

Trident Limited

Corporate Presentation

June - 2016








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Trident Overview



... 25 years of being different

Trident Limited

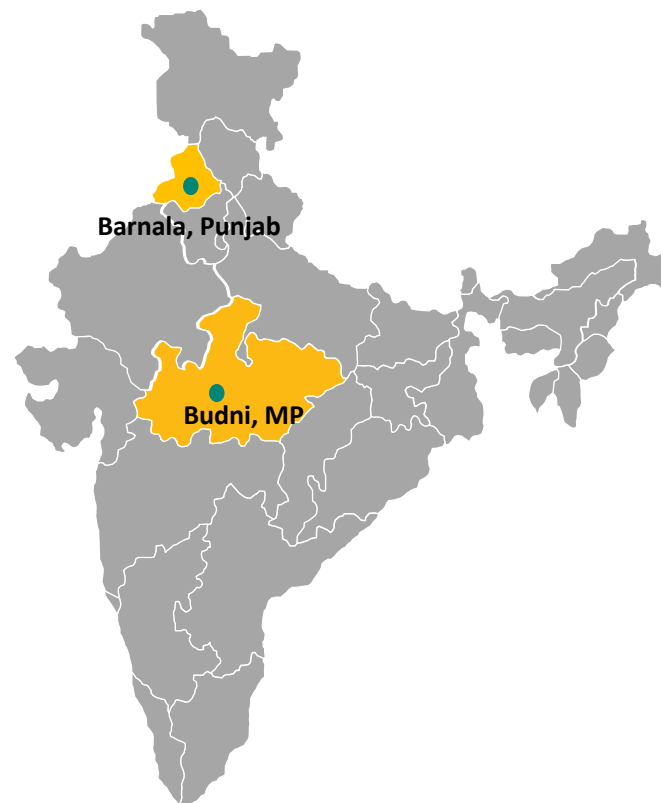
Textiles

- /// Worlds Largest Integrated Terry Towel Manufacturer
- /// One of the Worlds Largest Integrated Home Textile Manufacturer
- /// One of the largest Textiles Exporter from India

Paper

- /// Worlds Largest Wheat straw based Paper Manufacturer
- /// Eco friendly technology
- /// Market Leader in Agro based branded Copier Paper

Manufacturing Facilities



... Milestones



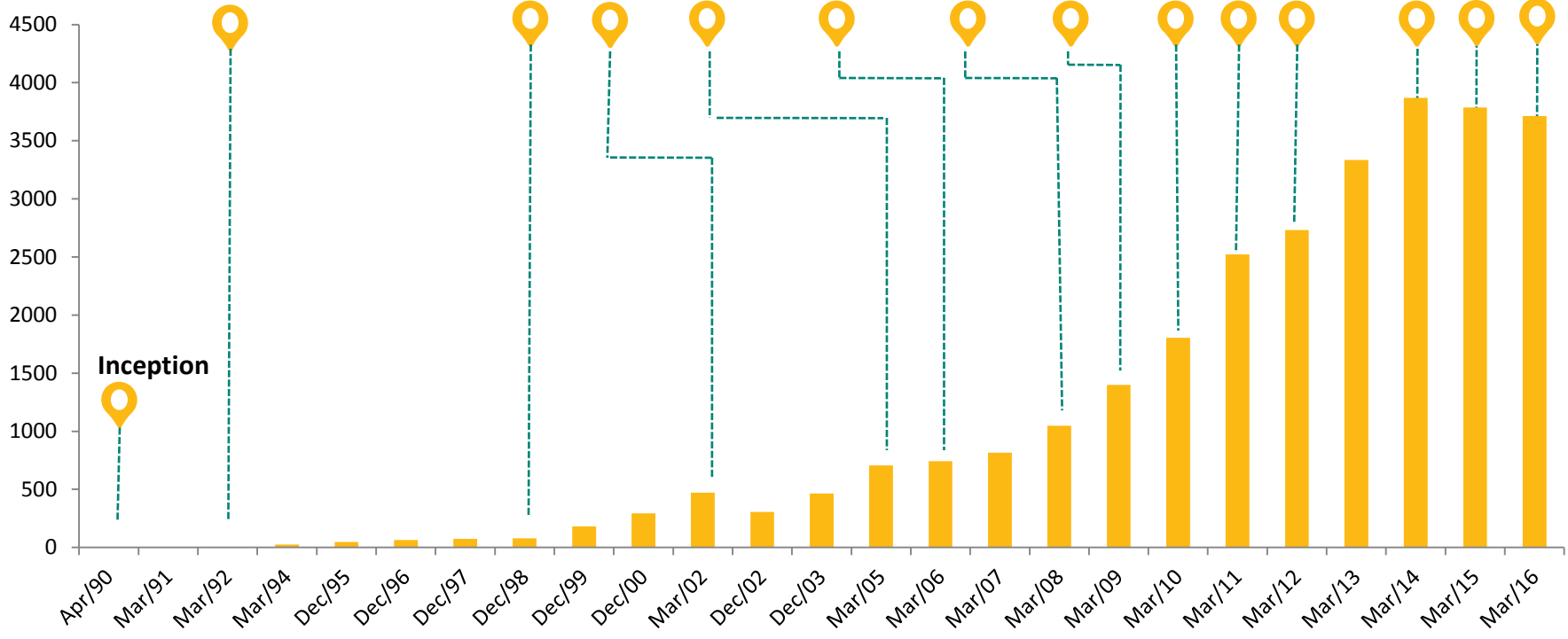
Home Textiles

Yarn

Paper

Towel Unit-I	Towel Unit-II	Towel Unit-III	Towel Unit-IV	Bed Linen Unit 1
Spinning Unit-I	Spinning Unit-II	Spinning Unit-III	Spinning Unit-IV	Spinning Unit-V
		Spinning Unit-VI	Spinning Unit-VII & VIII	Spinning Unit-IX
				Spinning Unit-X

Paper Unit-I	Paper Unit-II	Copier Paper
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Capacities

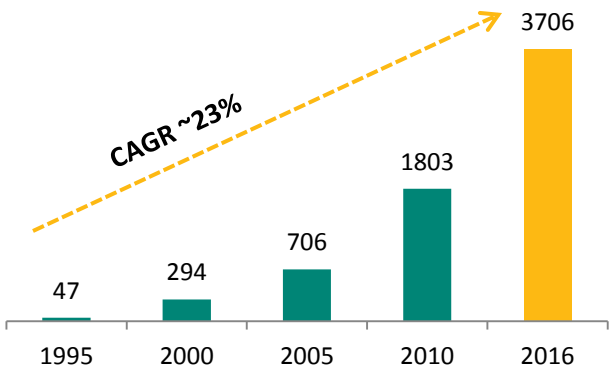


Capacities		
Business	Operations	
Division	Product	Capacity
Home Textiles	Terry Towels	688 Looms
	Bed Linen	500 Looms
	Yarn	5.55 Lac Spindles
		5,504 Rotors
Paper & Chemicals	Dyed Yarn	6,825 TPA
	Paper	1,75,000 TPA
Energy	Chemicals	100,000 TPA
	Captive Power	50 MW

