Trent Limited

November 21, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	285.01	CARE AA+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	65.00	CARE A1+	Reaffirmed
Non-convertible debentures	500.00	CARE AA+; Stable	Reaffirmed
Commercial paper	300.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of bank facilities, long-term and short-term instruments of Trent Limited (Trent). Ratings continue to factor strong parentage of Tata Sons Private Limited (TSPL) and expected need-based support to Trent. Ratings factor in the company's leading position in the domestic retail industry, supported by its extensive footprint of 1,101 stores across over 250 cities and a total retail area of 14.7 million sq ft as on September 30, 2025. Star stores, operated primarily by Trent Hypermarket Private Limited (a 50:50 JV between Trent and Tesco UK), comprise 77 outlets focused on food, grocery and daily-use categories, concentrated across 10 cities and association with Inditex (Zara and Massimo Dutti) in the high street fashion segment.

The company has recorded healthy operating performance in FY25 (FY refers to April 01 to March 31) with total operating income (TOI) increasing to ₹17,118.26 crore from ₹12,360.07 crore in FY24, a growth of 38.5% aided by growth in number of stores, increase in total retail area and double-digit like-for-like (LFL) growth in fashion portfolio. In H1FY26, income from operations increased to ₹9,701 crore from ₹8,261 crore in H1FY25, with margins improving from 15.24% to 17.02%.

In FY25, the company added a net of 16 stores of Westside and 220 stores under Zudio. Sales per sq ft for fashion and lifestyle segment improved to ₹16,378 in FY25 compared to ₹15,776 in FY24. Revenue from Star was ₹3,517 crore in FY25 against revenue of ₹2,832 crore in FY24. CareEdge Ratings anticipates the operational performance to continue, driven by improvement in same-store sales and addition of new stores going ahead with continued expansion under the brand Zudio. Ratings continue to factor in Trent's seasoned management, strong capital structure and debt metrics (excluding lease liabilities), and a strong liquidity position reflected in cash and liquid investments of ₹877 crore as on September 30, 2025.

However, ratings are tempered by continued losses in some of its retail formats such as Booker India Limited and joint venture (JV) such as Star Bazaar, necessitating regular funding support and presence in the highly competitive branded retail industry, which is vulnerable to changes in fashion trends and consumer preferences and economic cycles.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in operating performance while maintaining its strong financial profile and liquidity position and efficient working capital management.

Negative factors

- Increase in working capital intensity or weakening of debt credit metrics leading to deterioration in capital structure with overall gearing of over 2x (including lease liabilities).
- Significantly higher-than-anticipated support to subsidiaries/JVs.

Analytical approach:

Consolidated and factoring linkages with TSPL, applying parent notch up factoring the strong managerial and financial linkages. Subsidiaries and JVs being considered for consolidation are in Annexure-6.

Outlook: Stable

The stable outlook reflects that the company is likely to maintain its strong operational performance along with improvement in the financial performance and robust liquidity, backed by brand loyalty across various cities in India.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Experienced management team and strong parentage

Trent is part of the Tata Group, enjoys strong managerial and financial support from TSPL, which is expected to fund Trent on need basis as seen historically. In FY20, TSPL infused ₹950 crore into Trent Limited for funding its expansion plans and back-end investments such as warehousing and allied activities. Being part of the Tata Group, Trent enjoys strong financial flexibility. The company is headed by Noel N Tata, Chairman, who is assisted by a team of experienced professionals across functions.

Diversified geographical presence, established brands and tie-ups with reputed retailers

Trent is one of the leading retail players in the Indian retail industry with series of established brands across retail segments. Trent operates in both the value and lifestyle segments with an exclusive owned brand portfolio across Westside (Lifestyle), Zudio (Value fashion retail), Utsa (Ethnic Fashion retail), Samoh, Zudio international and Zudio beauty. As on September 30, 2025, the company's retail network comprises 261 Westside stores, 806 Zudio stores (including three in the UAE), and 34 stores under other lifestyle concepts. Trent's Star stores, primarily located in Maharashtra, Karnataka, and Telangana, aim to create local scale and enhance customer accessibility. The Star portfolio includes 77 stores managed by Trent Hypermarket Private Limited (THPL) and Fiora Hypermarket Limited (FHL), a subsidiary of Trent, operating in 10 cities under a JV with Tesco PLC UK.

