



Trident

Weaving success

India's home textile market in a sweet spot

India is well poised to gain from long-term growth in the global home textiles market, as it leverages the twin benefits of lower cost of production and large spinning capacity, which accounts for 9% of global installed capacity. India's growth drivers include: 1) availability of raw material (cotton) at lower costs than Pakistan, China and Turkey (all net importers), 2) lower labor cost (India's labor 62% cheaper than China), 3) captive power for assured power supply at good rates, 4) rupee depreciation of ~25% compared to yuan appreciation by 10% over 2009-13, 5) rising consumption in China, and 6) better policies by the Indian government. As a result, India has increased market share in terry towels in the US from 19% in 2009 to 36% in 2013 whereas China & Pakistan's fell from 40% & 24% in 2009 to 25% & 23% in 2013, respectively. Change in business dynamics of Trident (TRID IN) is likely to improve average ROCE of 7% over FY08-13 to 12% over FY14-18E.

Capacity expansion, cost advantage to drive terry towel sales

Trident's terry towel division is likely to grow at a sales CAGR of 31% over FY14-17E to INR 32.6bn, given 1) terry towels capacity doubles from 42,000 MT to 90,000 MT, and 2) cost advantage over peer countries. We expect sales volume CAGR of 27% over FY14-17E to 63,000 MT in FY17E. Sales realization is likely to grow at a CAGR of just 3% over FY14-17E to 518 per MT in FY17E

Leveraging existing clients to boost bed linen business

Leveraging off of its relationships with global retailers (terry towel clients) and a strong distribution network would drive sales of the bed linen segment. We expect bed linen sales of INR 964mn in FY16E, with a 20% capacity utilization over six months and realization of INR 223 per meter. Plant capacity utilization is likely to be at 50% in FY17E, with sales of ~INR 5bn and realization of INR 234 per meter.

Valuation

We initiate coverage of Trident with a **Buy** rating and a TP of INR 40 based on a weighted average of 6.5x FY17E P/E and 4.7x FY17E EV/EBITDA. The stock has been trading at a five-year average of 4.7x EV/EBITDA. We believe Trident is slated for a rerating over the next two years, owing to 1) the change in revenue mix towards higher margin businesses of terry towels & bed linen, 2) presence across the value chain of textiles manufacturing to bring about natural synergies to business and offset raw material price fluctuation risks, and 3) increasing opportunities in the global home textiles market for India in terms of cost advantage over peer nations like China, and Pakistan.

Key Financials

YE	Revenue (INR mn)	YoY (%)	EBITDA (INR mn)	EBITDA margin (%)	Adj PAT (INR mn)	YoY (%)	Fully DEPS (INR)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
March											
FY14	38,689	16.0	7,276	18.8	1,970	299.4	5.3	24.1	14.7	4.5	3.5
FY15E	41,946	8.4	7,166	17.1	1,281	(35.0)	2.5	10.8	9.6	9.4	5.4
FY16E	49,219	17.3	9,376	19.1	2,003	56.4	3.9	13.2	10.1	6.0	5.1
FY17E	61,015	24.0	11,626	19.1	3,093	54.4	6.1	17.8	11.3	3.9	4.0

Note: pricing as on 17 December 2014; Source: Company, Elara Securities Estimate

Rating : Buy

Target Price : INR 40

Upside : 68%

CMP : INR 24 (as on 17 December 2014)

Key data

Bloomberg /Reuters Code	TRID IN/TRIE.BO
Current /Dil. Shares O/S (mn)	508/508
Mkt Cap (INRbn/US\$m)	12/190
Daily Vol. (3M NSE Avg.)	593,323
Face Value (INR)	10

1 US\$ = INR 63.6

Note: *as on 17 December 2014; Source: Bloomberg

Price & Volume



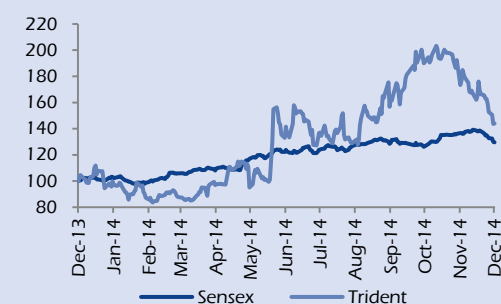
Source: Bloomberg

Share holding (%)	Q3FY14	Q4FY14	Q1FY15	Q2FY15
Promoter	55.3	68.9	68.9	68.8
Institutional Investors	2.6	1.8	1.8	2.2
Other Investors	27.7	19.2	19.4	19.3
General Public	14.4	10.1	9.9	9.7

Source: BSE

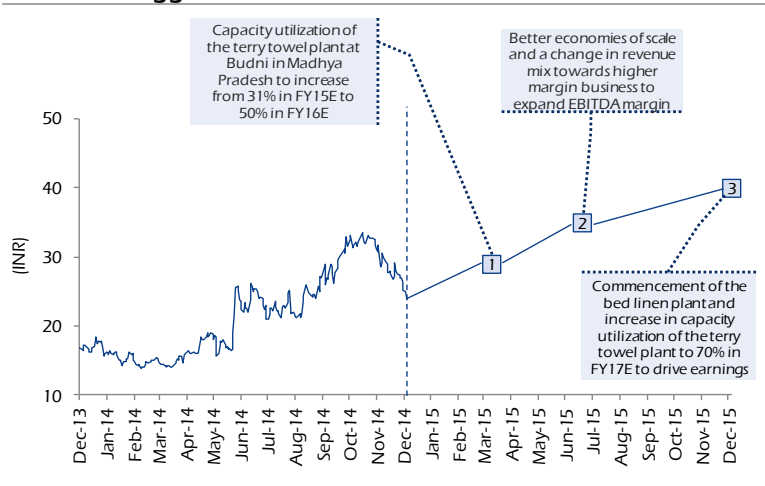
Price performance (%)	3M	6M	12M
Sensex	0.3	4.7	29.6
Trident	(11.5)	1.7	43.9

Source: Bloomberg



Source: Bloomberg

Valuation trigger



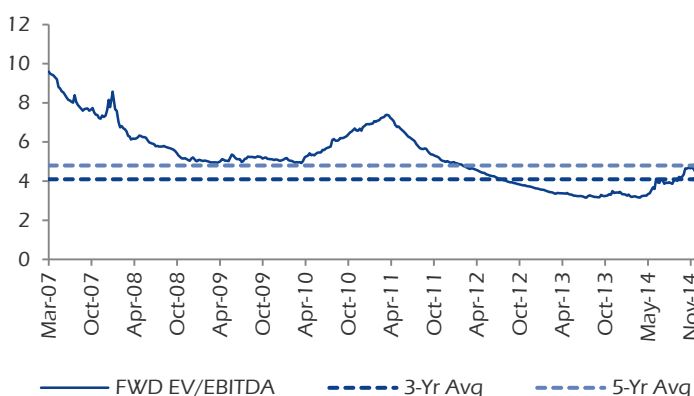
Source: Bloomberg, Elara Securities Estimate

Valuation matrix

	FY17E
P/E-based valuation	
EPS (INR)	6.1
Target P/E (x)	6.5
Target Price (INR)	40
Weightage (%)	50.0
EV/EBIDTA-based valuation	
EBIDTA (INR mn)	11,626
Target EV/EBIDTA (x)	4.7
Target EV (INR mn)	54,641
Target Mcap (INR mn)	20,468
Target Price (INR)	40.3
Weightage (%)	50.0
Weighted Target Price (INR)	40
Upside (%)	68

Source: Elara Securities Estimate

Valuation driver (x)



Source: Company, Bloomberg, Elara Securities Estimate

Investment summary

- Capacity expansion, cost advantage over peers to drive the terry towel business
- The bed linen business to leverage off of existing relationships with big global retailers
- The yarn segment to see lower sales and profitability in FY15; likely improvement in FY16
- The paper segment to see better margin on lower cost of production

Valuation trigger

1. Capacity utilization of the terry towel plant at Budni in Madhya Pradesh to increase from 31% in FY15E to 50% in FY16E
2. Better economies of scale and a change in revenue mix towards higher margin business to expand EBITDA margin
3. Commencement of the bed linen plant and increase in capacity utilization of the terry towel plant to 70% in FY17E to drive earnings

Key risks

- Adverse fluctuation in foreign currency to impact earnings
- The company supplies home textiles and paper across the US and the EU. An economic slowdown there may impact earnings
- Any supply disruption of key raw material, cotton, could impact earnings
- Increased competition from China and the ASEAN countries to impact earnings

Our assumptions

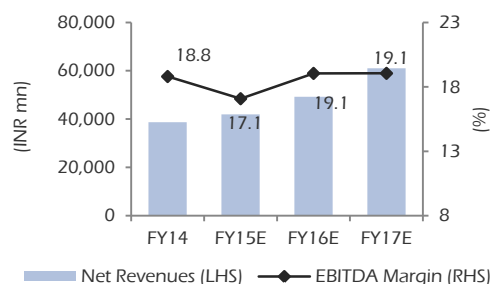
- We model in 23.5% volume growth and 3% realization growth in the terry towel segment in FY16E and 18% volume growth and 5% realization growth in FY17E
- We assume ~2% volume growth and flat realization in the yarn segment in FY16E and 4.4% volume growth and 5% realization growth in FY17E

Consolidated Financials (YE March)

Income Statement (INR mn)	FY14	FY15E	FY16E	FY17E
Net Revenues	38,689	41,946	49,219	61,015
EBITDA	7,276	7,166	9,376	11,626
Add:- Non operating Income	163	60	63	66
OPBIDTA	7,439	7,227	9,440	11,692
Less :- Depreciation & Amortization	2,684	3,486	4,236	5,042
EBIT	4,755	3,740	5,203	6,650
Less:- Interest Expenses	2,103	2,021	2,497	2,471
PBT	2,652	1,719	2,707	4,179
Less :- Taxes	681	438	704	1,087
Add/(Less):- Extra-ordinaries	-	-	-	-
Reported PAT	1,970	1,281	2,003	3,093
Adjusted PAT	1,970	1,281	2,003	3,093
Balance Sheet (INR mn)	FY14	FY15E	FY16E	FY17E
Share Capital	3,111	5,085	5,085	5,085
Reserves	5,768	9,230	10,876	13,611
Borrowings	18,623	27,152	36,744	34,950
Share warrants	430	-	-	-
Deferred Tax (Net)	1,082	1,082	1,082	1,082
Total Liabilities	29,014	42,549	53,787	54,729
Gross Block	34,858	47,405	64,075	68,305
Less:- Accumulated Depreciation	16,902	20,388	24,624	29,666
Net Block	17,956	27,017	39,451	38,639
Add:- Capital work in progress	363	4,000	1,300	300
Investments	1,187	1,187	1,187	1,187
Cash & bank balances	245	289	488	622
Net Working Capital	9,263	10,056	11,361	13,981
Total Assets	29,014	42,549	53,787	54,729
Cash Flow Statement (INR mn)	FY14	FY15E	FY16E	FY17E
Cash profit adjusted for non cash items	7,034	6,788	8,736	10,606
Add/Less : Working Capital Changes	435	(794)	(1,305)	(2,620)
Operating Cash Flow	7,469	5,994	7,431	7,986
Less:- Capex	(1,345)	(16,184)	(13,970)	(3,230)
Free Cash Flow	6,123	(10,190)	(6,539)	4,756
Financing Cash Flow	(5,740)	10,233	6,738	(4,622)
Investing Cash Flow	(390)	161	-	-
Net change in Cash	(7)	205	199	134
Ratio Analysis	FY14	FY15E	FY16E	FY17E
Income Statement Ratios (%)				
Revenue Growth	15.9	8.4	17.3	24.0
EBITDA Growth	31.0	(1.5)	30.8	24.0
PAT Growth	299.4	(35.0)	56.4	54.4
EBITDA Margin	18.8	17.1	19.1	19.1
Net Margin	5.1	3.1	4.1	5.1
Return & Liquidity Ratios (%)				
Net Debt/Equity (x)	2.0	1.9	2.3	1.8
ROE (%)	24.1	10.8	13.2	17.8
ROCE (%)	14.7	9.6	10.1	11.3
Per Share data & Valuation Ratios				
Diluted EPS (INR/Share)	5.3	2.5	3.9	6.1
EPS Growth (%)	299.4	(52.4)	56.4	54.4
DPS (INR/Share)	0.4	0.6	0.6	0.6
P/E Ratio (x)	4.5	9.4	6.0	3.9
EV/EBITDA (x)	3.5	5.4	5.1	4.0
EV/Sales (x)	0.7	0.9	1.0	0.8
Price/Book (x)	0.8	0.8	0.8	0.6
Dividend Yield (%)	1.5	2.5	2.5	2.5

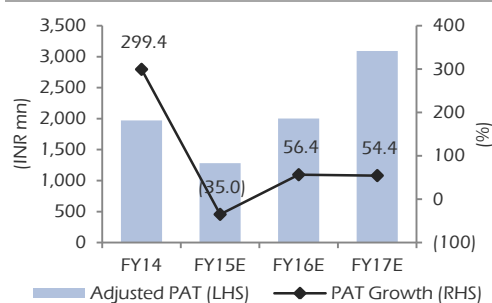
Note: pricing as on 17 December 2014; Source: Company, Elara Securities Estimates

Healthy sales growth on new capacity



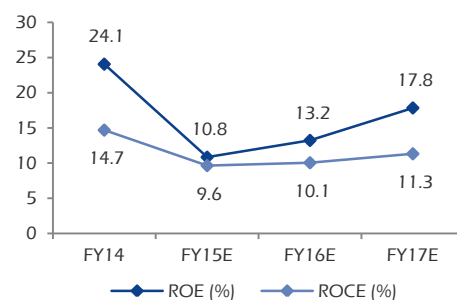
Source: Company, Elara Securities Estimate

Better margin & sales growth drive PAT



Source: Company, Elara Securities Estimate

Return ratios to improve



Source: Company, Elara Securities Estimate

Healthy growth in terry towel and bed linen segments to drive growth

Better economies of scale, a change in revenue mix towards higher margin business to expand EBITDA margin

Investment rationale

- ❑ Capacity expansion, cost advantage over global peers to drive terry towel business
- ❑ Bed linen business to leverage off of existing relationships with big global retailers
- ❑ Yarn segment to see sales and profitability improvement in FY16
- ❑ Paper segment to see better margin than peers on lower cost of production

Labor cost advantage over China

India is well poised to gain from long-term growth in the global home textiles market, with large spinning capacity, which accounts for 9% of global installed capacity and availability of raw material (cotton) at much lower cost (India's raw material costs are lower than that of Pakistan and China's, which are net importers). India's lower labor cost is also much lower than other countries (~62% lower than that of China). By using captive power to run plants also assures a steady supply of power at competitive rates than in China and Pakistan. Given the rupee has depreciated by ~25% while the yuan has appreciated by 10% over 2009-13, increasing consumption within China and better policies by the Indian government are likely to provide a boost for the industry. India's labor cost advantage over China serves as a huge leverage for domestic home textile companies (for example, labor costs in China surged 4x from USD 0.69 per operator per hour in 2000 to USD 3 in 2014 vs an increase in India by ~2x from USD 0.58 in 2000 to USD 1.12 in 2014). This has helped India's companies to increase their pie in the global market.