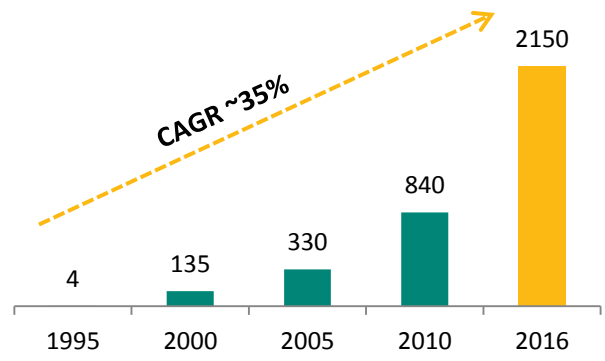
...Delivering Value



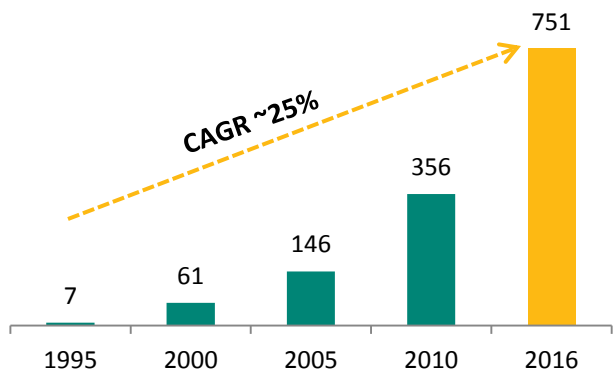
Revenue Growth



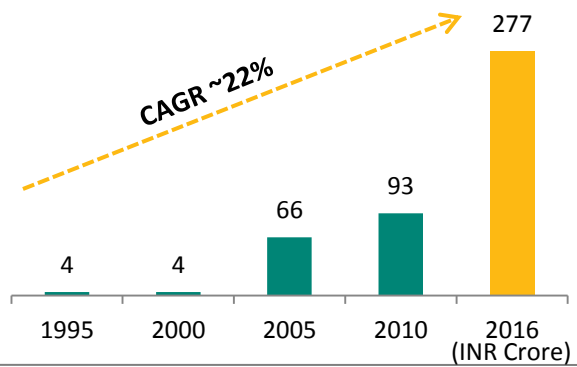
Export Growth



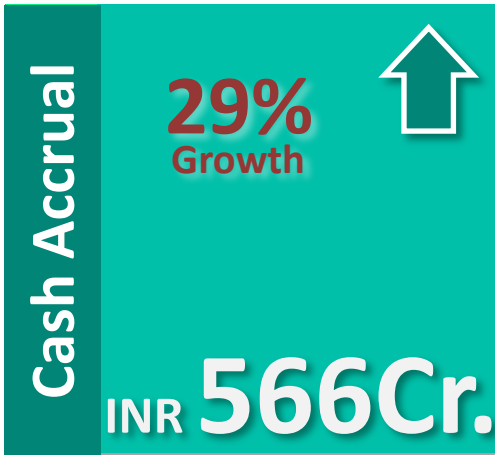
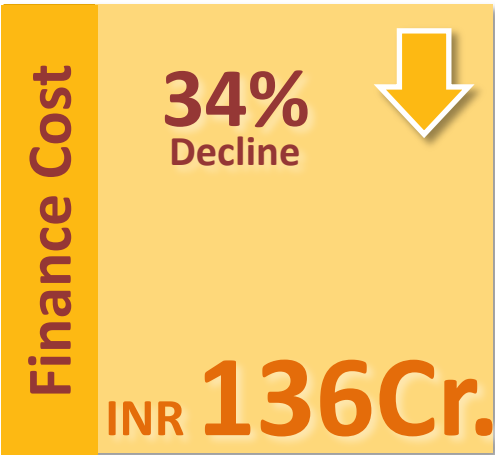
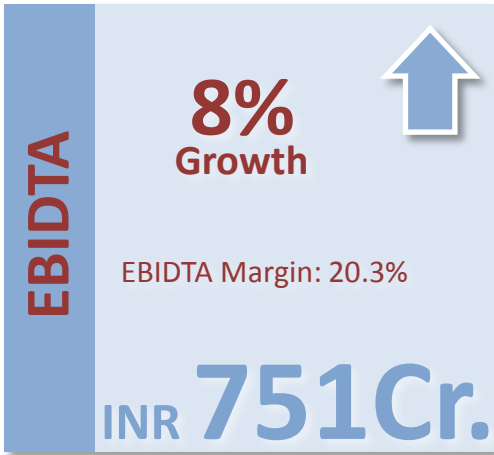
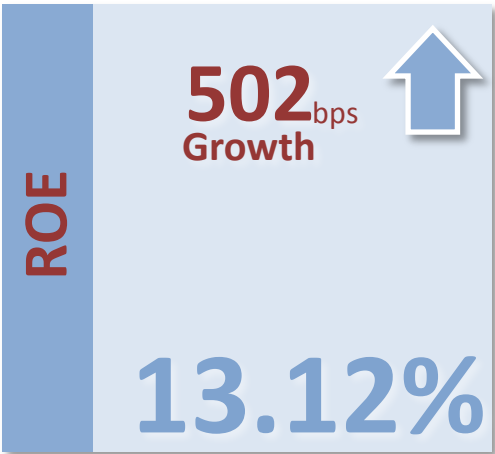
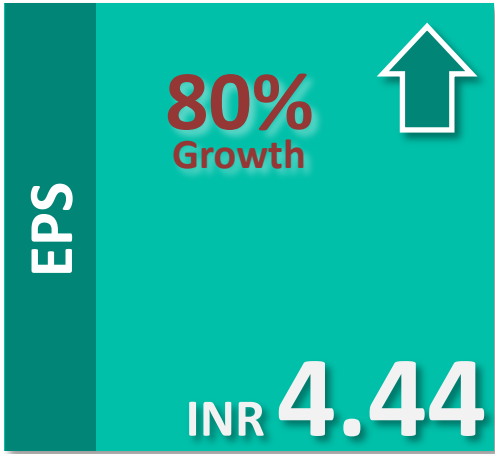
EBITDA Growth



PBT Growth



Financial Highlights- FY 16



Profit & Loss Abstract - Standalone



Particulars (INR Crore)	Q4 FY16	Q4FY15	Growth %	FY2016	FY2015	Growth %
Net Revenues	968.0	976.8	-0.9%	3705.8	3779.2	-1.9%
Total Expenditure	773.8	783.1	-1.2%	2964.1	3092.9	-4.2%
- Material Consumed	449.6	478.6	-6.1%	1735.9	1929.6	-10.0%
- Other Costs & Expenses	324.2	304.5	6.5%	1228.2	1163.3	5.6%
EBITDA	197.5	195.0	1.3%	750.9	695.1	8.0%
EBITDA Margin (%)	20.4%	20.0%	40 bps	20.3%	18.4%	190 bps
Depreciation	93.1	82.9	12.3%	337.6	321.3	5.1%
EBIT	104.4	112.1	-6.9%	413.3	373.8	10.6%
Interest	32.2	53.6	-39.9%	136.4	206.0	-33.8%
PBT	72.2	58.5	23.4%	276.9	167.8	65.0%
Tax	16.7	18.1	-7.7%	48.5	50.0	-3.0%
PAT	55.5	40.4	37.4%	228.4	117.8	93.9%
EPS (Diluted & non-annualized) (In Rs)	1.07	0.79	35.4%	4.44	2.47	79.8%

