Trident a world-class organisation.

I would like to express my gratitude

to all our stakeholders for their continued confidence and endorsement of our growth journey. I thank all our shareholders for their support, motivation and faith reposed in our journey towards a stronger and more sustainable future.

With warm regards,

Rajinder Gupta
Chairman, Trident Group

₹38.7bn

Achieved the highest-ever revenue with a growth of 16% over the last year.

₹1.97bn

PAT in 2013-14, quadrupled in one year

Directors' profile

01 Mr. S K Tuteja [DIN 00594076]

Mr S K Tuteja, aged 68, boasts of a rich industry experience spanning 45 years. He is a retired IAS Officer of the 1968 batch and a Non-Executive Chairman of the Board. He holds a Masters' degree in Commerce from Delhi University and is a fellow member of the Institute of Company Secretaries of India. He served the government in several key positions at the State and Central level and was secretary to the Government of India in the Department of Food & Public Distribution at the time of his retirement. He has been a consultant to the World Bank and UNIDO.

He was also a member of the Executive Committee of the International Sugar Organisation and the International Grain Council, London. He has contributed to a number of national and international events in India and abroad concerning SMEs. He was a member of an Indian delegation sent to the ministerial conference of the WTO held at Doha.

02 Mr. Rajinder Gupta [DIN 00009037]

Mr Rajinder Gupta, aged 55, is the founder of Trident Limited and the Non-Executive Co-Chairman of the Board. He was part of an advanced management programme at the Harvard Business School. He is a first-generation entrepreneur having a rich and varied exposure of promoting industrial ventures over the last two decades. He has served the Company as its Managing Director from 1992 till 2012. He holds directorship of various companies and is also actively associated with several philanthropic ventures.

Mr Rajinder Gupta was deemed a Padma Shree in 2007 by the erstwhile President of India in recognition of his distinguished services in the field of trade and industry.

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

03 Ms. Pallavi Shroff [DIN 00013580]

Ms. Pallavi Shroff, aged 58, is a MMS, LLB and a lawyer by profession. She has a vast experience of over 30 years as a leading litigator in the area of corporate law and banking. She has been recognised in international publications for her expertise in the fields of arbitration and dispute resolution. As a member of several high powered committees, appointed by the Government of India, she has been closely associated with the formulation of several important commercial statutes. She was named 'Best Woman Lawyer of India' at the Legal Era Law Awards, 2012.

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

04 Mr. Rajiv Dewan [DIN 00007988]

Mr Rajiv Dewan, aged 52, is a fellow member of the Institute of Chartered Accountants of India and is a practicing chartered accountant. Mr. Dewan possesses a rich and varied experience in tax planning, management consultancy, business restructuring, capital market operations, SEBI-related matters and other corporate laws. Prior to starting his own practice, Mr. Dewan worked in senior positions in renowned textile companies.

05 Mr. Deepak Nanda [DIN 00403335]

Mr. Deepak Nanda, aged 54, is a M.Sc. (Honours) by qualification and has done his Master in Computer Software and Management. He possesses more than three decade experience in business development, client relationship, contract negotiations, project implementation and delivery, improving the efficiency and effectiveness of businesses.

Mr. Nanda has, over-a-decade's experience of working closely with different State Governments, PSUs, boards and corporations, educational institutions in North-West India and helped them develop e-governance strategies, IT roadmaps, deploying key solutions and facilitating change management. He is an alumnus of the Indian Institute of Management, Ahmedabad.

Our day-to-day functioning revolves around an ardent desire to
bring dreams to life!

Businesses

Trident has selected to focus on businesses that are core to humankind's prosperity – textiles and paper. The Company is convinced that the broad offtake of these products will only increase as lifestyle quality is enhanced. In view of this, the Company's business model can be assumed as being a fair proxy of inevitable human progress. Further, both businesses have their roots in an agro-based economy which leads to the prosperity of farmers.

Scale

Trident brings the distinctive advantage of scale to whichever business it selects to be present in. The Company is one of the world's largest integrated manufacturers of home textiles as well as the biggest wheat-straw based paper manufacturer. The Company is also one of the largest yarn spinners of India, its product mix comprising a variety of products addressing diverse consumption segments.