Lower operating costs add another fillip

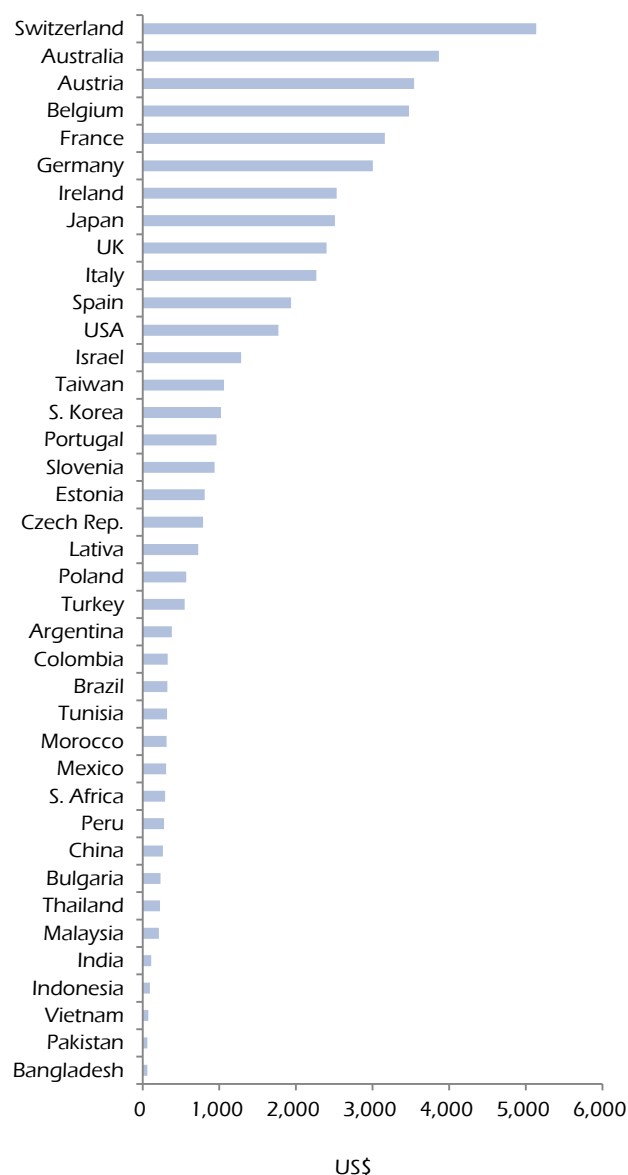
India's market share in the towel segment in the US rose from 19% in 2009 to 36% in 2013 whereas China and Pakistan's market share declined from 40% and 24% in 2009 to 25% and 23% in 2013, respectively. India's market share in towel in Europe is 17% in 2013. For India to further grow its market share, it is an important to produce at a globally competitive operating cost. However, we notice that two other cost factors, such as financing and energy costs, are not under control. We believe Trident has well positioned itself to take competitive advantage of lower operating cost. Currently, the company has a 25% market share in exporting towels to the US and has captured a 9% market share in the US towel market.

India to surge past peers owing to higher exports

According to consulting firm Technopak, the global home textile market is likely to grow at a sales CAGR of 5% over FY13-17; however, India's home textile market may grow at a higher pace of 10.5% CAGR during the same period, owing to better exports growth of ~12%.

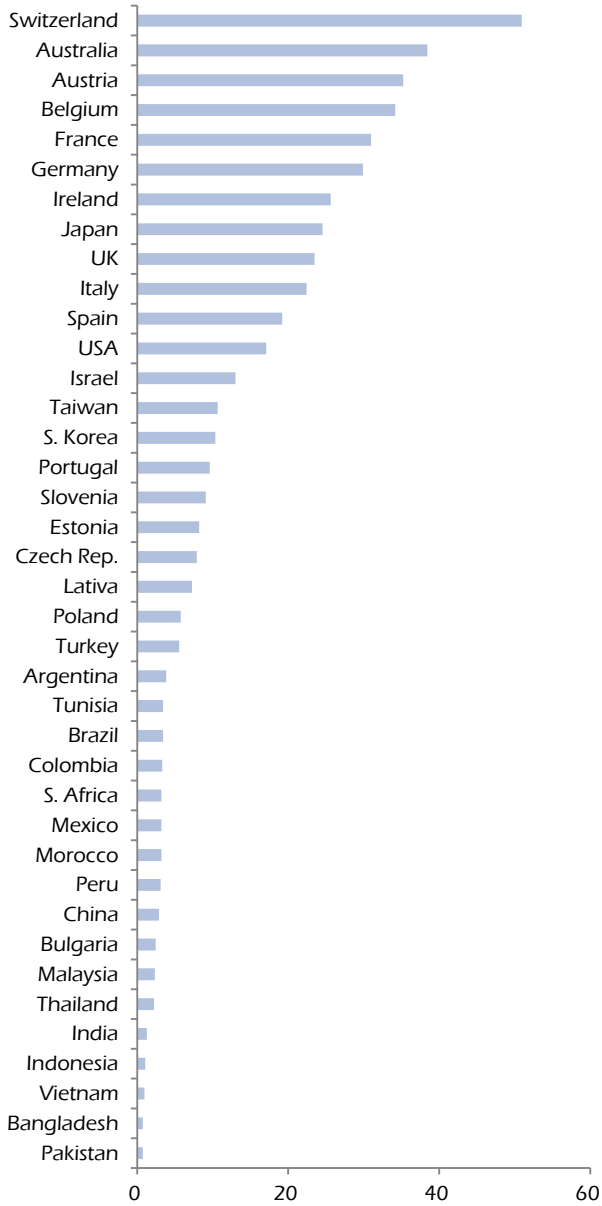
The global market size of home textiles is likely to reach to USD 96bn in FY17 from USD 78bn in 2013. The global towel market size is ~USD 16bn in 2013, around 20% of the global home textile market while the non-towel global market is at USD 62bn. The bed linen market size in the US is at USD 14bn, 54% of the US home textile market. The US and Europe together consume ~79% of the global home textile market.

Exhibit 1: Labor cost across countries – 2014



Source: wernerinternational, Elara Securities Research

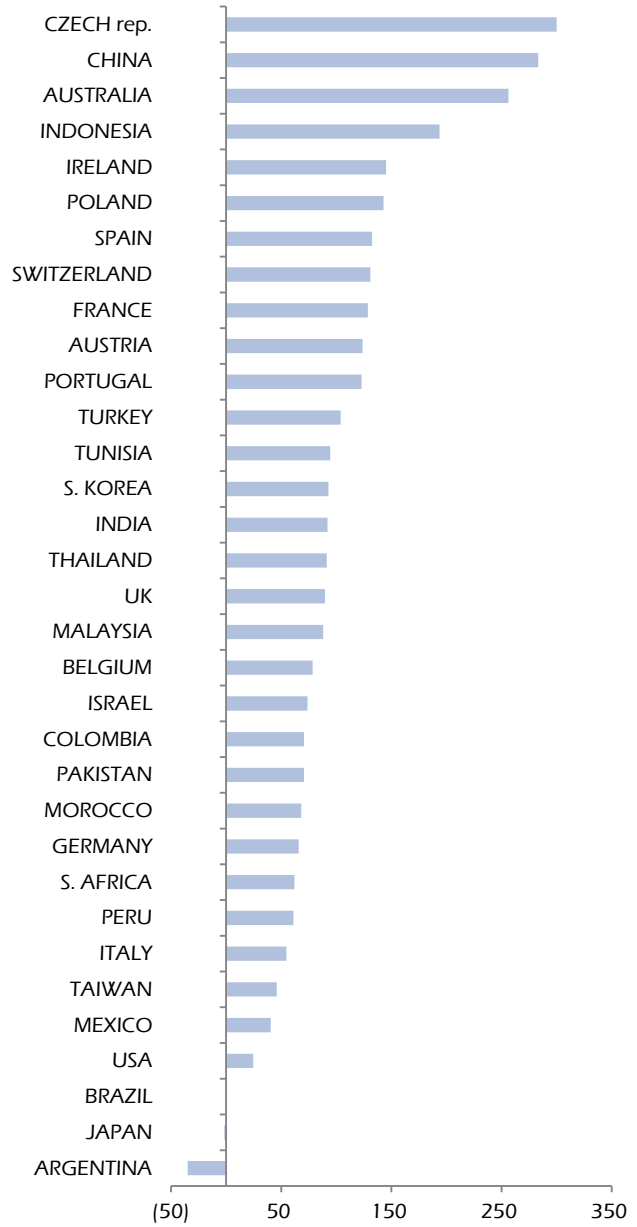
Exhibit 2: Textile industry labor cost – 2014



(US\$ per operator hour)

Source: wernerinternational.com, Elara Securities Research

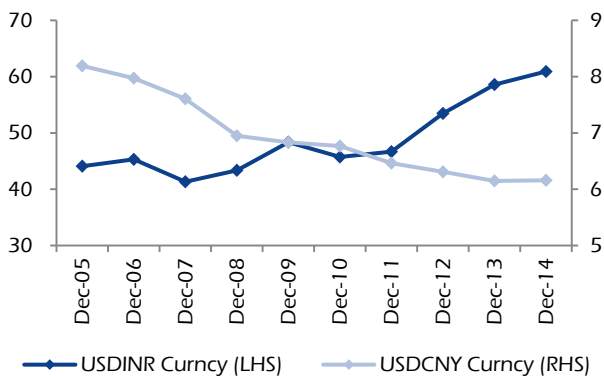
Exhibit 4: Labor cost changes in 2014 over 2000



(%)

Source: wernerinternational.com, Elara Securities Research

Exhibit 3: The rupee, yuan movement over USD



Source: Bloomberg

‘One-stop shop’ for home textiles

Trident’s presence across the value chain of textiles manufacturing is helping to bring about natural synergies to business and offset raw material price fluctuation risks. The company has a location advantage at its Budni plant in Madhya Pradesh where it gets the benefit of lower finance cost (all projects enjoy interest subsidy under the technology upgradation fund [TUF] scheme from the Central and State governments of 5% and 7%, respectively), availability of prime raw materials (cotton), captive power, and its proximity to ports helps to reduce logistics & transportation costs, since all plants are primarily exports-focused. The home textile business is likely to internally consume 35% of yarn produced in FY15E, 40% in FY16E and 45% in FY17E. Increasing captive consumption of yarn for terry towels and the bed linen segment would add value in the textile chain, making the company a one stop-shop for home textiles.

Change in revenue mix doing the trick

Over the past 4-5 years, the company has been undergoing capacity expansion to strengthen its global market share in the home textile segment to play up synergy, better economies of scale and optimize cost structures to ensure stable growth. As a result, the segment has registered revenue CAGR of 15%, an EBITDA CAGR of 22% and a PAT CAGR of 65% over FY11-14. The focus on value-added products, optimum utilization of expanded capacity and debt reduction augurs well for the company to further expand capacity in the terry towels and bed linen segments. We expect a revenue CAGR of ~16.4% over FY14-17E, owing to healthy growth in the terry towels and bed linen segments (expect ~62% of combined revenue in FY17E) and stable growth in the paper segment (~16% of revenue in FY17E). We expect the cotton yarn segment to show lackluster performance in FY15; however, revival

in demand in FY16 would help to improve operating performance. We expect better economies of scale, healthy realization and a change in revenue mix towards higher margin businesses of terry towels and bed linen will help the company to expand EBITDA margin by 197bp to 19.1% over FY16-17E from an EBITDA margin of 17.1% in FY15E (we expect EBITDA margin to contract by 172bp YoY in FY15E). Consequently, we expect a net profit CAGR of 16.2% over FY14-17E.