Balance Sheet Abstract

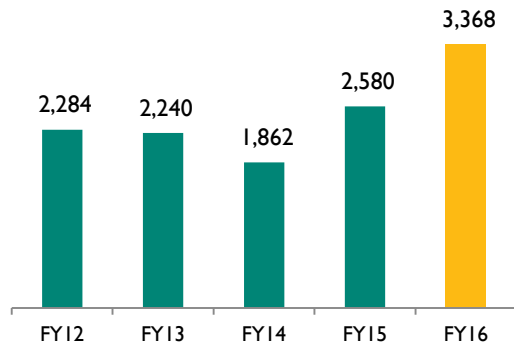


Particulars (Rs. crore)	As on March 31, 2016	As on March 31, 2015
Sources of Funds		
Share Capital		
- Equity Capital	509.37	508.64
- Preference Capital (Non-convertible)	60.00	0.00
Reserves and Surplus	1,172.29	946.68
Long Term Borrowings	2,136.50	1,396.10
Other Non Current Liabilities	181.12	164.72
Current Liabilities	1,564.49	1,487.75
TOTAL	5,623.77	4,503.89
Application of Funds		
Fixed Assets	3,891.84	3,085.75
Non Current Investments	37.02	11.70
Long Term loans and advances	190.57	172.79
Current Assets	1,504.34	1233.65
TOTAL	5,623.77	4,503.89

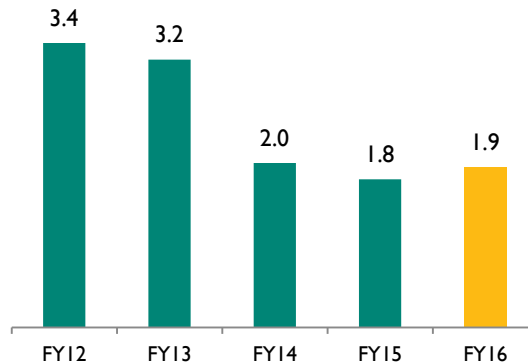
Key Financial Parameters



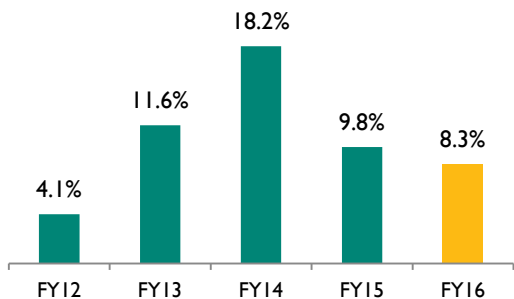
Total Debt (INR crore)



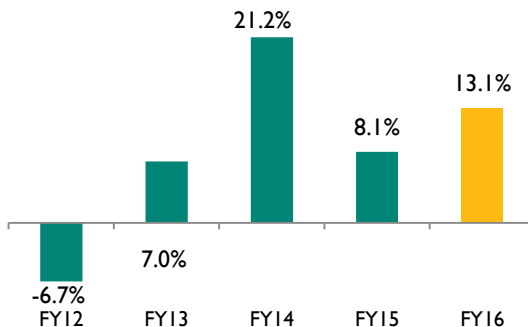
Debt : Equity (x)



ROCE (%)



ROE (%)



Debt Repayment of INR 462.2 crore in FY16

Includes **Prepayment** of high cost debt of INR 90.5 crore

Debt / Equity Ratio stands at 1.92:1

Net Debt / Equity Ratio stands at 1.86:1

Gross and Net Debt stood at INR 3368.1 crore and INR 3286.3 crore respectively

Debt at peak level after commissioning of Integrated Bed-Linen project; to notably reduce in the coming years

More than 70% of Long Term Loan covered under TUF (low cost debt)

Major CAPEX over – significant free cash flow generation anticipated from FY17 onwards leading to notable reduction in long term debt



Home Textiles Industry Overview

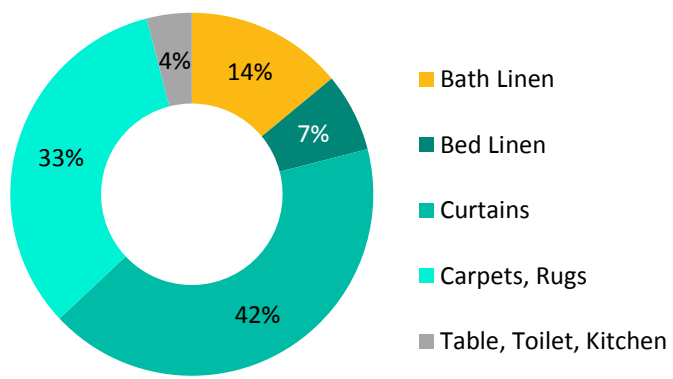
Global Home Textile Industry



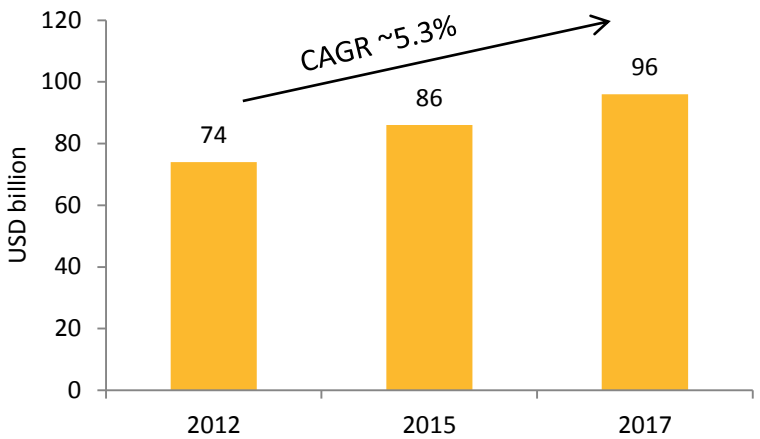
Global Home Textiles Sector

- Global Home Textiles market is expected to grow at a CAGR of ~5% for the period 2012-2017
- Bed and Bath Linen together constitute about 21% of the total Home Textiles industry by volume
- For the year 2013, Bath Linen contributed 20% to the total value of home textiles industry

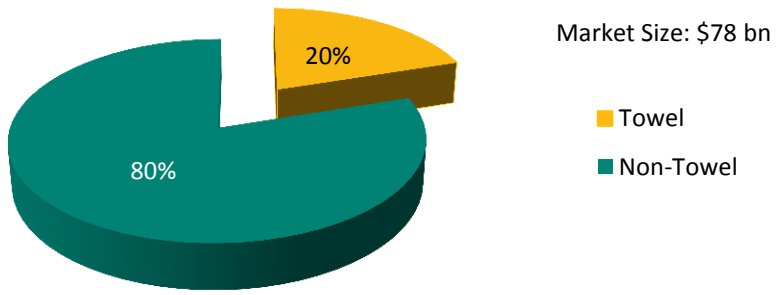
Split of Home Textiles (Volume)



Global Home Textiles Market



Split of Global Home Textiles (Value)