Strong operating performance and improved profitability

The company's TOI grew by 38.5%, increasing from ₹12,360 crore in FY24 to ₹17,118 crore in FY25, driven by store additions, increase in total retail area and double-digit like-for-like (LFL) growth. The sales contribution from Westside and Zudio rose with the net addition of 16 Westside stores and 220 Zudio stores in FY25. Sales per sq ft for fashion and lifestyle segment improved to ₹16,378 in FY25 compared to ₹15,776 in FY24. Online revenue has been growing steadily through the designated channels (Westside.com, Tata CliQ, and Tata Neu) contributing ~6% of revenue for Westside.

The Star format also reported strong performance, with revenue increasing to ₹3,517 crore in FY25 from ₹2,832 crore in FY24, supported by store additions.

Strong financial profile and liquidity position

The company's capital structure strengthened, with overall gearing improving to 0.41x in FY25, compared to 0.44x in FY24 and 1.80x in FY23, supported by robust accretion to reserves and moderation in lease liabilities. Debt protection metrics remain healthy, with profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest coverage at 14.0x and total debt/PBILDT at 0.8x in FY25. Liquidity is strong, backed by net cash flow from operations of ₹1,728 crore in FY25, cash and liquid investments of ₹877 crore as on September 30, 2025. The company has not utilised its fund based working capital limits in the 12-months ended September 2025. Trent inventory stocking policy is mostly on 'outright purchase' basis, which makes it vulnerable to inventory obsolescence and blocking working capital in case of a slowdown. This is contrary to the sale or return (SOR) basis inventory model, where inventory can be returned to vendor. However, the company's inventory per square feet has largely remained stable. As majority sales occur in cash, collection cycle is low at one-two days.

Key weaknesses

Subdued performance of subsidiaries/JV; positive momentum expected going forward

Performance of Trent's subsidiaries and associates remained mixed in FY25. While Nahar Retail Trading Services Limited and Fiora Business Support Services Limited reported improved profitability, entities such as Booker India Limited and Trent Hypermarket continued to post losses despite healthy revenue growth. Among JVs, Inditex (Zara) remained key earnings contributor, supported by steady growth, and Massimo Dutti sustained profitability. Overall, portfolio is expected to benefit from synergy gains and improving operational leverage going forward.

Exposed to intensifying competition and economic cyclicality

Shoppers Stop, Lifestyle International, Aditya Birla Fashion, and other physical retailers are strong rivals of Trent. Online retailers such as Amazon, Flipkart, and Myntra pose a competitive threat to Trent. Overall growth of Trent's same-store sales could be impacted by increased competition from brick-and-mortar and online businesses. Entry barriers in the branded garment market remain low; hence, unorganised players pose a serious threat to the company's market share. The retail sector also remains susceptible to adverse macroeconomic conditions due to its discretionary nature.

Liquidity: Strong

The company has strong liquidity with ~₹877 crore of cash and liquid investments as on September 30, 2025, with a significant proportion of current investments in mutual funds. The company has not utilised its fund based working capital limits in the 12-months ended September 2025. The company's capex plans are expected to be largely funded through internal accruals. The company has effectively managed its debt levels and continues to pursue its growth objectives. Operating cycle improved to 27 days as on March 31, 2025, compared to 30 days in FY24, primarily driven by a reduction in inventory days to 47 days (FY24: 53 days) supported by improved sales.

Environment, social, and governance (ESG) risks

The company acknowledges key environmental, social, and governance (ESG) risks and has embedded multiple measures to mitigate them.

Sustainability initiatives aimed at reducing environmental impact are integrated into the overall business strategy. On the social and governance front, the company follows the Tata Code of Conduct to ensure an ethical, transparent, and fair work environment, while also enforcing the Trent Code of Conduct across its vendor network to maintain regulatory compliance, responsible labour practices, and respect for human rights.

Additionally, the company's responsible business practices are aligned with the National Guidelines for Responsible Business Conduct (NGRBC), reinforcing its commitment to strong governance and long-term sustainability.