Expanding scale and reach

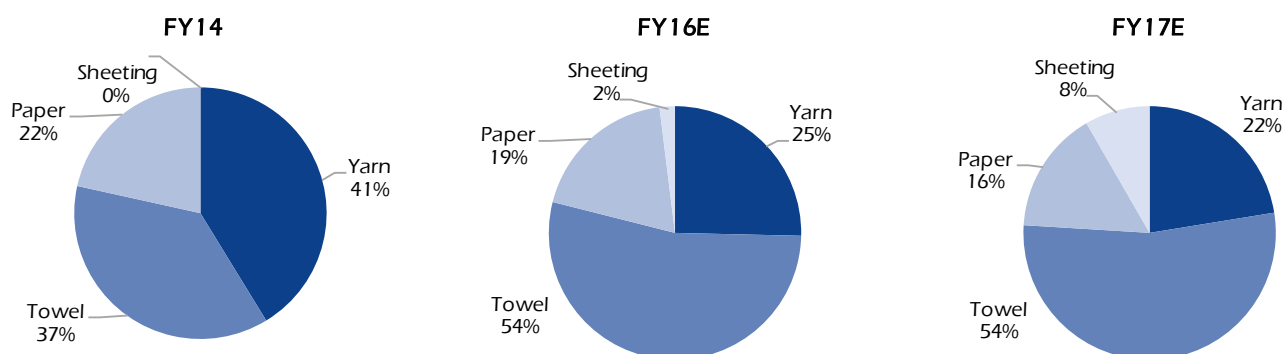
With capacity expansion in the terry towels business almost doubling from 42,000 MT to 90,000 MT, we expect Trident to register terry towel sales CAGR of 31% over FY14-17E to INR 32.7bn. Capacity utilization of its plant at Budni, MP (with an installed capacity of 48,000 MT) is expected to increase from 31% in FY15E to 50% in FY16E and 70% in FY17E. Better global reach with an existing customer base for terry towels with big global retailers and a strong distribution network also would help to drive sales of the bed linen segment. We expect revenue contribution from the bed linen segment to increase from ~2% in FY16E to ~8% in FY17E and ~12% in FY18E.

Exhibit 6: Post expansion facilities

Business	Operations	
	Existing	Post expansion
Yarn	366K spindles 3,584 Rotors	542K spindles 5,500 Rotors
Dyed yarn	6,825 TPA	6,825 TPA
Terry towels	688 Looms	688 Looms
Bed linen	—	500 Looms
Paper	175,000 TPA	200,000 TPA
Sulphuric Acid	100,000 TPA	100,000 TPA
Energy captive power	50 MW	110 MW

Source: Company, Elara Securities Research

Exhibit 5: Change in revenue mix towards high margin businesses



Source: Company, Elara Securities Estimate

Advantage India in terry towel fight

With the stabilization in the US economy and a cost advantage over China, India's share in US exports of terry towels is likely to increase. India's market share in towels in the US went up from 19% in 2009 to 36% in 2013 whereas China and Pakistan's market share fell from 40% and 24% in 2009 to 25% and 23% in 2013, respectively. India has the added advantage of being the largest producer of cotton and a net exporter over other major home textile suppliers, such as China, Pakistan and Turkey, which have higher cotton imports than exports. This gives India leverage over other nations in terms of raw materials availability and cost.

China, Pakistan lose ground

China's home textile market is currently under pressure, given 1) increasing domestic consumption, which is likely to impact exports, 2) rise in labor cost, 3) stringent environmental laws, which have raised power costs, 4) and a sharp currency appreciation, which has made its exports less competitive than India's. Importers of home textiles are also concerned about the geopolitical risk associated with Pakistan. These factors have given a boost to India as a more stable alternative to China and Pakistan.

Higher global demand turns key driver for Trident

With capacity expansion in terry towels doubling from 42,000 MT to 90,000 MT, Trident's terry towels business is expected to grow at a sales CAGR of 31% over FY14-17E to INR 32.6bn. Capacity utilization of its Budni plant in Madhya Pradesh (with an installed capacity of 48,000 MT) is expected to increase from 31% in FY15E to 50% in FY16E and 70% in FY17E. Hence, the terry towels business can see higher volume growth to meet global demand. Effective capacity utilization of the terry towels segment is likely to be at 59% in FY16E and 70% in FY17E. We expect sales volume CAGR of 27% over FY14-17E to 63,000 MT in FY17E. However, sales realization is likely to grow at just a 3% CAGR over FY14-17E to 518 per MT in FY17E. Revenue contribution from the segment is expected to increase from 37% in FY14 to ~54% in both FY16E and FY17E. Sales realization may improve further due to a higher share of value-added products. The terry towels segment reported sales growth of ~14% YoY and EBIT growth of 35% in FY14. Higher demand of towels from developed countries and a weakening rupee against the US dollar were the key drivers of growth.

Capacity expansion drives revenue

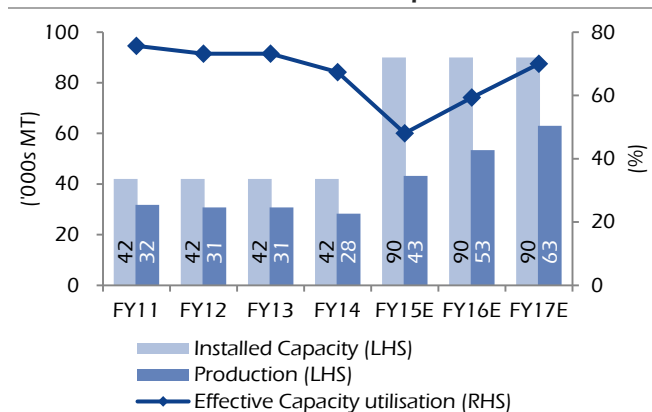
Trident has increased its towel manufacturing capacity to 688 looms in FY15 post-merger with the erstwhile Trident Corporation, an associate company. Combined capacity has made company the largest manufacturer of terry towels in the world, according to the company. The

company is capable of producing 90,000 mtpa of towel at optimum utilization with a balanced product mix. It exports to 75 countries, contributing 81% to the segment's revenue. It has relationships with big retailers like Wal-Mart, which can further help them to capture global markets share and maintain an advantage over competitors. The company's clientele includes nine of the top 10 retailers in the US, six leading retailers in Europe and five of the top seven retailers in ANZ (Australia and New Zealand). It has a strong client base comprising global retail and institutional brands like JC Penney, Wal-Mart, Ralph Lauren, Calvin Klein, Carrefour SA, H&M, IKEA, Marks & Spencer, ITC Hotels, Taj Hotels Resorts and Palaces, and Oberoi Hotels & Resorts.

Mixing it up for newer markets

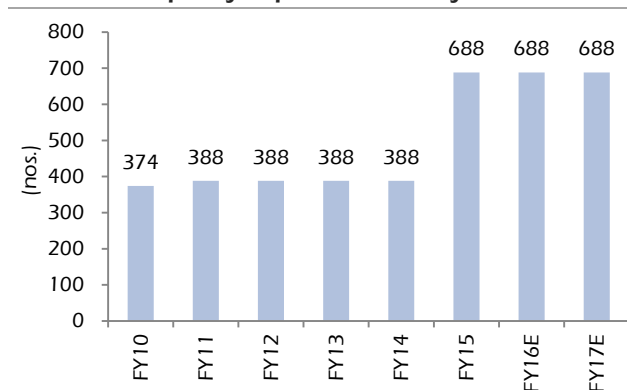
Over the years, Trident has made steady inroads into Japan, the Middle East and South Africa. It now offers a variety of terry towels in the domestic market under various established brands like *Trident Everyday*, *Trident Home Essentials*, *Trident Classic*, *Trident Indulgence*, *Trident Organica*, *Trident Cuddlies*, *Trident Bath Buddy*, *Trident Play* and *Trident His & Her*. The company recently entered the domestic towel category through online and offline modes.

Exhibit 7: Capacity utilization likely to improve in FY16 on better utilization of new plant



Source: Company, Elara Securities Estimate

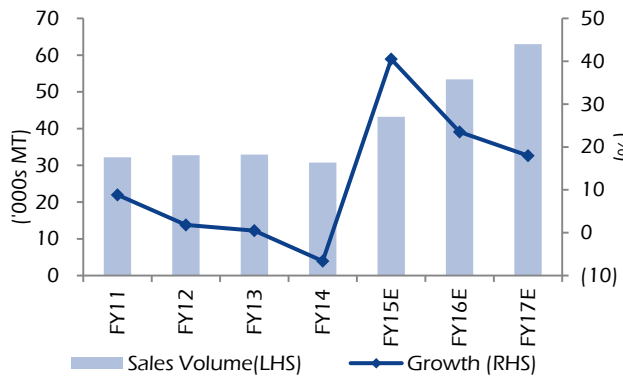
Exhibit 8: Capacity expansion of terry towel in looms



Source: Company, Elara Securities Estimate

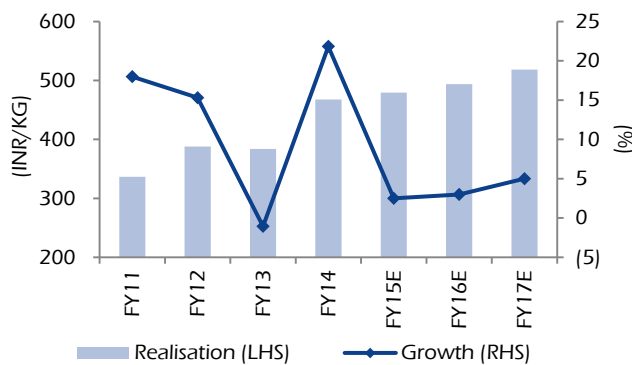
Trident

Exhibit 9: Sales volume CAGR of 27% over FY14-17E



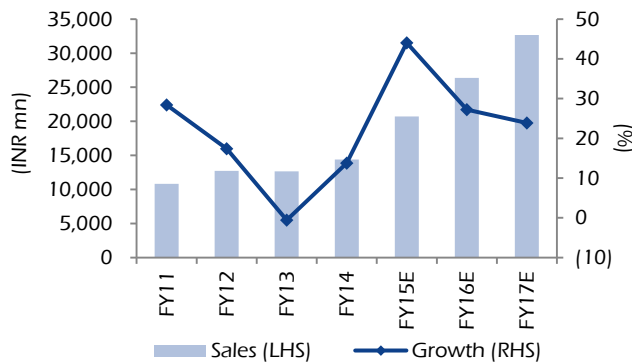
Source: Company, Elara Securities Estimate

Exhibit 10: Realization likely to be stable



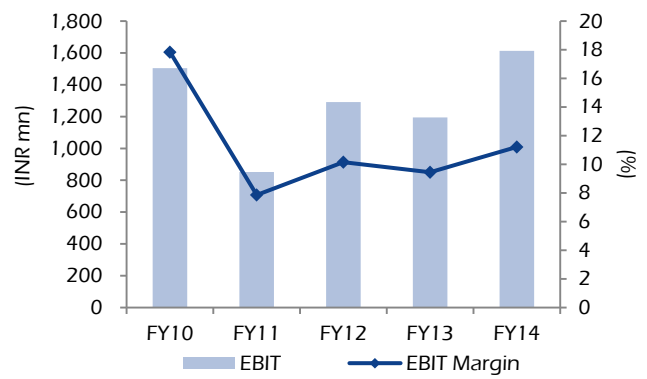
Source Company, Elara Securities Estimate

Exhibit 11: Revenue CAGR of 31% over FY14-17E



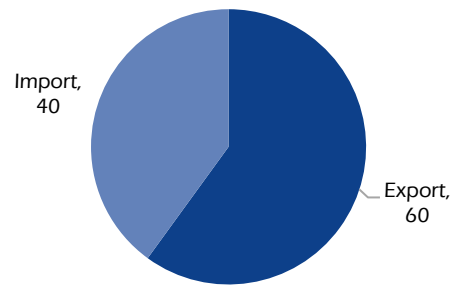
Source Company, Elara Securities Estimate

Exhibit 12: Terry towel EBIT and EBIT margin trend



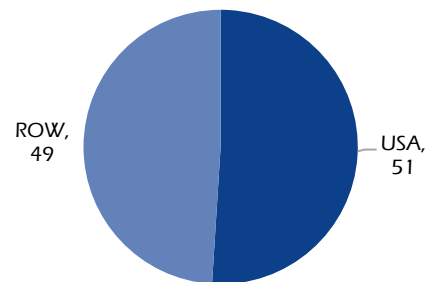
Source Company, Elara Securities Estimate

Exhibit 13: India's towel market at USD 1.9bn (2013)



Source: Emergingtextiles.com, Technopak Analysis

Exhibit 14: Towel exports destinations (2013)



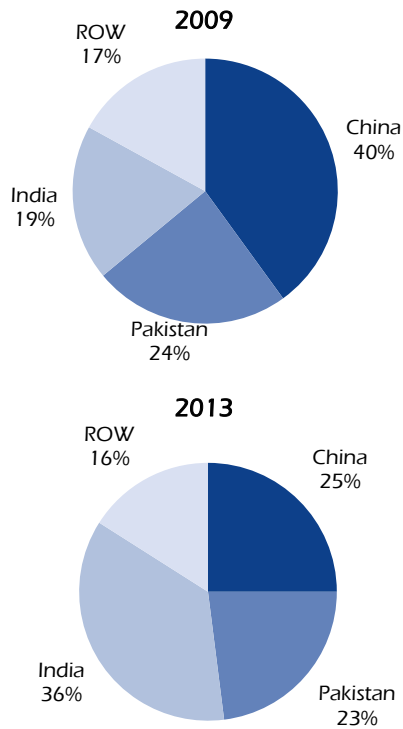
Source: Emergingtextiles.com, Technopak Analysis