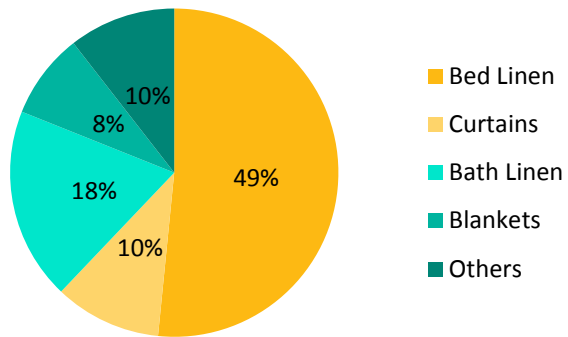


Source: Global and Indian Textile & Apparel Trade -Technopak Analysis

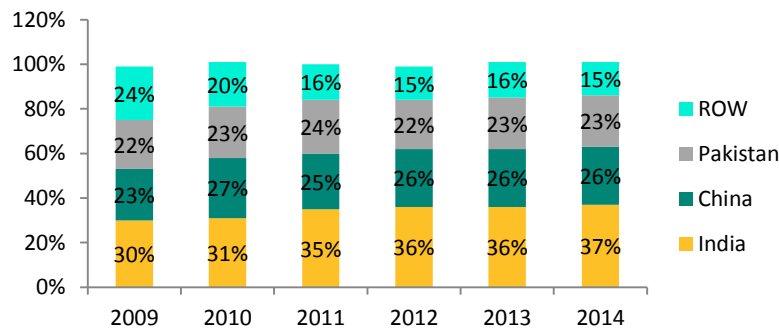
Global Home Textile Industry



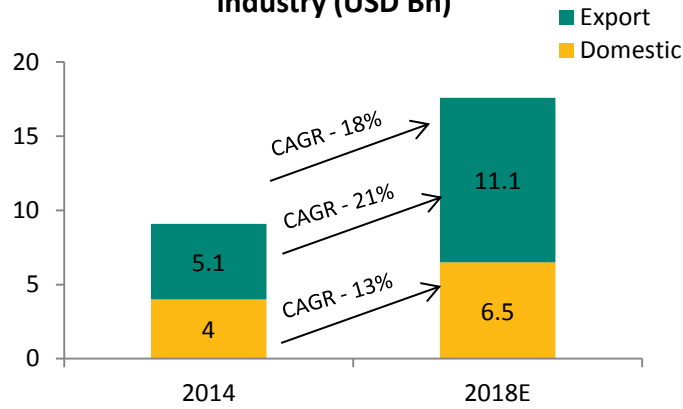
Category wise Share of Global Trade (2015) (Value)



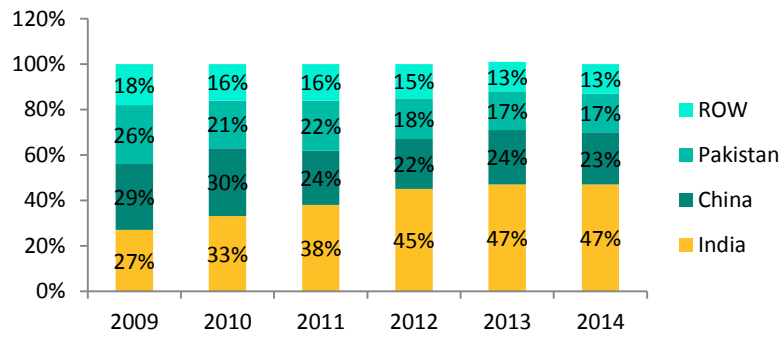
Major Terry Towel (cotton) supplies to US (%)



Exports to propel growth in domestic industry (USD Bn)



Major Bed Linen (cotton) supplies to US (%)



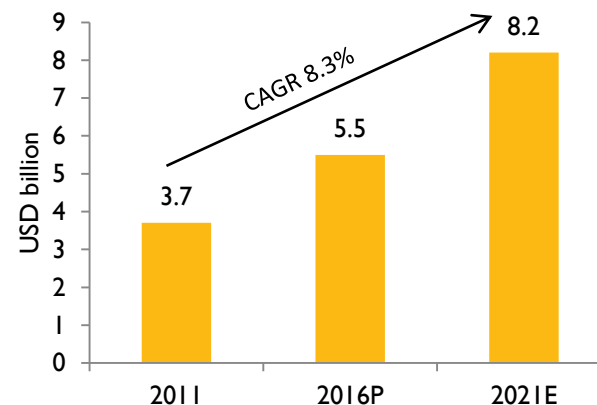
Domestic Home Textiles Industry



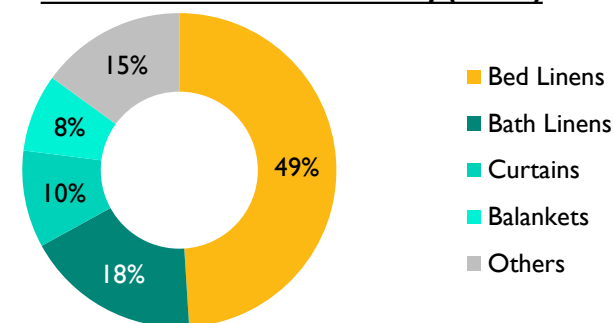
Indian Home Textiles Sector

- India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21
- India accounts for 7 per cent of global home textiles trade. Superior quality makes companies in India a leader in the US and the UK, contributing two-third to their exports
- Indian products has gained a significant market share in global home textiles in the past few years
- The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare etc
- Bed and Bath Linen together constitute about 67% of the total domestic home textiles industry by value

Indian Home Textiles Industry



Indian Home Textiles Industry (Value)



Source: Technopak Compendium Textile Apparel

Advantage – “Make in India”



Large Capacities

India's share of spinning capacities have improved significantly in world capacities – accounts for 9% of total installed capacities

Raw Material Availability

India is among the only textile manufacturing country to be net exporter of cotton – benefit of lower raw material costs vis-à-vis Pakistan & China that are net importers

Talent Pool & Cheap Workforce

Design skills vis-à-vis commoditized products and cheaper labor costs viz. USD 200 per month in relation to China's labor cost viz. USD 450 per month growing at 18-20% Y-o-Y

Power

Captive power leading to assured power supply at competitive rates compared to China and Pakistan, where Pakistan is facing huge power shortage due to power disruption

Largest Competitor (China) transitioning to developed economy

Rising per capita income making China a self consuming economy (domestic consumption growing at 13% CAGR) likely to impact its ability to export



Rupee Depreciation

– Rupee has depreciated ~6% compared to recent depreciation in Chinese Yuan by ~4%. This has made Indian textile products more competitive

Govt. Incentive Schemes

Various government policies to support the industry as well as to ensure that the industry is competitive to its international peers in manufacturing and exports

Robust Growth to Continue



Shift in sourcing base from China to India

- Design led products compared to commoditized products
- Chinese currency depreciation vis-à-vis rupee depreciation
- Rising labour & power costs in China

FTA & Domestic Govt. Policies

- Removal of 5-10% of import duties on Indian textiles
- Interest and capital subsidies from central and various state governments

New Markets

- Growing demand in new markets like Latin America & Africa to aid textile exports

Favorable domestic demographics

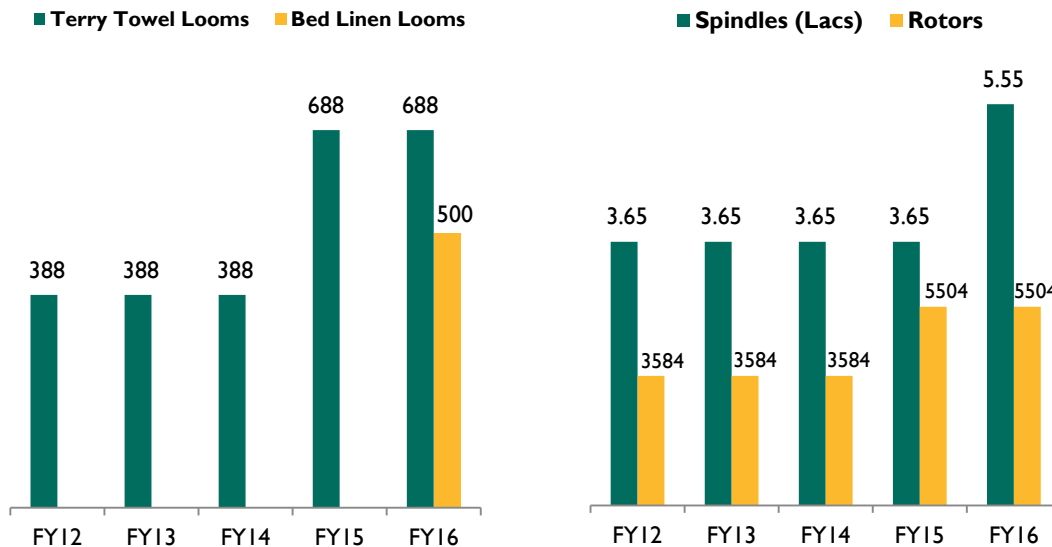
- Rising income combined with rise in organized retail to drive domestic consumption