Applicable criteria

Policy on default recognition
Consolidation
Parent-Subsidiary Linkages, Group Linkages, Joint Ventures and Private Equity
Financial Ratios Non Financial Sector
Liquidity Analysis of Non-Financial Sector Entities
Rating Outlook and Credit Watch
Short Term Instruments
Retail

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Retailing	Distributors

Trent is a part of the Tata Group, with the Tata Group holding 37.01% (TSPL holding 32.45%) as of September 30, 2025. Trent is a major player in the retail segment, covering the full spectrum of fashion from value fashion to luxury products. It runs Westside (lifestyle retailing) and Zudio (value retailing), primarily in retail apparel, beauty and fashion segment. As on September 30, 2025, Trent has 261 Westside, 806 Zudio and 34 stores under other concepts across over 250 cities. The company has nine subsidiaries, JVs - Trent Hypermarket Private Limited and Trent MAS Fashion Private Limited, and two associations with Inditex of Spain and Massimo Dutti as of September 30, 2025. The company is present in grocery retailing through its joint venture with Tesco PLC, UK, Trent Hypermarket Private Limited, which operates Star stores (77 stores across 10 cities). Trent's association with Inditex group operates 22 Zara stores in 13 cities and three Massimo Dutti stores in two cities.

Consolidated Financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY25 (UA)
Total operating income	12,360.07	17,118.26	9,701.16
PBILDT	1,955.65	2,803.61	1664.94
PAT	1,477.46	1,534.41	798.12
Overall gearing (times)	0.44	0.41	0.38
Interest coverage (PBILDT/Interest) (times)	5.36	14.01	20.22

A: Audited UA: Unaudited; Note: these are latest available financial results
Financials are reclassified as per CareEdge Ratings Standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	7-365 days	300.00	CARE A1+
Debentures-Non Convertible Debentures	INE849A08082	31-May-2021	5.78	29-May-2026	500.00	CARE AA+; Stable
Fund-based - LT/ ST-Working Capital Limits		-	-	-	75.00	CARE AA+; Stable / CARE A1+
Fund-based - LT/ ST-Working Capital Limits		-	-	-	210.01	CARE AA+; Stable / CARE A1+
Non-fund-based - ST-BG/LC		-	-	-	65.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	210.01	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (22-Nov-24)	1)CARE AA+; Stable / CARE A1+ (23-Nov-23)	1)CARE AA+; Stable / CARE A1+ (25-Nov-22) 2)CARE AA+; Stable / CARE A1+ (04-Oct-22)
2	Non-fund-based - ST-BG/LC	ST	65.00	CARE A1+	-	1)CARE A1+ (22-Nov-24)	1)CARE A1+ (23-Nov-23)	1)CARE A1+ (25-Nov-22) 2)CARE A1+

								(04-Oct-22)
3	Fund-based - LT/ ST-Working Capital Limits	LT/ST	75.00	CARE AA+; Stable / CARE A1+	-	1)CARE AA+; Stable / CARE A1+ (22-Nov-24)	1)CARE AA+; Stable / CARE A1+ (23-Nov-23)	1)CARE AA+; Stable / CARE A1+ (25-Nov-22) 2)CARE AA+; Stable / CARE A1+ (04-Oct-22)
4	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	-	1)CARE AA+; Stable (22-Nov-24)	1)CARE AA+; Stable (23-Nov-23)	1)CARE AA+; Stable (25-Nov-22) 2)CARE AA+; Stable (04-Oct-22)
5	Commercial Paper-Commercial Paper (Standalone)	ST	300.00	CARE A1+	-	1)CARE A1+ (22-Nov-24)	1)CARE A1+ (23-Nov-23)	1)CARE A1+ (25-Nov-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based - LT/ ST-Working Capital Limits	Simple
4	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Fiora Business Support Services Limited	Full	Operational & Management Linkages
2	Nahar Retail Trading Services Limited		
3	Booker India Limited (BIL)		
4	Fiora Hypermarket Limited (Step Down Subsidiary)		
5	Fiora Online Limited (Step Down Subsidiary)		
6	THPL Support Services Limited (Step Down Subsidiary)		
7	Trent Global Holdings Limited (Mauritius) (TGHL)		
8	Trent Global Trading LLC (Dubai) (TGHL) (Step Down Subsidiary)		
9	Trent Foundation		
10	Netria Property Holdings Limited		
11	Trent Hypermarket Pvt Ltd	Proportionate	
12	Trent MAS Fashion Private Limited		
13	Massimo Dutti India Pvt Ltd (Massimo Dutti)		
14	Inditex Trent Retail India Pvt Ltd (Inditex)		

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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