Exhibit 15: Terry towel capacity of key firms

Capacity (TPA)	FY14	FY15E	FY16E
Trident	42,000	90,000	90,000
Welspun	45,000	50,000	60,000
Alok	13,400	13,400	13,400

Source: Annual Reports, Investor Presentations

Exhibit 16: India increasing market share in the US towel market

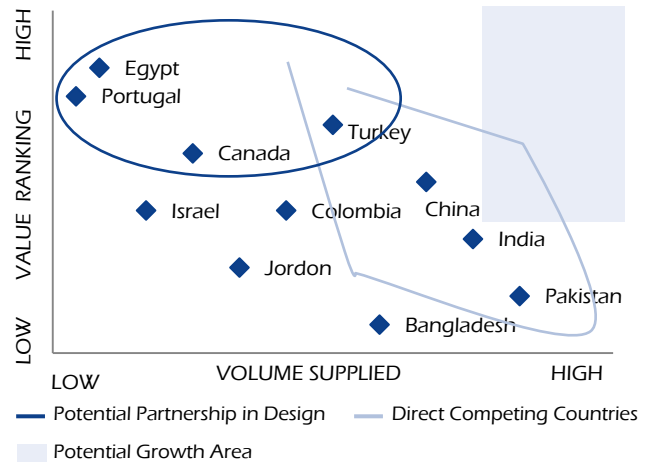


Source: Emergingtextiles.com, Technopak Analysis

High value addition, volume the way forward

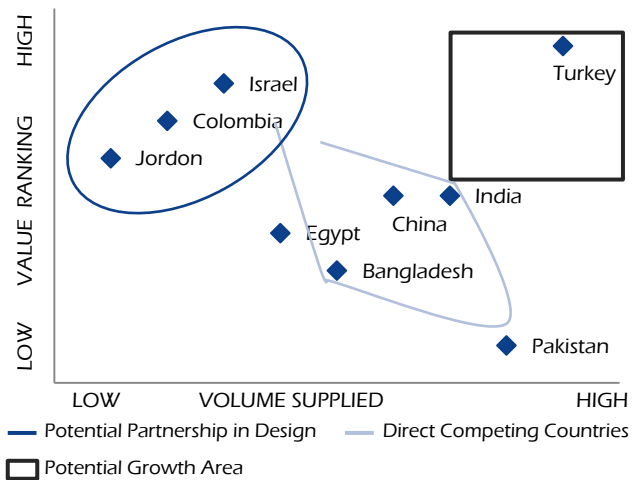
In US terry towel imports, India competes with China and Turkey as these countries are better in design and SKUs. Similarly, it competes with China and Bangladesh in EU terry towel imports. Turkey seems to fare better than other countries in terms of high value addition as well as volume. India will have to focus on high value addition and volume to gain advantage over other countries.

Exhibit 17: Positioning of countries in the cotton towel import market – the US



Source: Emergingtextiles.com, Elara Securities Research

Exhibit 18: Positioning of countries in the cotton towel import market – the EU



Source: Emergingtextiles.com, Elara Securities Research

Existing clients key lever for bed linen

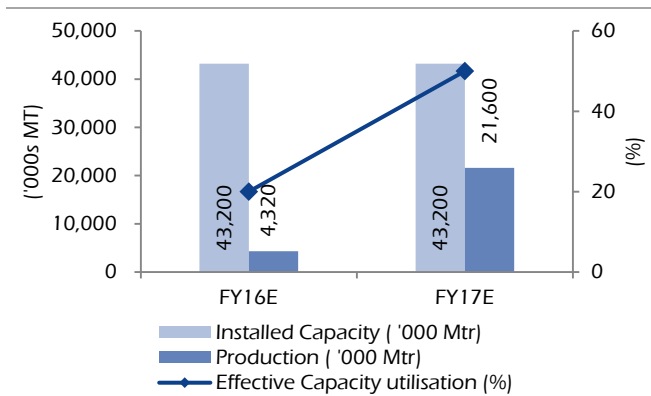
The company is implementing a composite textile project in the home textiles segment consisting of bed linen unit at Budni, Madhya Pradesh, with capacity of 500 looms (~43,200K meters) and an integrated spinning unit of 176,064 spindles to manufacture high-end yarn from 40 to 80 counts. The project cost is estimated at INR 16,669mn and the units are expected to be completed by September 2015.

Strong distribution network to drive growth

Trident's bed linen segment is expected to register sales of INR 964mn in FY16E, assuming 20% capacity utilization for a duration of six months with realization of INR 223 per meter. We expect capacity utilization of the bed linen plant to reach 50% in FY17E, which will help drive sales to ~INR 5bn, with realization of INR 234 per meter. Better global reach by utilizing relationships with existing clients for terry towels with big global retailers and a strong distribution network would help drive sales in the segment.

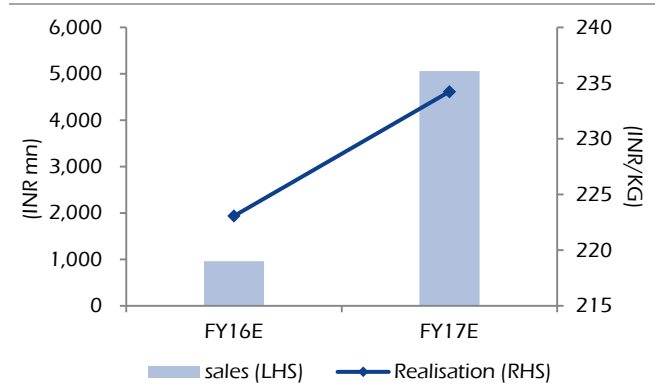
Revenue contribution of the bed linen segment is expected to increase from ~2% in FY16E to ~8% in FY17E and ~12% in FY18E. Cost advantage over peers in the US helped India grab market share of 46% by 2013 in the bed linen segment. The free trade agreement (FTA) between Pakistan and the EU for ~8-9% free duty helped it leverage its products over peers, Turkey, Bangladesh, India and China, leading to a higher market share of 33.7% there. India is currently in the process of entering into a similar deal with the EU, and the agreement may happen by FY16. This will boost its exports there.

Exhibit 19: Capacity utilization of the bed linen plant to reach 50% in FY17E



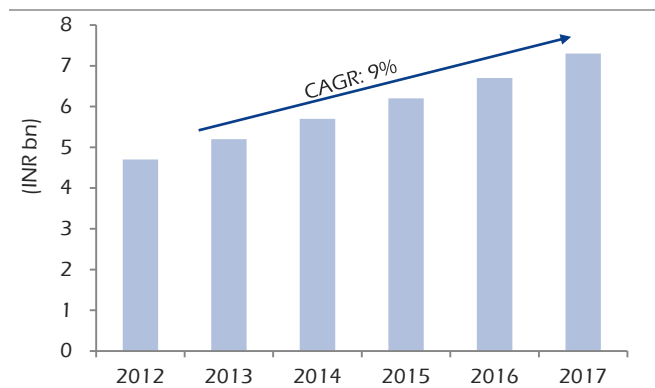
Source: Company, Elara Securities Estimate

Exhibit 20: Sales to surge in bed linen in FY17



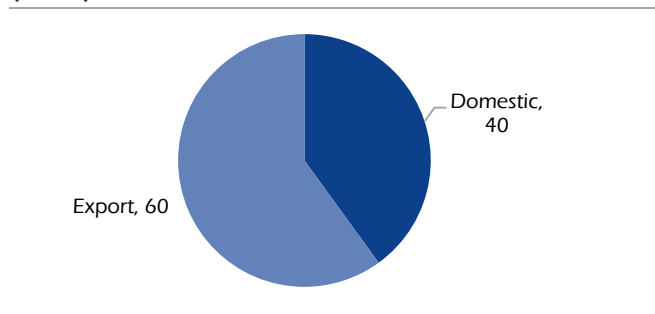
Source: Elara Securities Estimate

Exhibit 21: India's bed linen market at a sales CAGR of 9% over FY13-17E



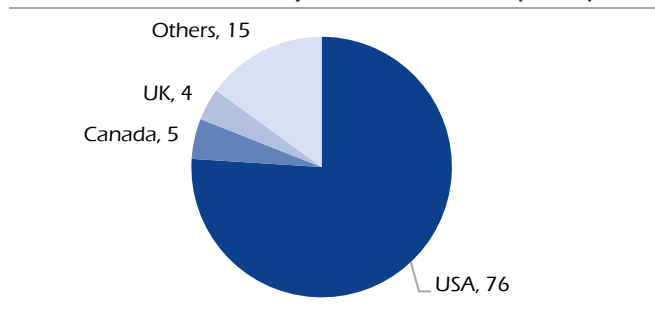
Source: Emergingtextiles.com, Technopak Analysis

Exhibit 22: India's bed linen market at USD 5.2bn (2013)



Source: Emergingtextiles.com, Technopak Analysis

Exhibit 23: Bed linen exports destinations (2013)



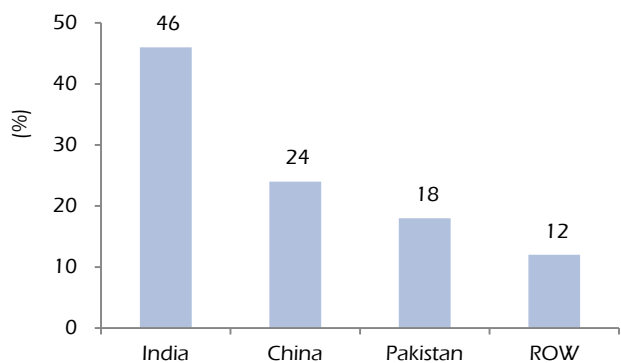
Source: Emergingtextiles.com, Technopak Analysis

Exhibit 24: Bed sheet capacity of key companies

Capacity (mn meters pa)	FY14	FY15E	FY16E
Trident	-	-	43
Welspun	55	60	72
Indo Count	45	68	68
Himatsingka	23	23	23
Alok	150	150	150

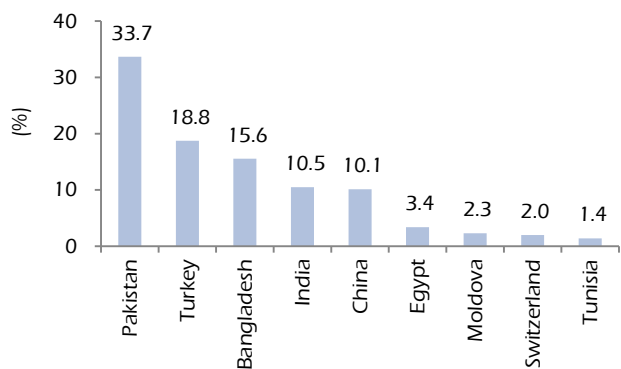
Source: Annual Reports, Investor Presentations

Exhibit 25: Market share in US sheets (cotton) imports (2013)



Source: Emergingtextiles.com

Exhibit 26: Market Share in EU bed linen (cotton) imports (2013)

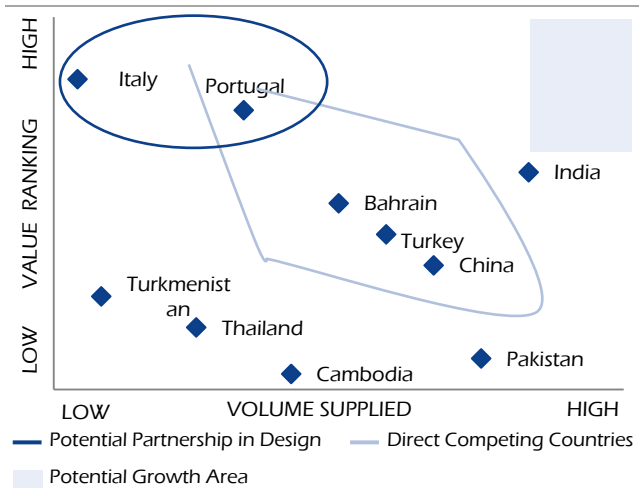


Source: Emergingtextiles.com

Competition snapping at the heels

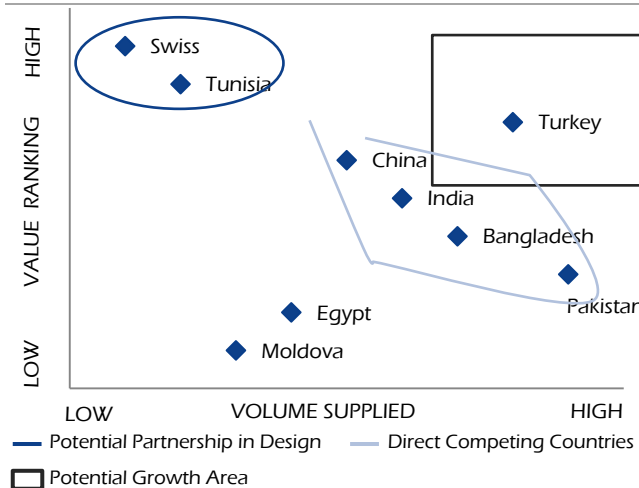
India is well positioned in US bed linen imports with 31% volume and a 46% value share in 2013. There is increased competition from China and Pakistan, which together make up ~57% by volume share. Similarly, India is facing increased competition from Turkey, Bangladesh and China in EU bed linen imports in 2013. In both these markets, India will have to focus on high value addition products and sustain high volume.