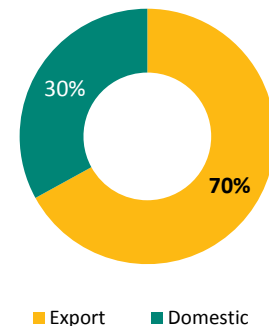
Trident Home Textiles

Business Highlights

World's Largest Integrated Home-Textile Manufacturer



FY16
Export : Domestic Mix

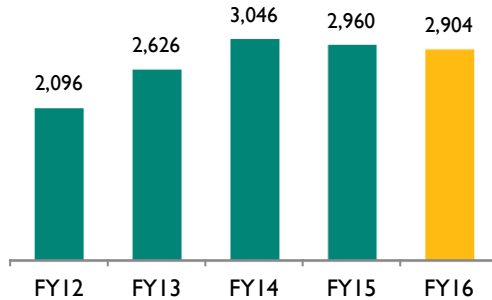


- The World's largest terry towel project at a single facility in Budni (M.P.) coupled with manufacturing facility at Barnala (Punjab) has a capacity of **360 million pieces of towel per annum**
- Recently commissioned **Bed Linen facility of 500 looms** capable of producing **43.2 mn meters per annum**
- One of the largest cotton yarn spinning capacity in India with 5.55 lac spindles & 5504 rotors capable of producing **cotton, compact and blended yarn**

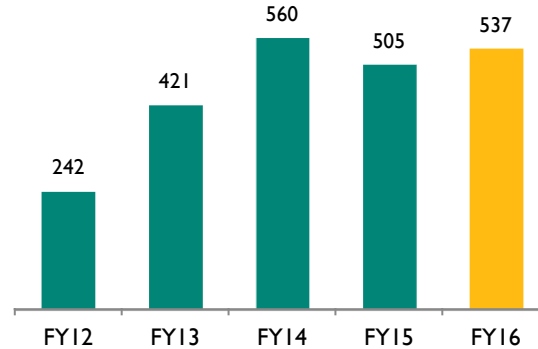
Annual Financial Highlights



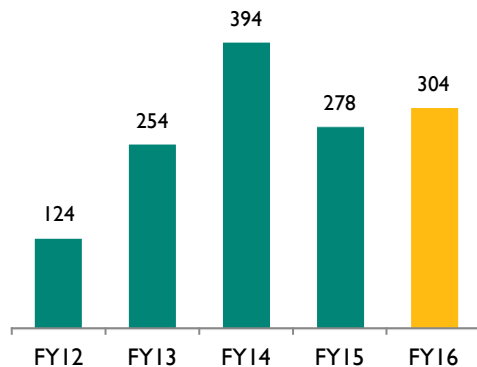
Revenues (INR crore)



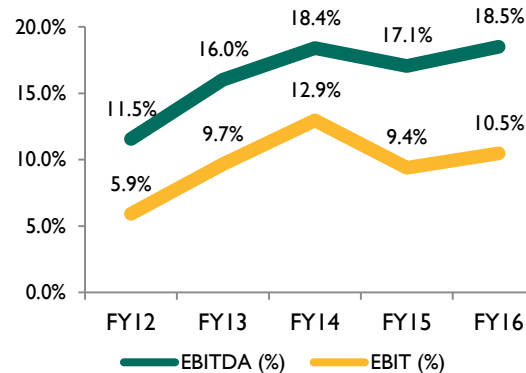
EBITDA (INR crore)



EBIT (INR crore)



Margins (%)



- Improvement in margin profile due to healthy margins in Terry Towel business
- EBITDA increased by 6.3% during the year to INR 537 crore compared to INR 505 crore
- EBITDA Margin has improved by 140 bps to 18.5% from 17.1%
- EBIT increased by 9.25% to INR 303.91 crore compared to INR 278.17 crore

Branding Campaign



Premium Range Towels



Mid Range Towels



Bed Sheeting Range





Yarn Technology



Design/ Construction



Finish/ Treatment



Way Forward



- Focus on optimally utilizing global scale capacities
- Significant Free Cash flows anticipated with major Capex cycle getting over
- On-track to significantly improve return ratios

- Branding strategy to target premium customer segment in Home Textiles
- Focus on Value-added products to further improve contribution over the coming years

- Robust Free Cash flow generation expected going forward
- To reduce Long-term debt in a phased manner

Vertically Integrated Operations

Sweat Existing Global Scale Assets

Aggressive Emphasis on Marketing

Focus on Value-added products

Targeting domestic markets

Strengthen Balance Sheet

- Cotton-to-Terry Towel and Cotton-to-Bed Linen: Fully integrated operations to deliver sustainable performance over the years

- Strengthening presence in new markets like UK, Italy, France, Japan, Australia, South Africa and Canada
- Continue to target new markets to diversify customer base geographically
- Leverage existing customer relationships to ramp-up Bed-Linen marketing

- Improve brand presence through multi brand outlets MBOs & Modern Retail across India
- Emphasis on emerging e-commerce platforms to market Home Textile brands – brands available across major e-commerce platforms

Paper Industry Overview

Domestic Paper Industry



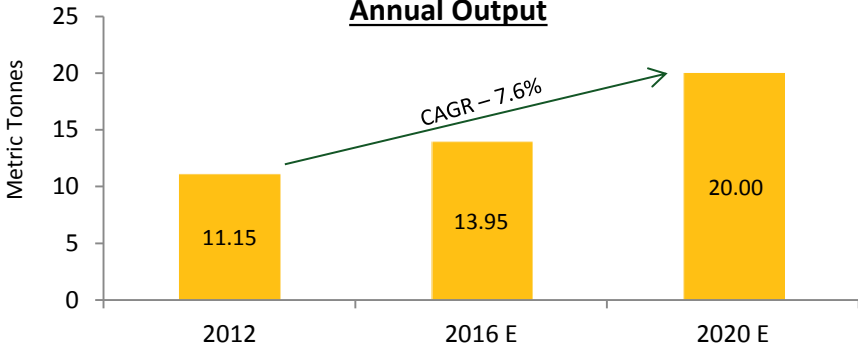
Indian Paper Sector

- Ranked 15th Globally
- Annual Output > 13.5 million tonnes
- Demand expected to grow at 7-8%
- 100% FDI Allowance

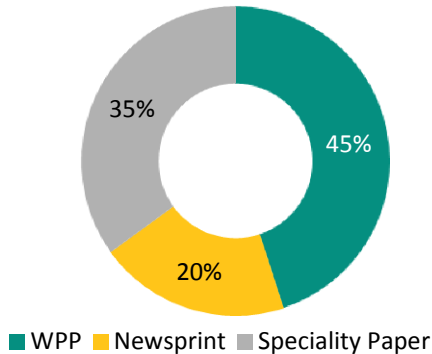
Demand Drivers

- Rising Literacy among all sections
- Govt. Initiative: Sarva Siksha Abhiyan
- Awareness of Eco-Friendly Paper
- Population & Demographical Growth

