Trident Limited

September 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	1,536.94	CARE AA; Stable / CARE A1+	Reaffirmed
Long-term bank facilities	RBI	196.81	CARE AA; Stable	Reaffirmed
Short-term bank facilities	RBI	12.50	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Trident Limited (Trident) continues to derive strength from its experienced management, diversified and integrated operations across the textile value chain, apart from its presence in paper and chemicals segments, and established customer relationships with reputed global brands for its home textile segment. Ratings also factor in Trident's resilient performance in FY26 (FY refer to April 01 to March 31) despite industry headwinds due to elevated US tariffs, comfortable capital structure and debt coverage indicators, strong liquidity and continued support from fiscal incentives available to the textile sector.

However, the long-term rating remains constrained by Trident's moderate return indicators and low fixed asset turnover ratio amid under-utilisation of its capacities, working capital intensive operations, operating profitability susceptible to raw material price volatility and foreign exchange rate fluctuations. Rating also factors in trade related uncertainties and risks associated with changes in government policies, and Trident's presence in the inherently cyclical, competitive, and fragmented textile industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations aided by improved performance across each business segment, resulting in significant improvement in its profit before interest, lease rentals, depreciation, and taxes (PBILDT) margin and return on capital employed (ROCE) on a sustained basis.
- Improvement in its net debt/ PBILDT to below unity and total outside liabilities to total new worth (TOL/TNW) to ~0.50x on a sustained basis.
- Diversification of its customer base by tapping newer geographies with customised product offerings and entailing higher margins.

Negative factors

- Deterioration in capital structure with net debt/PBILDT of over 2.00x on a sustained basis.
- Elongation in operating cycle or significantly higher than anticipated capex resulting into significant moderation in liquidity on a sustained basis.

Analytical approach: Consolidated.

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of Trident and its subsidiaries as its subsidiaries are primarily set-up for undertaking marketing and distribution of Trident's products in different geographies. Subsidiaries whose financials have been consolidated in Trident are listed under Annexure 5.

Outlook: Stable

Stable outlook reflects CareEdge Ratings expectation that Trident will continue to maintain its market position, given its established presence in the domestic and export markets and sustain its comfortable financial risk profile in the medium term.

Detailed description of key rating drivers

Key strengths

Experienced management and established relationships with reputed global brands

Trident is promoted by Mr. Rajinder Gupta, who has over three decades of business experience. He currently serves as Chairman Emeritus and provides mentorship and strategic guidance to the board. The company is benefitted by a qualified and experienced management team, with each business vertical headed by an experienced professional.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Trident has built a strong customer base across its segments. Trident's clientele comprises well-known institutional and retail brands. In the home textile segment, its customers include Target Global Sourcing Limited, Wal-Mart Stores Inc., Amazon Inc, and Costco, among others. Trident has derived ~60-65% of its home textile revenue from the top five customers in the last few years. Trident also has a diversified customer base in its yarn and paper divisions. The top five customers accounted for ~25-30% of yarn revenue and ~15-20% of paper revenue in the last few years.

Diversified and integrated operations
Trident has diversified and integrated operations across the textile value chain, with a presence in yarn and home textiles, comprising bath and bed linen, apart from paper and chemicals segments. Trident is among the leading home textile players in India and has an established position in the terry towel segment.

Segment-wise revenue contribution:

Particulars	FY23	FY24	FY25	FY26
Yarn	24%	26%	29%	31%
Bath linen	39%	38%	38%	38%
Bed linen	15%	19%	19%	16%
Paper and Chemicals	21%	17%	14%	15%

Trident's integrated operations provide better control over raw-material availability, product quality and operating costs. Around 50% of the yarn produced is captively consumed and the company also undertakes weaving and processing of fabrics in house. Its operations are further supported by solar power capacity of 57.38 MW and co-generation captive power capacity of 67.60 MW. Around 40% of Trident's power requirements are met through captive sources. The paper and chemicals segments provide further business diversification. Trident manufactures agro-residue-based paper products, including branded copier paper, and sulphuric acid for industrial applications. Integration across the textile value chain, captive power generation and large-scale manufacturing enable Trident to maintain product quality and cost competitiveness, while diversification across textile and paper businesses supports stability in operating margins.

Trident has an established presence in the domestic and export markets, with exports contributing ~54% of total sales in FY26 (FY25: 57%). United States (US) remained its largest export market, contributing ~38% of total sales in FY26 (FY25: 41%). Its long-standing relationships with reputed global retailers and established presence across key export markets support its diversified revenue profile.

Resilient operating and financial performance despite industry headwinds due to US tariff in FY26
Trident's total operating income (TOI) moderated by ~4% to ₹6,709 crore in FY26 (FY25: ₹7,010 crore), primarily due to lower export sales and a decline in bed linen revenue amid subdued demand from the US due to elevated tariff. The company demonstrated resilience amidst elevated tariffs, and the operating performance of the company remained better than envisaged. Despite moderation in scale, operating profitability, marked by PBILDT margin, remained largely stable at 12.95% in FY26 (FY25: 12.99%), supported by improved performance of yarn and bath linen divisions, and cost-optimisation measures. The improvement was partly moderated by lower fixed-cost absorption in the bed linen division and lower realisations in the paper and chemicals segment.