Exhibit 27: Positioning of Countries in Cotton Bed Sheet Import Market - US



Source: Emergingtextiles.com, Elara Securities Research

Exhibit 28: Positioning of Countries in Cotton Bed Sheets Import Market - EU



Source: Emergingtextiles.com, Elara Securities Research

Yarn's performance to improve in FY16

The yarn business is likely to see lackluster performance in FY15 on lower realization and loss from higher cost inventory. Lower export demand primarily from China and higher captive consumption would lower sales in FY15 by 23% to INR 12.3bn. Sales volume is likely to decline by 12.5% YoY to 59,196 MT in FY15E. Sales realization is likely to fall by 12% YoY in FY15E to INR 207/MT on higher supply and lower cotton prices. We expect lower cotton prices with stable yarn realization and healthy demand to help the segment to improve its operating performance in FY16. Sales is likely to improve by 9.6% YoY to INR 13.7bn in FY17E on better realization and sales volume.

Capacity expansion spins economies of scale

Trident's yarn segment had a modest beginning in 1993 with just 17,280 spindles at Barnala in Punjab, under a highly competitive environment with established firms in the industry. Trident has an installed capacity of 365,904 spindles and 3,584 rotors, capable of manufacturing 8,400 tonnes of cotton and blended yarn per month. The company increased capacity in the yarn segment from ~190k spindles in FY10 to 391K spindles in FY12 to increase economies of scale. It has incorporated modern technology and automation to manufacture high quality yarn, and the company has the flexibility to switch the production process between fine and coarse yarn varieties. It has also ability to deliver large quantities of 8-80 counts of yarn. Economies of scale could play a major role in the segment as it has already a huge capacity of 365K spindles and a future expansion of 176k spindles. It will make company capable of producing around 140K tones of yarn per annum. The expansion will help in operational synergies, build revenues and reduce the cost of manufacturing yarn through economies-of-scale.

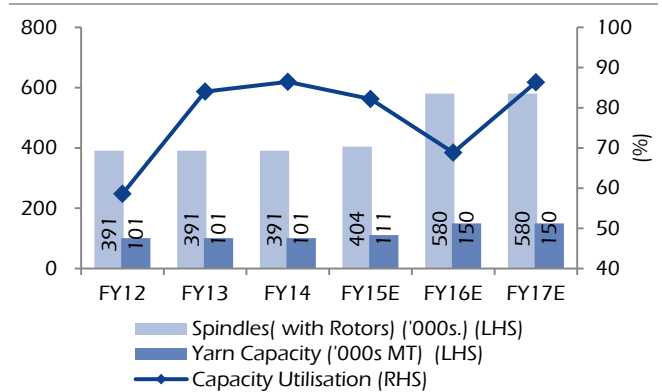
Focus on product enrichment driving exports

The company has nine manufacturing units in Barnala (Punjab) and Budni (Madhya Pradesh) with state-of-the-art facilities (ring spinning, carding, combing, open-ended spinning and yarn dyeing) sourced from globally renowned suppliers. Its product range services the needs of the knitting, weaving, denim, hosiery, shirting and suiting segments. The company exports yarn to 19 countries, and it has 31% export contribution to total yarn revenue. External sales growth was at 18.4% YoY to ~INR 16bn in FY14. EBIT saw significant growth of 74% to INR 2.3bn in FY14. Huge demand for yarn from China, a weakening rupee and stagnant cotton prices have driven performance in FY14.

Captive consumption on the rise

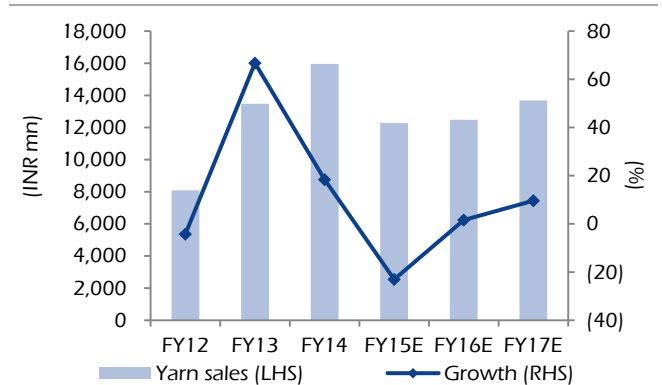
The yarn segment contributed 41% to revenue for FY14. With increasing captive consumption, we expect revenue contribution of external sales to fall to 29% in FY15E, ~26% in FY16E and ~23% in FY17E. However, captive yarn consumption is likely to increase from 22% of total production of 87,144 MT in FY14 to 35% of total production of 91,071 MT in FY15E, 40% of total production of 102,986 MT in FY16E and 45% of total production of 129,178 MT in FY17E.

Exhibit 29: New capacity to reach maximum utilization in FY17



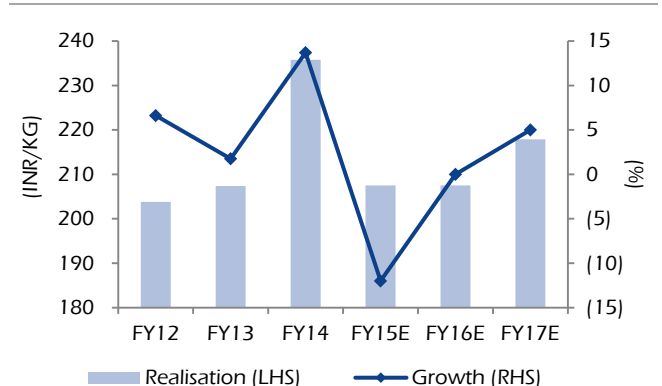
Source Company, Elara Securities Estimate

Exhibit 30: Higher captive consumption to lower external yarn sales



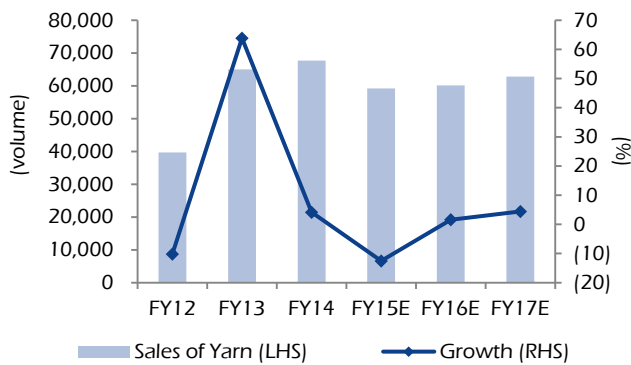
Source Company, Elara Securities Estimate

Exhibit 31: Realization to improve in FY16



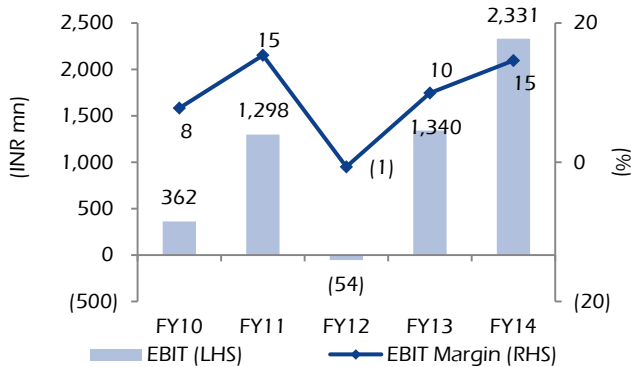
Source Company, Elara Securities Estimate

Exhibit 32: Muted external volume growth on higher captive consumption



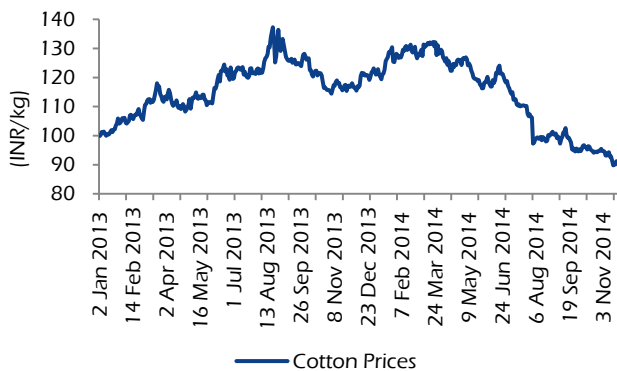
Source Company, Elara Securities Estimate

Exhibit 33: EBIT and margin trend of yarn



Source Company, Elara Securities Research

Exhibit 34: Cotton price trend



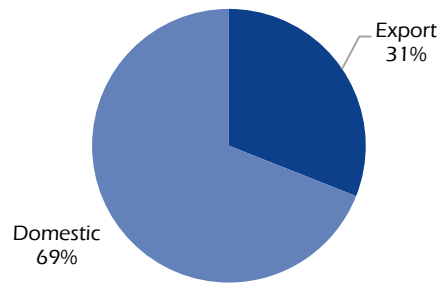
Source: Cotlook Index

Exhibit 35: Exports of cotton yarn from India

Rank	Partner Country	(USD mn)			Share (%)			Change (%)
		2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2013-14/2012-13
1	China	561	1,156	1,908	18.8	32.7	41.9	65.0
2	Bangladesh	530	545	533	17.7	15.4	11.7	(2.2)
3	Egypt	221	125	177	7.4	3.5	3.9	41.4
4	South Korea	209	201	177	7.0	5.7	3.9	(12.3)
5	Hong Kong	75	137	139	2.5	3.9	3.1	1.5
6	Portugal	100	119	137	3.4	3.4	3.0	15.4
7	Pakistan	18	74	119	0.6	2.1	2.6	59.7
8	Peru	97	101	111	3.3	2.9	2.4	9.8
9	Colombia	100	93	91	3.3	2.6	2.0	(1.9)
10	Vietnam	35	48	88	1.2	1.4	1.9	84.4
	Total	2,990	3,535	4,503	100.0	100.0	100.0	28.9

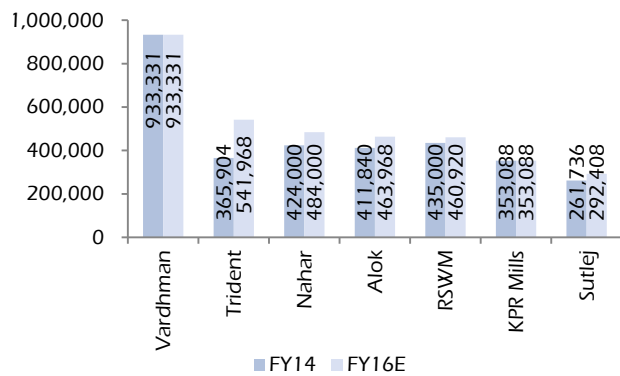
Source: Texprocil Annual Report FY14

Exhibit 36: Revenue mix (FY14)



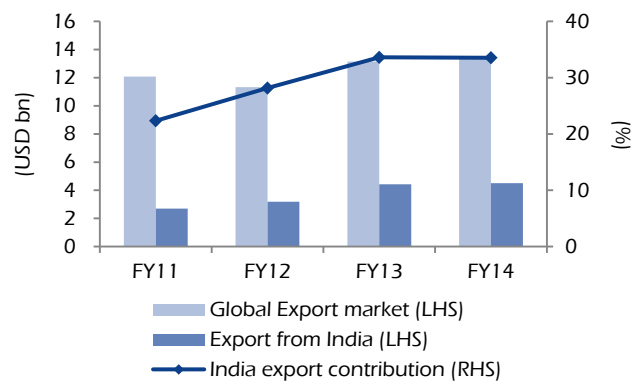
Source: Company, Elara Securities Research

Exhibit 37: Capacity (spindles) of domestic cotton yarn companies



Source: Company Annual Reports, Investor Presentations

Exhibit 38: Global yarn exports market and India's contribution

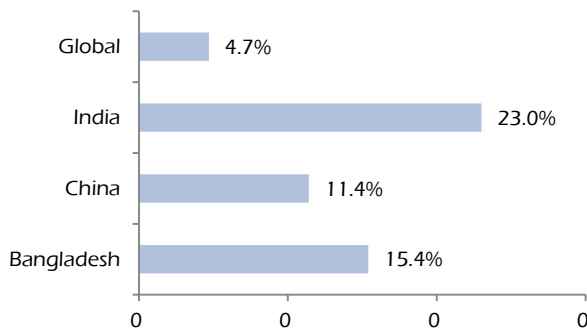


Source: Texprocil Annual Report FY14

Rising Asia meeting global demand

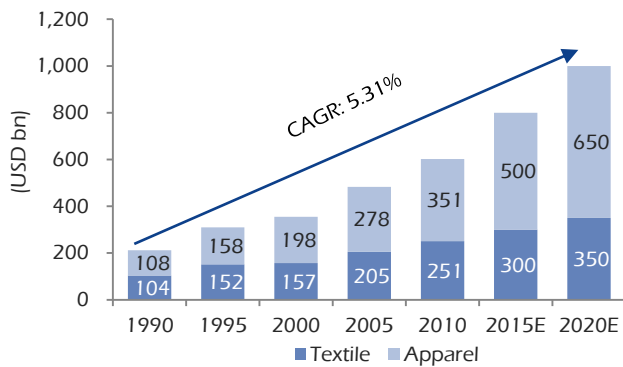
The global textile and apparel trade is expected to grow from 24mn tonnes to 105mn tonnes by 2020, according to Technopak. The global textile and apparel industry is likely to register a sales CAGR of 4.6% over 2015-20E and reach USD 1,000bn. Asian countries are likely to contribute the most to the segment, due to low operational costs and geographical advantages. China, India and Pakistan account for more than 60% of the world's fiber consumption while Bangladesh and Vietnam have emerged as textile economies, dependent on imported textile inputs.