Annual Output



Paper Consumption break-up



An increase in consumption by 1 kg per capita would lead to an increase in demand of 1 million tonnes of paper

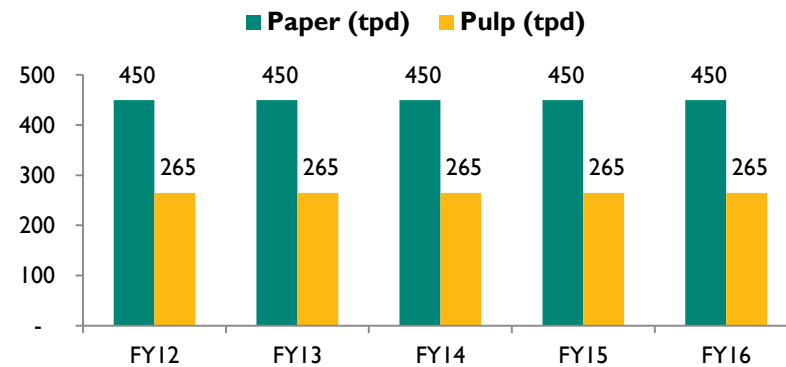


Trident Paper
Business Highlights

World's Largest Wheat Straw based Paper Manufacturer

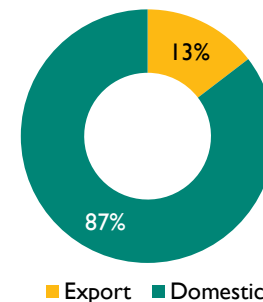


- Agro-residue (wheat straw) and ECF pulp used to manufacture paper
- Customers across 50 countries including India, Middle East, Africa, US, Latin America and UK, among others
- Energy-saving operations initiated to reduce power consumption



Trident Brands	GSM	Brightness
Royal Touch	80	90%
Spectra	75	88%
Eco Green	75	90%
Natural	72	86%
My Choice	70	87%
Digiprint	100	92%

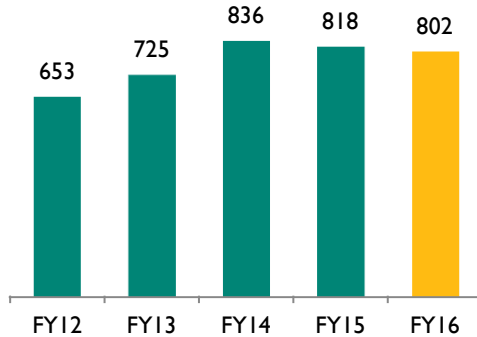
FY16
Export : Domestic Mix



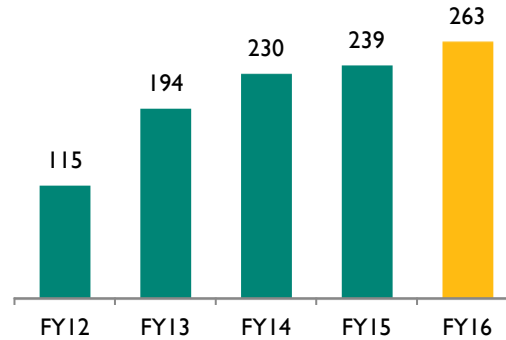
Annual Financial Highlights



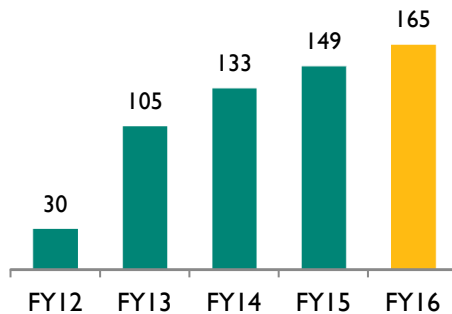
Revenues (INR crore)



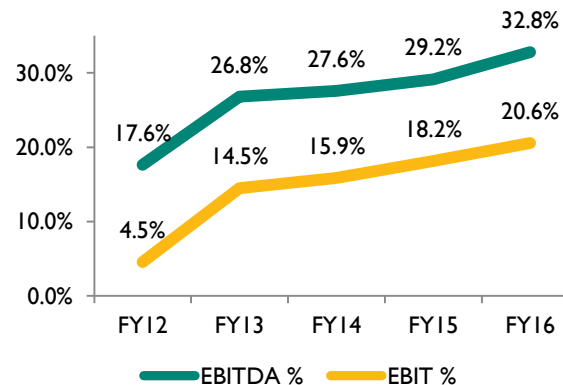
EBITDA (INR crore)



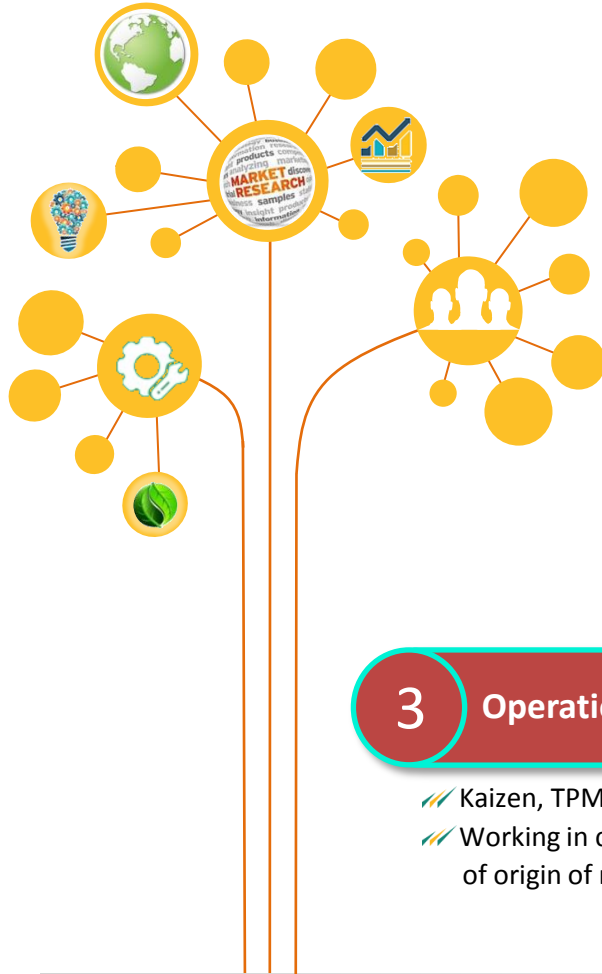
EBIT (INR crore)



Margins (%)



- EBIT increased by 10.86%, to INR 164.8 crore compared to INR 148.7 crore
- EBITDA increased by 10.2% during the year to INR 262.9 crore from INR 238.6 crore
- EBITDA Margin improved by 360 bps to 32.8% during the year from 29.2%
- Improvement in margins due to enhanced contribution from valued-added copier paper



1

Market Analytics & Customer Insight Driven

- /// Launched “Trident Digiprint™” a premium copier paper of 100 GSM for Digital Printing
- /// Increased production of copier segment to ~50% of total paper production
- /// Geared towards high margin copier segment
- /// Continuous focus on spreading customers geographically

2

Focus on expanding Domestic Market

- /// Product availability in all major hypermarkets and supermarkets
- /// Focus on increasing the width and depth of the distribution
- /// Indian markets - Development of new channel partners in East, targeting North, NCR, Central and West market

3

Operational Efficiency

- /// Kaizen, TPM, TQM, 5S, Change Management in place
- /// Working in close partnership with vendors/OEMs to target quality from the source of origin of material