Experience

Trident brings to its business a rich repository of sectoral knowledge covering executives who have been engaged in the textiles sector for decades. The value of this rich experience is reflected in the Company's product quality, ability to invest across market cycles, product mix, manufacturing excellence and enduring engagement with marquee customers.

Technology

Trident has prudently selected to invest in cutting-edge technologies sourced from some of the most respected global brands. Currently, manufacturing assets which are less than 10 years old, account for more than 90% of Company's total manufacturing assets. This preference for cutting-edge investment resulted in the manufacture of innovative, value-added products that helped customers take their brands ahead.

Global reach

Trident recognises that in a capital-intensive business, success is derived from the ability to maximise offtake, making it possible to cover fixed costs more effectively. The Company has a customer presence in more than 75 countries spread across six continents. The Company's prominent international customers include nine of ten largest American retailers, six leading European retailers and five of the seven largest Australia and New Zealand-based retailers.

Eco-friendly

Trident reconciles economy with ecology. The Company is one of few Indian companies manufacturing paper with wheat straw (unconventional raw material). Besides, the Company's captive power plant utilises waste from other processes as well as biomass for power generation, strengthening its credentials as an environment-friendly organisation.

Value-addition

Trident has extended beyond the commodity end in its business. The Company has been continuously focusing on value-added products, which is reflected in increased realisations over the years. This has also strengthened Company's ability to withstand the adverse impact of movements in macro-economic variables that are outside its control.

Branding

The Company has undertaken an aggressive branding strategy for its textiles and paper products. The Company's copier paper brands have been widely accepted by the market and the Company is in the process of launching a new look for them along with the introduction of multiple new products in the terry towel segment. Besides, the Company has increased presence on online portals to reach customers directly.

Integrated

Trident is an integrated textiles Company, extending its value chain from cotton at one end to terry towels and home furnishings at the other. Currently, about 33% of the yarn manufactured by the Company was internally consumed, strengthening value-addition. This complement makes Trident a convenient one-stop shop for yarn and home textile needs.

90%

of the total manufacturing assets
are less than 10 years old

At Trident, we believe that sustainable growth is derived from the ability to progressively de-risk the business.

At Trident, we have engaged in a number of initiatives to mitigate the impact of external variables.

The Company's principal de-risking initiative comprises its business integration. The Company manufactures a variety of yarns that are not only consumed within but also marketed to customers. This integration reinforces the Company's competitiveness through enhanced quality control, making it possible for home furnishing customers to monitor quality from cotton selection to yarn to end product manufacture. The integration also provides a longer value chain; about 33% of the yarn is consumed within for the downstream manufacture of home furnishings and terry towels.

The Company progressively de-risked its business through dispersed manufacturing plants, wherein most of the raw material requirement is being procured within a 100 kilometre radius, thereby moderating logistics costs.

The Company recognised the latent downside in committing a large part of the production capacity to service the growing needs of large international retailers. Consequently, the Company broadbased its international customer spread from a presence in 54 countries in 2007-08 to more than 75 countries in 2013-14.

At Trident, we recognised the risk of currency fluctuations and implemented a comprehensive forex risk management policy to safeguard against movements in foreign exchange rates.

The result is that Trident reported an 891 bps increase in ROCE in 2013-14, reinforcing its recall as a profitable textiles manufacturer.

de-risking



excellence

₹18.5bn

Revenues accrued from exports; the highest-ever for Trident in any single year.

At Trident, we pursued excellence by selecting to address the growing needs of demanding global marquee clients.

At Trident, we pursued excellence by investing in best-in-class technology, irrespective of the higher cost that we had to incur.

At Trident, we pursued excellence by manufacturing quality products that fetched higher sales realisations.

At Trident, we pursued excellence by investing extensively in business excellence initiatives such as TPM that improved our operational efficiencies.

The Company implemented TPM with the objective to achieve zero accidents,

zero defects and zero breakdowns. Takshashila, the dedicated training centre of the Company, is committed to strengthen knowledge and skill levels of employees.

The pursuit of excellence widened stocking, accelerated offtake, enhanced revenue visibility and served as a reference point for a widening international footprint, resulting in a sustainable virtuous cycle.

The pursuit of excellence helped bring dreams to life.