Exhibit 39: Global textile industry growth rates



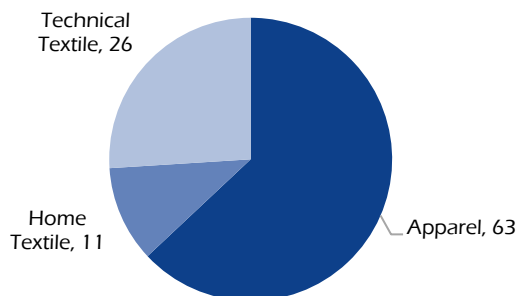
Source: Ministry of Textiles' press release from 2 June 2014

Exhibit 40: Uptrend to sustain in the global textile market



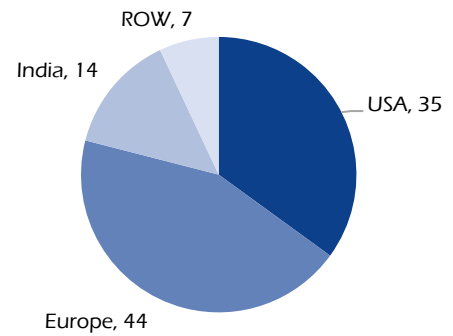
Source: Technopak, June 2012, Otexa

Exhibit 41: Global textile & apparels market mix (2013)



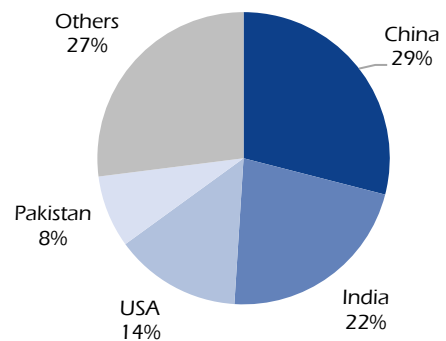
Source: Global and Indian Textile & Apparel Trade - Technopak Analysis

Exhibit 42: Region-wise market split (2013)



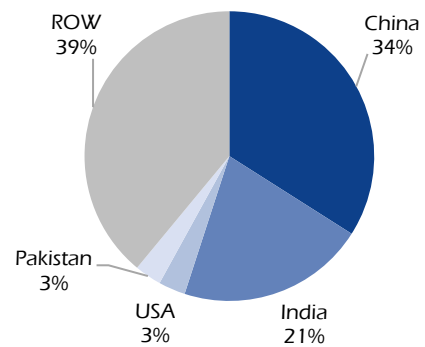
Source: Global and Indian Textile & Apparel Trade - Technopak Analysis

Exhibit 43: Major producers of cotton (2013)



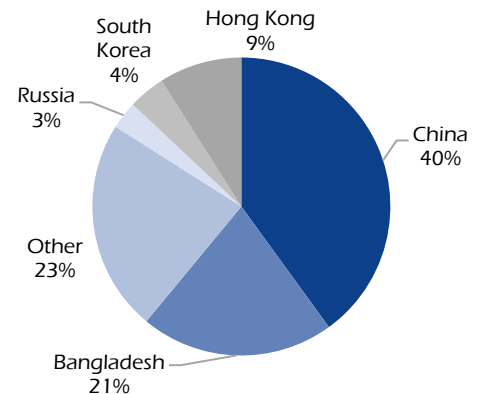
Source: UN Comtrade, Technopak, Analysis

Exhibit 44: Major consumers of cotton (2013)



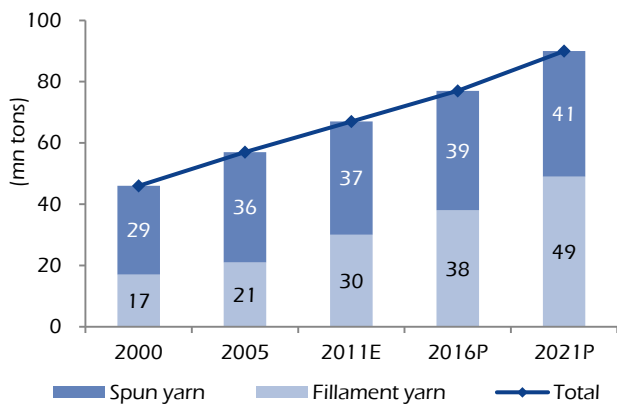
Source: UN Comtrade, Technopak, Analysis

Exhibit 45: Major importers of cotton (2013)



Source: Technopak, June 2012, Otexa

Exhibit 46: Global yarn demand breakdown



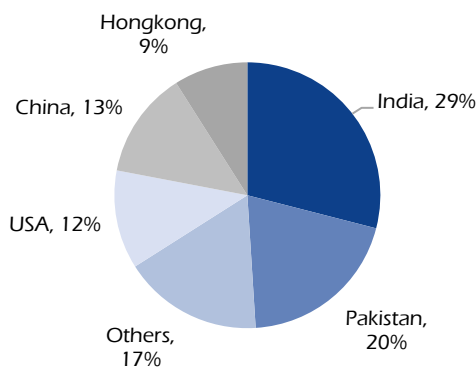
Source: UN Comtrade, Technopak, Analysis

Exhibit 47: Spun yarn demand breakdown

Yarn Type (mn tons)	2011E	2016P	2021P
Cotton	21	21.9	22.7
Polyster	11	12.3	13.7
Others	5	4.8	4.6
Total	37	39	41

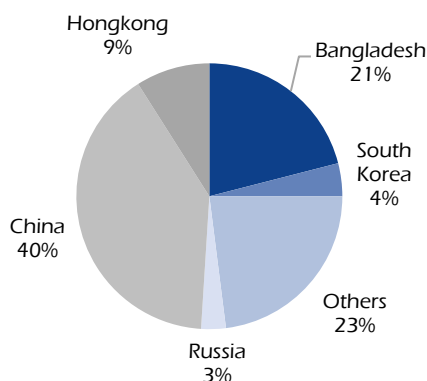
Source: UN Comtrade, Technopak, Analysis

Exhibit 48: World yarn exports 2013



Source: UN Comtrade, Technopak, Analysis

Exhibit 49: World yarn imports (2013)

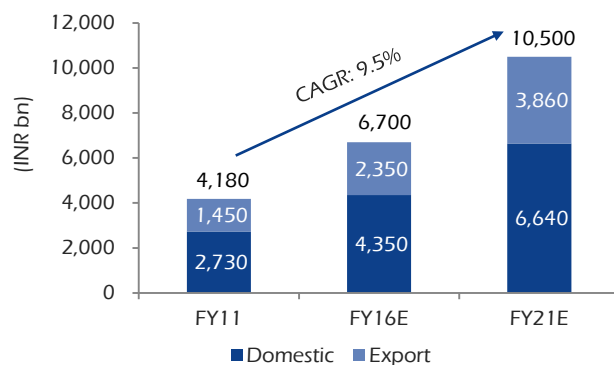


Source: UN Comtrade, Technopak, Analysis

India's textile journey

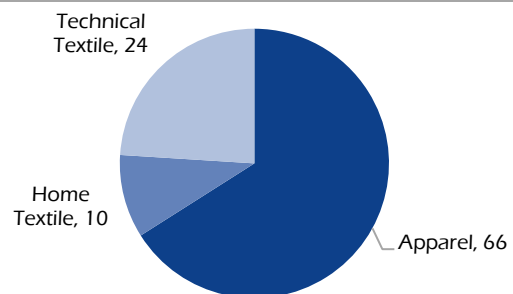
India's textile industry contributes 4% to the country's GDP and 14% to industrial production and 12% to the country's export earnings, as per the company. India's current textile market size is pegged at USD 89bn (~INR 4,180bn) in FY11 (including nearly USD 40bn in exports) and is expected it to grow at a sales CAGR of 9.5% to USD 223bn (INR 10,500bn) by FY21. Currently, India's textiles exports stood at USD 40.2bn. India is the second-largest producer of cotton, textiles & garments and is the only major textile exporting country with a net cotton surplus.

Exhibit 50: India's textile and apparel industry size



Source: Technopak, June 2012, Otexa

Exhibit 51: Category mix of India's textiles & apparel market (2013)



Source: Global and Indian Textile & Apparel Trade - Technopak Analysis, www.ibef.org

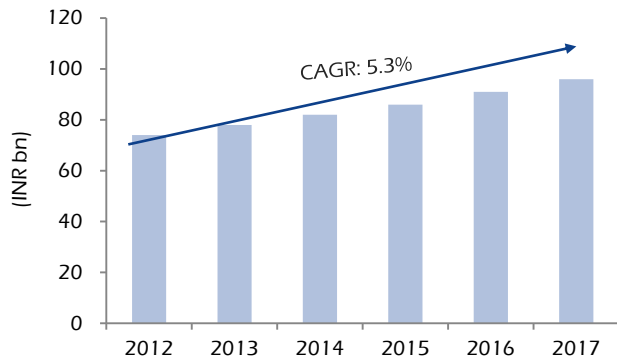
Huge scope as 90% of market is unorganized

We expect the global home textiles market to register a sales CAGR of 5.3% over FY12-17E to USD 96bn. India's home textiles industry is likely to reports a sales CAGR of 10.6% over FY12-17E to USD 16bn, primarily driven by exports CAGR of 12% during the same period. Less than 10% of the market is organized, giving huge opportunity for organized firms to grab at a bigger market share. Of the various segments within home textiles, bed & bath linen contribute to two-thirds of the total market size. Kitchen linen, curtains, upholstery and rugs & carpets contribute the rest. The major consumption hubs of the world are the developed economies, with the US and the

Trident

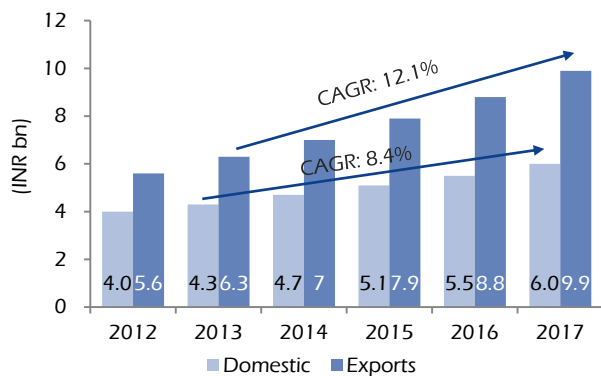
EU leading the world. The production hubs lie in developing countries of East & Southeast Asia and in countries like Turkey and Egypt. The major competitors in the cotton towel business are China, Pakistan and Turkey. India enjoys a majority share of the US market in terms of cotton towel exports and the third-largest share of the EU market.

Exhibit 52: Global home textiles market



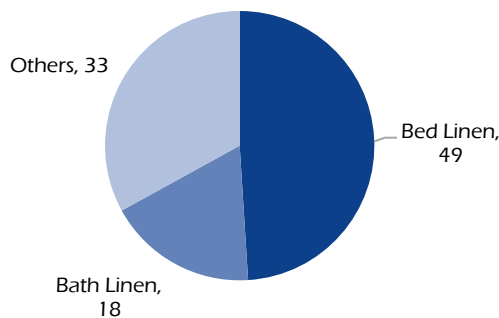
Source: Global and Indian Textile & Apparel Trade -Technopak Analysis

Exhibit 53: India's home textile market



Source: India's Home Product Market- Technopak Analysis, www.ibef.org

Exhibit 54: India home textile – category-wise (2013)



Source: India's Home Product Market- Technopak Analysis, www.ibef.org

Exhibit 55: Category-wise market breakdown for India

Categories (INR bn)	FY11E	FY16P	FY21P	CAGR 2011-21 (%)
Bed Linen	90	132	194	8
Towels	33	48	71	8
Curtains	19	30	48	10
Blankets	15	20	29	7
Upholstery	12	19	31	10
Kitchen Linen	11	16	24	8
Rugs & Carpets	5	8	13	10
Total	184	274	408	8

Source: India's Home Product Market- Technopak Analysis, www.ibef.org

Exhibit 56: SWOT analysis of India's textiles industry

Strength	Weakness
<ul style="list-style-type: none"> A large producer of cotton with a well developed manmade fiber industries Availability of cheap and skilled manpower Worldclass spinning mills Export worthy dyes industry driven by strong MNC and local companies Huge domestic market that can absorb exports shocks 	<ul style="list-style-type: none"> Fragmented industry Low investment in R&D SCM related issues Low level of vertical integration of companies
<ul style="list-style-type: none"> The post-MFA spells huge opportunities in quota-free regime Scope for an alternative to China to reduce risks Improvements in infrastructure 	<ul style="list-style-type: none"> China Cheap products from some countries Stumbling blocks in reforms
Opportunities	Threats

Source: Elara Securities Research

Exhibit 57: Global competing countries in home textiles

Country	Strengths	Weakness
China	<ul style="list-style-type: none"> ▪ No. 1 fully integrated industry with a 35% share of world trade in textiles & clothing ▪ Presence of companies with world scale capacities in all segments ▪ Superior infrastructure, better logistics ▪ Domestic machinery availability 	<ul style="list-style-type: none"> ▪ High cost of labor – doubling every five years ▪ High cost of domestic cotton ▪ Decreasing exports as domestic market demand increases ▪ Government policy Intervention
Pakistan	<ul style="list-style-type: none"> ▪ Competitive factor costs and exchange rates ▪ Fourth largest cotton producer in the world ▪ Textile entrepreneurship 	<ul style="list-style-type: none"> ▪ Inadequate new investment in the past three years ▪ Lowest unit value realization among reference countries ▪ Declining trend in exports and export growth ▪ Infrastructural constraints – power shortage
Turkey	<ul style="list-style-type: none"> ▪ Fourth largest exporter of textile & clothing (USD 24bn) ▪ Sixth largest spinning capacity (million spindles) ▪ Fully integrated from fiber to fashion ▪ Innovation driven ▪ Preferential market access to the EU and 22 countries ▪ Location advantage to the EU, CIS and MENA regions 	<ul style="list-style-type: none"> ▪ Cost competitiveness compared to Asian countries, especially in garments ▪ Lack of strong raw material base
Bangladesh	<ul style="list-style-type: none"> ▪ Second largest single country global exporter of garments after China ▪ Integrated textile industry with backward linkages ▪ Abundant labor supply at competitive cost ▪ Sourcing by large international buyers 	<ul style="list-style-type: none"> ▪ Inadequate infrastructure, especially energy ▪ Dependence on basic commodity department ▪ Lack of skilled manpower

Source: Elara Securities Research

Paper on steady growth path

The agro-based paper business (~22% of sales) of Trident grew at a sales CAGR of 19% over FY10-14. The division manufactures paper primarily from wheat straw; the mix is wheat straw: 70%, veneer chips: 20-25% and wood: 5-10% of total raw material. Wheat straw is a waste which comes out of production of wheat. India is the second-largest producer in the world of this byproduct, after China. Hence, the company enjoys raw material cost advantages of INR 4,500-6,000/tonne of raw material required to make 1 tonne of paper. Wood price in India hovers at ~INR 10,000/tonne in FY14, a 40% increase over FY13. However, wheat straw price was only INR 5,100/tonne in FY14, and it is likely to rise to ~INR 6,000/tonne in FY15E. Further, the plant's location in Punjab is a distinct advantage for the company, which procures wheat straw from nearby farmers, thereby reducing logistic costs. Hence, with increased capacity utilization (up 78% in FY11 to 89% in FY14 and likely to go up to 95% in FY15E), cost advantage and a rising mix of copier paper will help to maintain steady performance. We expect the paper segment sales CAGR of 5% over FY14-17E.