Vertical Integration

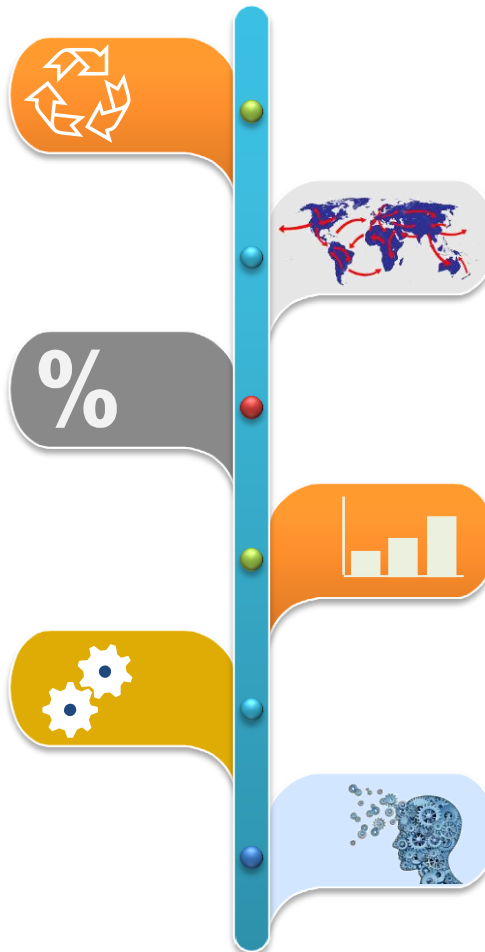
Vertically integrated operations (cotton-to-terry towel and cotton-to-bed linen) - ensure greater sustainability in performance going forward

Value Addition

Focus on value added, innovative and fashion statement product range for premium customers

Latest Technology

Latest technology and automation from global best technology partners at all stages of manufacturing



Enter New Markets

Spreading customers geographically, Entered market like UK, Italy, France, Japan, Australia, South Africa, Canada

Credit Rating

CRISIL 'A-': Long Term Borrowings
CRISIL 'A2+': Short Term Borrowings
CARE 'A-': Long Term Borrowings
CARE 'A2+': Short Term Borrowings
D&B '5A2': Overall Company

Branding Strategy

Aggressive branding strategy to percolate home textile and copier products in premium segment

Value Chain



Being Different is Normal



KEY DIFFERENTIATORS



De-risked Integrated Business Model

- Integrated Model from Cotton Spinning - Weaving - Processing - Cut Stitch Pack -Branding

- Product Mix : Yarn, Towel, Bed Linen, Paper
- Geographic diversification : US, EU, ROW and Domestic



Customers

- Preferred Supplier to Global Retail Giants such as Walmart, Target, IKEA, Kohl's, JC Penny, Macy's

- Preferred Suppliers to reputed Hospitality institutions such as Taj Group, Oberoi Group



Technology

- Latest Technology from Global Renowned Technology Partners

- High Automation & Electronic Data Capturing & Analysis



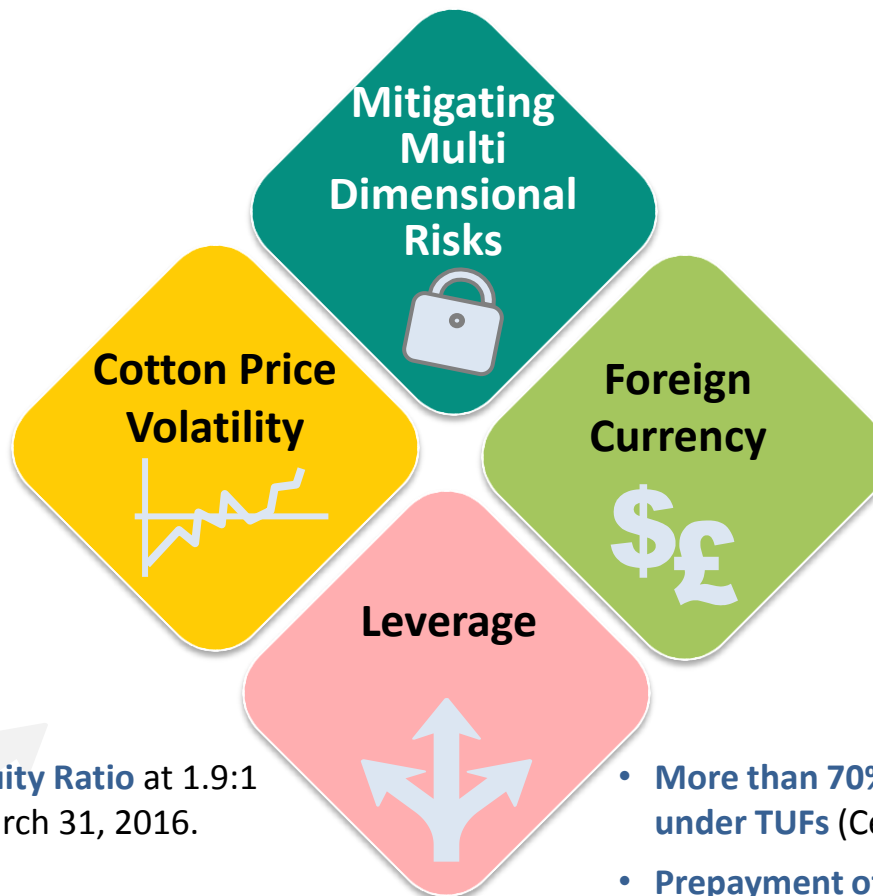
Processes & Innovation

- Product Development such as Air Rich, Zero Twist
- TPM Methodology Implemented across functions

- Integrated SAP ECC for Decision Making
- Zero Discharge facility at Budni facility



- **Integrated Business Model** ensures that volatility in Cotton Prices are absorbed in Yarn Prices which are in-turn Raw Material for Towel & Sheeting