Shift towards branded copier paper

Trident is the world's largest wheat straw-based paper producer with a paper and pulp capacity of 175,000tpa and 125,000tpa, respectively. It has increased installed capacity from 40,500tpa in FY08 to 175,000tpa in FY09. The company set up a 134,500-tpa-paper machine in FY09 to manufacture premium copier paper. It has customers across 35 countries, including the Middle East, Africa, the US, Latin America and the UK.

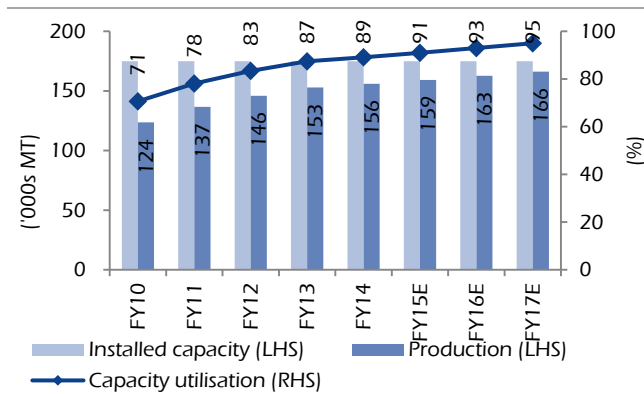
Focus on high-margin copier paper (more than 50% of paper revenue primarily from the retail segment in FY14) is working well for the company. It is one of the leading firms in the copier paper segment in India, with a market share of 13% in FY14. Copier paper is expected to grow at the fastest rate of 13% CAGR (compared to 14% CAGR over the past five years) on account of the rise in corporate spending on stationery, primarily in the services industry compared to 3-4% growth in the traditional segments (maplitho & creamwove paper). Its key brands in copier paper are *Trident Spectra*, *Trident My Choice*, *Trident Natural*, *Trident Eco Green* and *Trident Royal Touch*. It plans to increase revenue contribution of copier paper from 50% to 70% by FY17.

Better product mix reaps dividend

Higher capacity utilization coupled with improving product mix have led to an improvement in EBIT margin

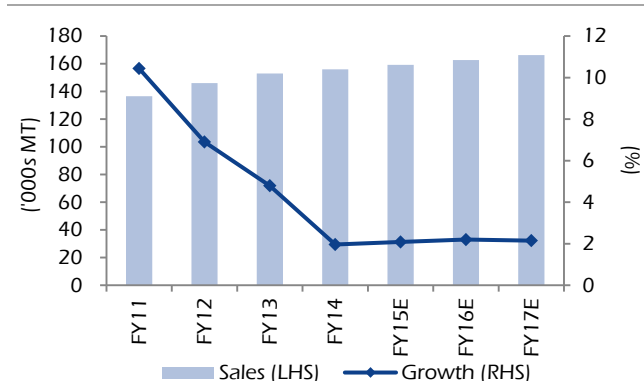
of 4-5% over FY10-12 to ~16% in FY14, and it is likely to improve further to 17.8% in FY15E. Higher wood cost and the rupee depreciation have helped paper realization to improve by 13% to INR 53,374/tonne in FY14. Hence, EBIT grew at a 63% CAGR over FY11-14 and it is expected to grow at an 8.6% CAGR over FY14-17E.

Exhibit 58: Paper plant capacity utilization continues to rise



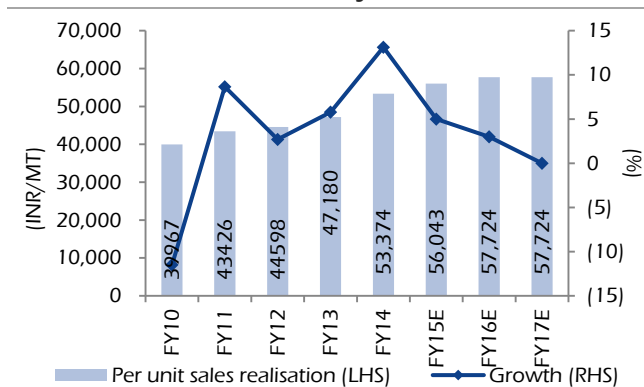
Source: Company, Elara Securities Estimate

Exhibit 59: Steady sales volume growth likely



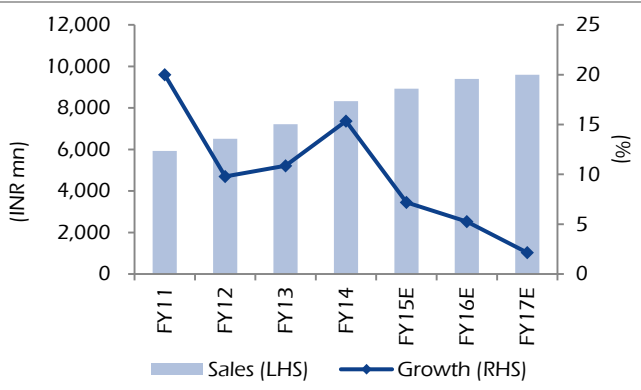
Source: Company, Elara Securities Estimate

Exhibit 60: Realization is likely to be flattish in FY17



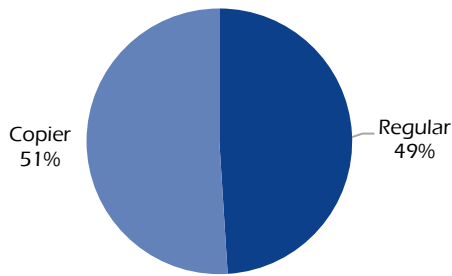
Source: Company, Elara Securities Estimate

Exhibit 61: Paper segment sales CAGR of 4.8% over FY14-17E



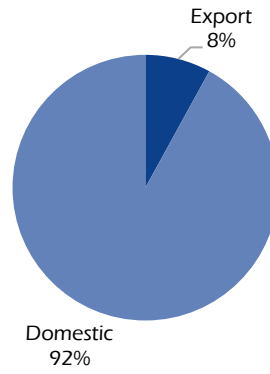
Source: Company, Elara Securities Estimate

Exhibit 62: Improving product mix to drive margin (FY14)



Source: Company, Elara Securities Research

Exhibit 63: Export-domestic mix (FY14)



Source: Company, Elara Securities Research

Valuation & Recommendation

- ❑ **Healthy growth in terry towels and bed linen drives an earnings CAGR of 16% over FY14-17E**
- ❑ **Better economies of scale and change in revenue mix towards higher margin business to expand EBITDA margin by 197bp to 19.1% over FY16-17E from 17% in FY15E**
- ❑ **Initiate on Trident with a Buy rating and a TP of INR 40**

Revenue mix to drive earnings

We expect a revenue CAGR of ~16.4% over FY14-17E, owing to healthy growth in the terry towel and bed linen segments (expect combined ~62% revenue in FY17E) and stable growth in the paper segment (~16% of revenue in FY17E). We expect the cotton yarn segment to show lackluster performance in FY15; however, a revival in demand in FY16 would help to improve operating performance. We expect economies of scale, healthy realization and a change in revenue mix towards a higher margin business of the terry towel and bed linen segments to help expand EBITDA margin by 197bp to 19.1% over FY16-17E from an EBITDA margin of 17.1% in FY15E. We estimate that EBITDA margin would decline by 172bp YoY to 17.1% in FY15. Consequently, we expect a net profit CAGR of 16.2% over FY14-17E.

Improving debt profile

Higher net debt-equity ratio of 3x in FY13, due to a largely debt-funded capacity expansion was a key concern. This ratio fell to 2x in FY14, given debt repayment and equity infusion by promoters, and it is likely to fall further to 1.8x despite capex of INR 33bn over FY15-17. There was an equity infusion of INR 4.5bn in FY15, due to merger of Trident Corporation with Terry Towel Project at Budni in MP. And repayment of loan of INR 11.6bn is likely to happen over FY15-17E.

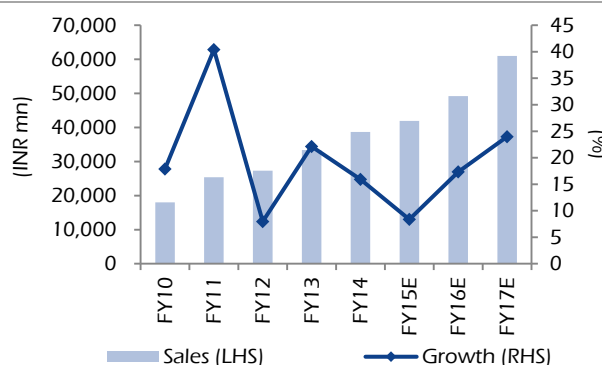
Captive power a distinct advantage

The company is setting up a captive power project of 60 MW at Budni, Madhya Pradesh with capex of INR 3,930mn. The expected date of completion of the project is September 2015. It is being partly financed from term loans, promoters' contribution and internal cash accruals.

Capex of INR 20.6 bn by FY16

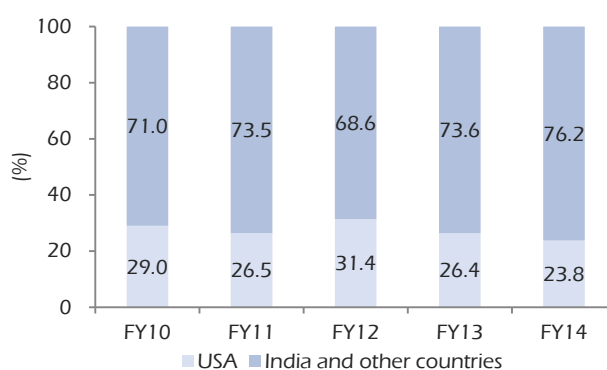
Around 75% of debt raised of INR 12bn for composite sheet capacity is under TUF scheme. The Central and State governments will give 5% and 7% of interest subsidy on debt under TUF, respectively.

Exhibit 64: Revenue CAGR of 16.4% over FY14-17E



Source: Company, Elara Capital Estimate

Exhibit 65: Geographical sales mix



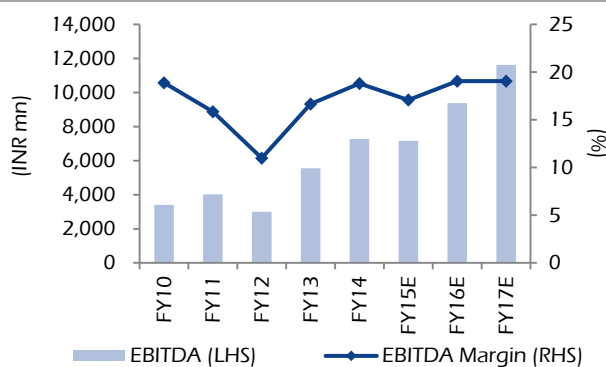
Source: Company, Elara Securities Research

Exhibit 66: Capex plan

(INR mn)	Power project	Composite bed sheet project	Yarn modernization project
Total project cost	3,930	16,670	1,039
Debt	2,750	12,500	725
Equity & internal accruals	1,180	3,770	314
Capital subsidy	0	400	0
Project commercial operations date	Sept 2015	Sept 2015	July 2015

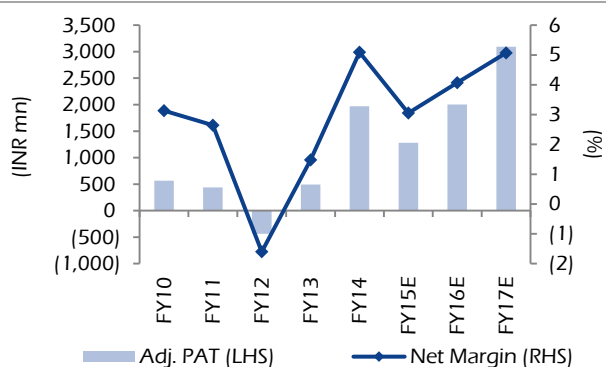
Source: Company, Elara Securities Research

Exhibit 67: EBITDA CAGR of 17% over FY14-17E



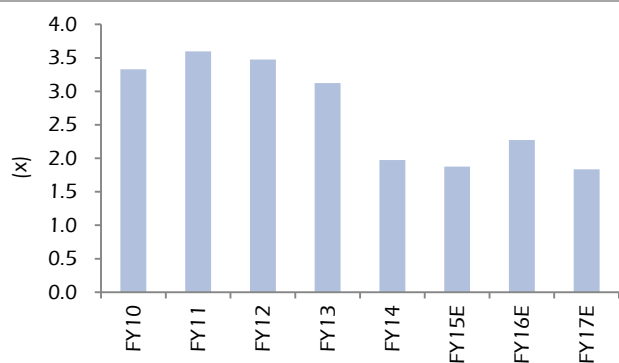
Source: Company, Elara Capital Estimate

Exhibit 68: Net profit CAGR of 16% over FY14-17E



Source: Company, Elara Capital Estimate

Exhibit 69: Net debt-equity ratio of 3x in FY13 to fall to 1.8x in FY17E



Source: Company, Elara Capital Estimate

Rerating candidate

We believe Trident is slated for a rerating over the next couple of years, owing to 1) a change in revenue mix towards higher margin business of terry towels and bed linens, 2) an increasing market share in the global home textiles segment (currently exports 25% towels to the US

with a 9% market share in the US towel market, 3) increasing opportunity in the global home textiles market for India based on cost benefits over peers like China and Pakistan, 4) presence across the value chain of textiles manufacturing to bring natural synergies to business and offset raw material price fluctuation risks, 5) large scale of operations resulting in better operational efficiency arising from economies of scale, 6) lower financing cost at an average ~7%, owing to debt raised under the TUF scheme, 7) stable earnings and better margin from the paper business on lower cost of production, due to the use of wheat straw as a key raw material, and a 8) strong distribution network.

Trading at a discount to global peers

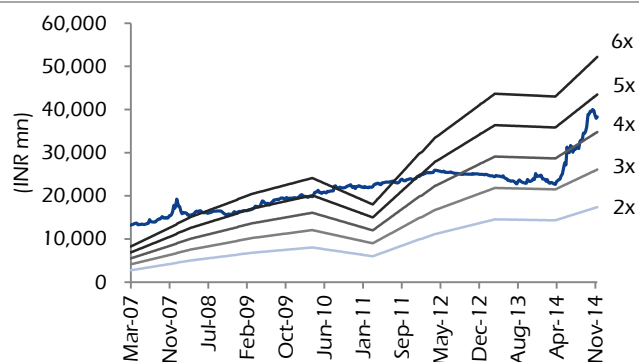
Welspun India (WLSIIN), a close peer, is trading at 5.7x FY16E earnings and 4.4x FY16E EV/EBITDA while global peers from China are trading in the range of 17-24x FY16E P/E and 12-16x FY16E EV/EBITDA (please refer to Exhibit 75).

Initiate Buy with a TP of INR 40

At the current market price, the stock trades at 9.4x FY15E EPS of INR 2.5, 6x FY16E EPS of INR 3.9 and 3.9x FY17E EPS of INR 6.1. And, it trades at 5.4x FY15E EBITDA of INR 7.2bn, 5.1x FY16E EBITDA of INR 9.4bn and 4.0x FY17E EBITDA of INR 11.6bn. The stock has been trading at a five-year average of 4.7x EV/EBITDA.

We initiate coverage of Trident with a **Buy** rating and a target price of INR 40. We arrive at the target price based on a weighted average of 6.5x FY17E EPS of INR 6.1 and 4.7x FY17E EBITDA of INR 11.6bn, implying potential upside of 68% from the current levels.

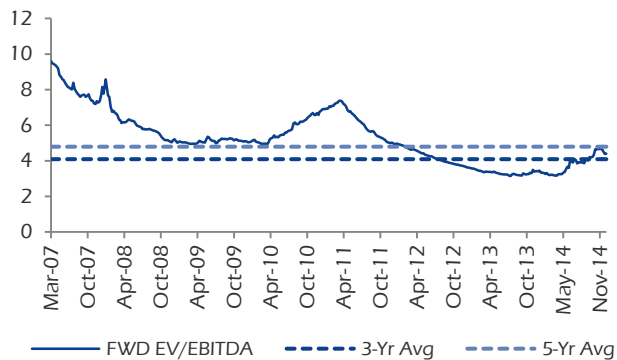
Exhibit 70: Currently trades at an average EV/EBITDA of 4.5-5x



Source: Capitaline, Company, Elara Securities Estimate

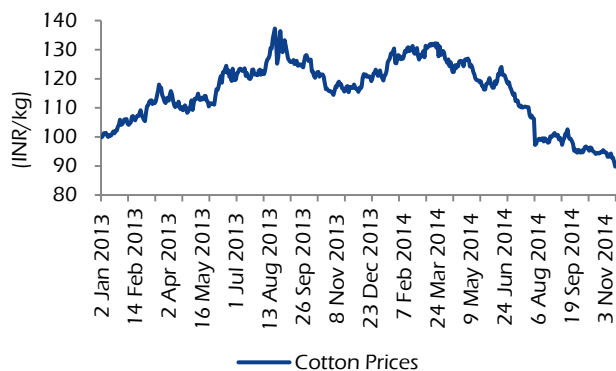
Trident

Exhibit 71: Trident has traded at five years average EV/EBITDA of 4.7x



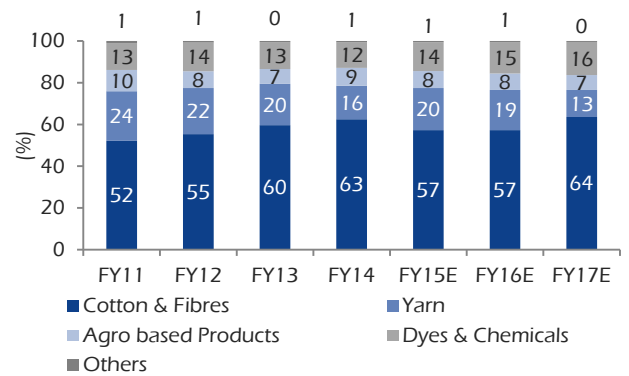
Source: Capitaline, Company, Elara Securities Estimate

Exhibit 72: Cotton price trend



Source: Cotlook Index

Exhibit 73: Raw material mix



Source: Company, Elara Securities Estimate

Exhibit 74: Valuation matrix

	FY17E
P/E-based valuation	
EPS (INR)	6.1
Target P/E (x)	6.5
Target Price (INR)	40
Weightage (%)	50.0
EV/EBITDA-based valuation	
EBITDA (INR mn)	11,626
Target EV/EBITDA (x)	4.7
Target EV (INR mn)	54,641
Target Mcap (INR mn)	20,468
Target Price (INR)	40.3
Weightage (%)	50.0
Weighted Target Price (INR)	40
Upside (%)	68

Source: Elara Securities Estimate

Exhibit 75: Trident trades at 5.2x FY16E EV/EBITDA vs Global peers' at 12-16(x) FY16E EV/EBITDA

	Market cap (USD mn)	EBITDA margin (%)			EV/EBITDA (x)			P/E (x)			ROE (%)			
		FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E	
India	Trident	201	18.8	17.1	19.1	3.6	5.5	5.2	4.7	9.9	6.3	24.1	10.8	13.2
	Welspun India	536	6.1	21.7	22.8	13.9	5.6	4.4	36.5	7.4	5.7	8.8	32.6	31.3
China	Hunan Mendale Hometextile	503	10.1	10.6	11.1	21.8	18.1	15.8	34.3	28.2	24.2	7.9	9.2	9.8
	Luolai Home Textile	1,245	15.6	16.8	17.7	15.4	14.3	11.9	20.9	20.1	17.4	17.6	16.1	16.1

Note: pricing as on 17 December 2014; Source: Bloomberg, Company, Elara Securities Estimate

Company Description

Trident (TRID IN) is the flagship company of Trident Group, a USD 1 billion Indian business conglomerate and a global company. It 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. 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 (78%) and paper (22%) with its manufacturing facilities at Punjab and Madhya Pradesh. Trident Group's customer base spans more than 75 countries across six continents and comprises global retail brands like *Ralph Lauren, Calvin Klein, JC Penney, IKEA, Target, Wal-Mart, Macy's, Kohl's, Sears, Sam's Club* and *Burlington*. With export turnover accounting for about 50% of total sales, Trident Group has emerged as one of the largest, integrated home textile manufacturing facilities in the world.

Board of Directors & Management

SK Tuteja, Chairman

SK Tuteja, 68, has 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 master's 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 & Central levels, and was secretary to the government in the Department of Food & Public Distribution at the time of his retirement. He has been a consultant to the World Bank and UNIDO.

Rajinder Gupta, Co-Chairman

Rajinder Gupta, 55, is the founder of Trident and the non-executive co-chairman of the Board. He was part of an advanced management program at Harvard Business School. He is a first-generation entrepreneur having a rich and varied exposure of promoting industrial ventures over the past two decades. He has served the company as its MD from 1992 until 2012. He holds a directorship of various companies and is actively associated with several philanthropic ventures.

Deepak Nanda, Managing Director

Deepak Nanda, 54, holds a master's degree in science (Honors) and computer software & management from the Indian Institute of Management, Ahmedabad. He has more than 30 years of experience in business development, client relationships, contract negotiations, project implementation & delivery, as well as improving the efficiency and effectiveness of businesses. Nanda has spent more than 10 years working closely with State governments, PSUs, boards & corporations, and educational institutions in NW India and helped them to develop e-governance strategies, IT roadmaps, deploying key solutions and facilitating change management.

Abhishek Gupta, Chief of Strategic Marketing

Abhishek Gupta, 27, holds a bachelor's degree in law & business studies from the University of Warwick, the UK. He has completed the international marketing program from Harvard Business School, in the US, and a diploma in decision base organized by Celemi, Sweden and Entrepreneurial Development Program from the Indian School of Business (ISB), Hyderabad. Currently, Abhishek is leading the strategic marketing department of the company to enable it to strengthen marketing operations and spread the geographical base.

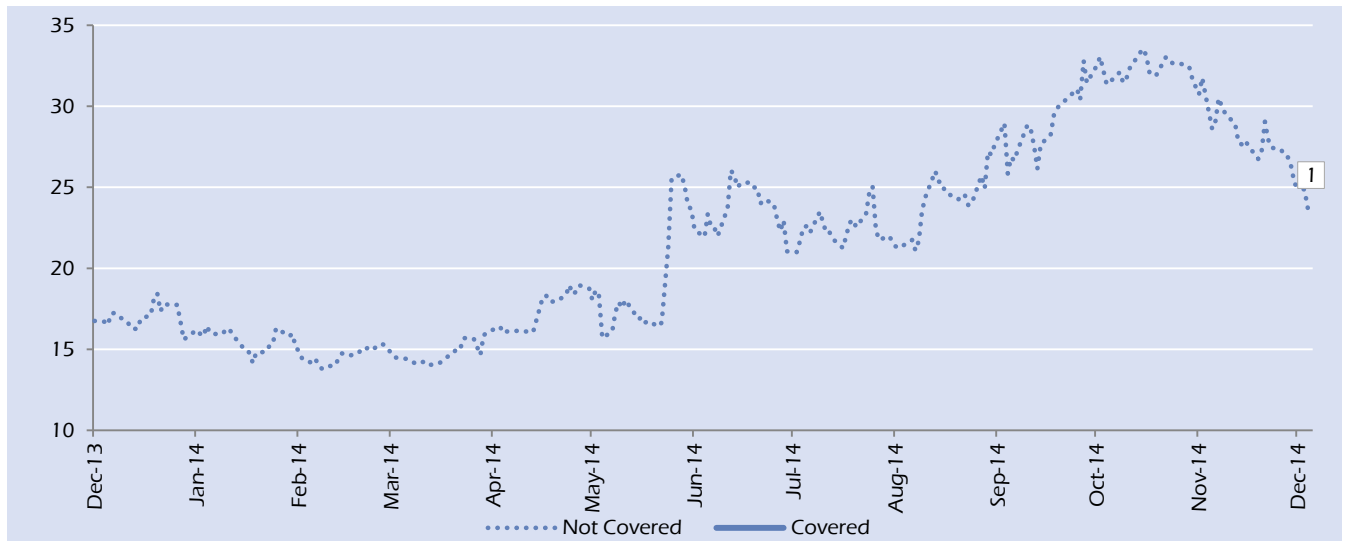
Pallavi Shroff, Director

Pallavi Shroff, 58, has a MMS, LLB and is a lawyer by profession. She has more than 30 years of experience as a leading litigator in the area of corporate law and banking. Shroff's areas of expertise include, inter alia, corporate & commercial laws, anti-dumping, arbitration & dispute resolution, competition & anti-trust and intellectual property rights among others.

Rajiv Dewan, Director

Rajiv Dewan, 52, is a fellow member of the Institute of Chartered Accountants of India and is a practicing chartered accountant. He 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, Dewan worked in senior positions at renowned textile companies.

Coverage History



Date	Rating	Target Price	Closing Price
17-Dec-2014	Buy	INR 40	INR 24

Guide to Research Rating

BUY	Absolute Return >+20%
ACCUMULATE	Absolute Return +5% to +20%
REDUCE	Absolute Return -5% to +5%
SELL	Absolute Return < -5%

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