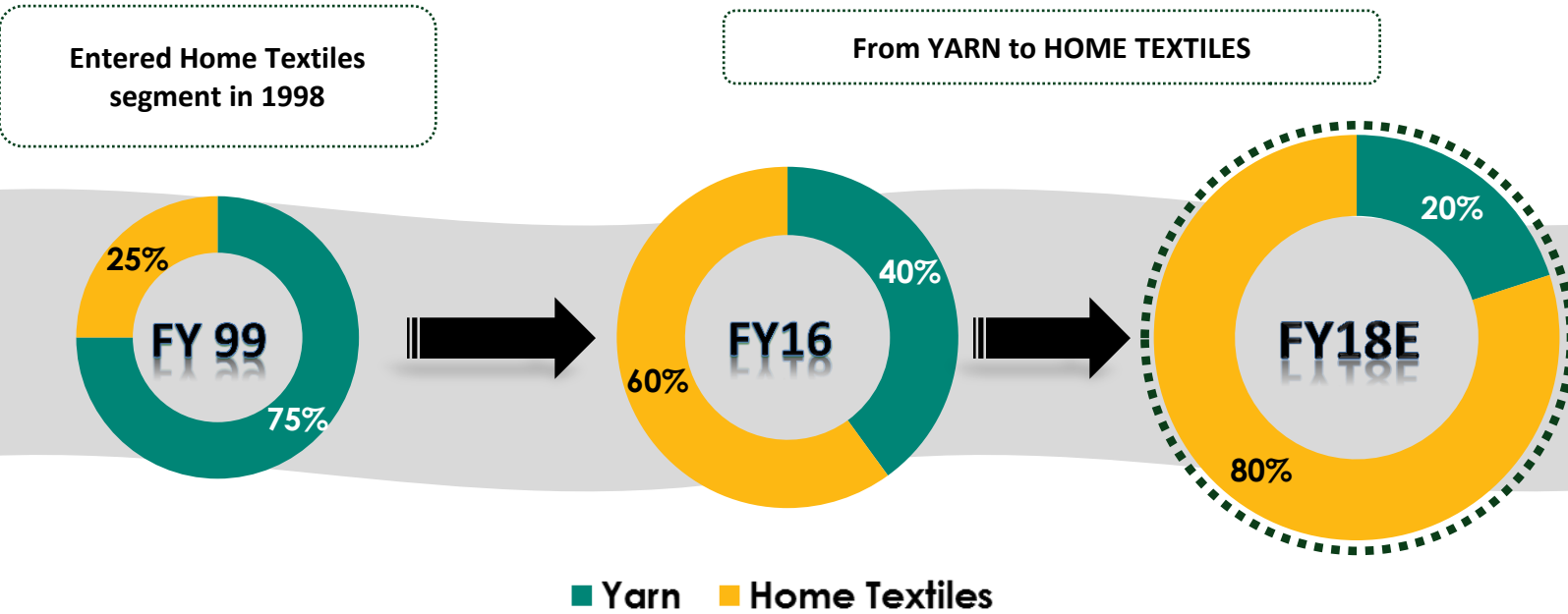


- **Forex Risk Management Policy** in place where all the positions are taken as per Risk Mitigation Policy

- **Debt Equity Ratio** at 1.9:1 as on March 31, 2016.

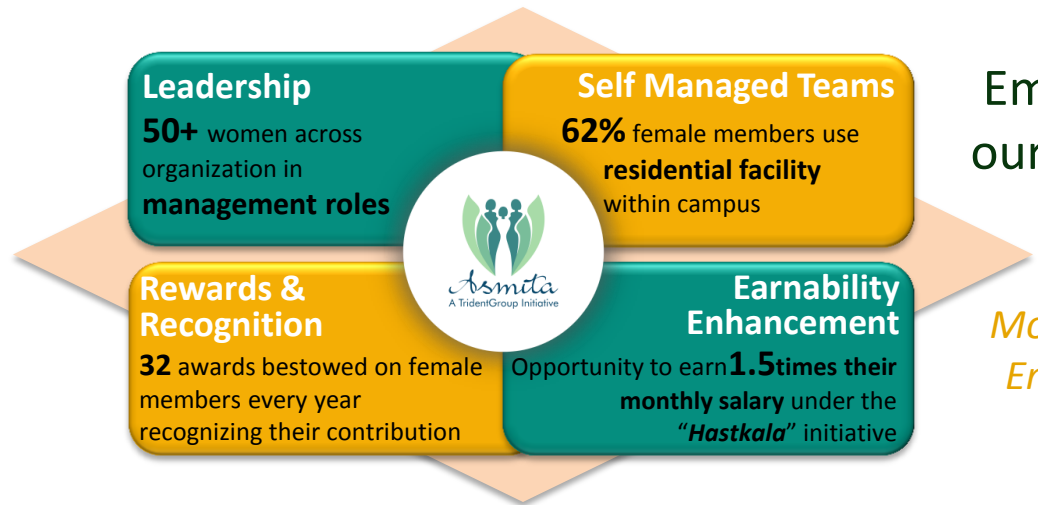
- **More than 70% debt taken under TUFs** (Central / State)
- **Prepayment of high cost debt** every year.

Moving up the Value Chain



Transformed from a Yarn player to a fully-integrated Home Textiles manufacturer

CSR Initiatives



Empowering our **Women** - ASMITA

More than 20% Employees are Females



- /// Providing opportunities to LEARN, EARN & GROW to more than 10,000 members of 10th, 10+2, ITI's
- /// More than 600 Graduates and Diploma Holders in past 6 years



Sustaining recovery and reuse of waste water – ensuring Zero Liquid Discharge

Zero liquid discharge facility for complete Towel processing, saving fresh water of 6 million litres/day. The facility has a biological plant for bio-degradation of waste water and RO system to recover 92% of water



Nirmal Narmada Abhiyaan

Clean Narmada Campaign was undertaken on World Environment Day- 5th June in association with the Madhya Pradesh Pollution Control Board & Department of Agriculture, MP, in which awareness is generated among the masses to keep the river Narmada pollution free, cleaned the most polluted ghat - The Sethani Ghat in Hoshangabad

Saakshar – Adult Education Programme

Adult Education Programme, “Saakshar” in Association with village panchayats and anganwadi centers is conducted in Sehore (MP). It aims to educate the illiterate masses of the villages with an approach to go beyond Reading- Writing and Numerics.



Krishak Sanghosthi, Kharif Ritu

The programme was jointly conducted with Agriculture Department, Budni, and was made successful by active involvement of the Gram Panchayat. Farmers were educated on important precautions to be taken before cultivation of paddy, usage of fungicide and weedicide, micro-nutrients.

CSR Initiatives



Shiksha Potsahan

Rewards the poor & Brilliant students for their excellent academic performance & provide playground essentials for their holistic development of these kids in Tribal & remote areas of District Sehore MP.



Mobile Dispensary

Fully Equipped Mobile Dispensary Launched to visit surrounding Tribal Areas for Providing Free Primary Health Care Facilities to poor masses. Chief Medical Officer, Distt Sehore Flagged off the Medical Van through which our Team of Doctors examined more than 500 persons till data at free of cost.

Nav Chetna Shivar – Drug De Addiction Programme

Drug De Addiction Program started by Trident Group in Collaboration with Art of Living & Ministry of Health & Family Welfare Madhya Pradesh. 60 members took vow to quit any kind of intoxicification in a Five Day Drug De Addiction Program held in the Gram Panchayat Pili Karar.



Gram Gaurav- Adopted several villages

Gram Gaurav is Trident initiative for the holistic development of the village community. Trident has adopted surrounding villages of Tribal Budni to help them fulfill their infrastructural, educational & occupational needs. Recently we provided the Drinking Water facility through handpumps in dry areas facing water crisis in district sehore Madhya Pradesh

Awards & Accolades



- 4 Walmart Supplier of the Year awards
- 4 JCPenney - Best Supplier, Innovation, Quality Awards
- 3 Corporate Governance Awards
- 12 Texprocil Export Performance Awards
- 2 IKEA Quality and Sustainability Awards
- 1 Niryat Shree – FIEO Awards
- 1 National Energy Conservation Awards (NECA)
- 1 Punjab Safety Awards
- 1 D&B – ECGC: Exporter's Excellence Awards
 - Best Diversified Exporter (Runner-Up)
 - Best Rural Exporter (Runner-Up)
- 1 Achievement in Environmental Sustainability Award FROM Sam's Club, USA
- 1 CII-ITC Sustainability Awards 2015
 - Certificate of Appreciation



About Us



Trident Limited is the flagship company of Trident Group, a USD 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. With the establishment of the state-of-the-art manufacturing processes and systems coupled with appropriate human capital and credentials, Trident has frequently received accolades from its patrons in recognition for delivering high quality standards and for its customer-centric approach.

The Company operates in two major business segments: Textiles and Paper with its manufacturing facilities located in Punjab and Madhya Pradesh. Trident's customer base spans over more than 100 countries across 6 continents and comprises of global retail brands like Ralph Lauren, JC Penney, IKEA, Target, Walmart, Macy's, Kohl's, Sears, Sam's Club, Burlington, etc. With export turnover accounting for about 50% of total sales of the Company, Trident Group has emerged as one of the world's largest integrated home textile manufacturer.

For more information about us, please visit www.tridentindia.com

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