Further, Trident reported TOI of ₹1,787 crore with healthy PBILDT margin of 16.79% in Q1FY27. The performance was primarily supported by improvement in export demand and better performance of the yarn division aided by improved cotton-yarn spreads. However, continued pressure on realisations in the paper and chemicals segment constrained the overall improvement in profitability.

Going forward, CareEdge Ratings expects Trident's TOI to grow at an average rate of over 8% and PBILDT margin to remain at ~14-15% in the medium term, supported by expected growth in export demand, better utilisation of existing capacities and consequent improvement in fixed-cost absorption, healthy cotton yarn spreads, cost optimisation measures, premiumisation and continued fiscal incentives. However, geopolitical uncertainties, supply-chain disruptions, higher freight costs, any adverse changes in US tariff policies, and subdued profitability in the paper and chemicals segment shall remain key monitorables.

Comfortable capital structure and debt coverage indicators
Trident's capital structure stood comfortable, marked by overall gearing and TOL/ TNW of 0.39x and 0.52x respectively as on March 31, 2026 (0.36x and 0.49x as on March 31, 2025), supported by a healthy net worth base of over ₹4,700 crore. The marginal moderation primarily reflected comparatively lower operating cash flows, and higher working capital borrowings following aggregate cash outflows of ~₹500 crore towards a higher dividend payout and strategic acquisition of equity stake in its associate

company. Overall gearing is expected to remain comfortable below 0.40x in the absence of any major debt-funded capex plans in the near term.

Debt coverage indicators marked by net debt/ PBILDT and PBILDT interest coverage (interest net of subsidy) also remained healthy at 1.20x (FY25: 1.08x) and 7.63x (FY25: 7.00x), respectively in FY26. The debt coverage indicators are expected to remain comfortable in the near-to-medium term, supported by healthy profits and gradual debt reduction in absence of any major debt-funded capex plans. However, any major large-size capex and consequent impact on leverage, debt coverage indicators and liquidity remains monitorable.

Continued support from fiscal incentives

Trident's profitability is supported by fiscal incentives available to the textile sector, including export incentives and interest subsidies. Trident receives export incentives under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme and Rebate of State and Central Taxes and Levies (RoSCTL) schemes of the Government of India. On average, Trident received incentives equivalent to ~8-9% of its export revenue in the last few years, which have contributed to the profitability to a significant extent. Trident also benefits from interest subsidies available under textile sector-related incentive schemes, which support its profitability and debt coverage indicators. However, the quantum and timing of these benefits remain dependent on prevailing government policies and the company's continued eligibility.

Key weaknesses

Moderate return indicators amid under-utilisation of capacities

Trident's ROCE remained moderate at ~9-10% over the past few years, including FY26, primarily due to under-utilisation of its capacities, particularly in the bed linen segment. The fixed-asset turnover ratio also remained below unity at 0.85x in FY26. Capacity utilisation in the bed linen division stood moderate at 47% (FY25: 54%), primarily due to subdued export demand and slower ramp-up of the expanded capacity. Consequently, lower fixed cost absorption continued to weigh on overall operating profitability. Capacity utilisation in the bath linen division improved to 63% in FY26 (FY25: 55%), while utilisation in the yarn and paper divisions remained healthy. Trident's existing capacities provide adequate headroom for growth. However, improvement in return indicators will depend on a sustained recovery in export demand and better utilisation of its existing capacities and consequently improvement in profitability.

Working capital intensive operations

Trident's operations remain working capital-intensive. The company's primary raw materials include raw cotton and agro residues, the availability of which is seasonal. Accordingly, Trident procures these in bulk during procurement seasons on comparative short credit periods. The operating cycle stood at 76 days in FY26 (FY25: 80 days). Since October to March is the main cotton procurement season, the company generally carries higher raw material inventory at the end of the financial year. Trident usually undertakes cash sales or extends relatively short credit periods in the paper and yarn segments, while credit periods in the home textile segment ranges from one to two months. For certain export receivables, the company also uses non-recourse factoring arrangements, which facilitate early realisation of receivables. Trident funds its working capital requirements through internal accruals and sanctioned fund-based limits.

Profitability susceptible to raw material price volatility and foreign exchange rate fluctuations

Trident's profitability remains susceptible to volatility in raw cotton prices, as cotton accounts for ~70% of its total raw material costs in textile segment. Such volatility exposes it to inventory losses and fluctuations in cotton-yarn spreads. Trident's presence in value-added segments enables it to pass on changes in raw material prices to some extent. However, its ability to pass on remains dependent on demand conditions and competition.
In the paper segment, Trident primarily uses agro-based raw materials, including wheat straw, which constitute ~85-90% of the raw-material mix, with wood pulp accounting for the balance. Their availability and prices remain dependent on seasonality, monsoon conditions, government regulations, area under cultivation and crop yields.

Trident derives ~50-60% of its total revenue from exports and has a limited natural hedge due to low imports. Trident reported a foreign exchange loss of ~₹16 crore in FY26, including mark-to-market impact (FY25: gain of ~₹15 crore). Trident enters into forward contracts with maturities of 3-12 months against export receivables and anticipated sales. In the home textile division, Trident hedges ~40-60% of sales orders on a monthly rolling basis. Nevertheless, its profitability remains susceptible to adverse foreign-exchange movements to the extent of its unhedged exposure.

Trade related uncertainties and risk associated with changes in government policies
Despite the removal of secondary/ reciprocal tariffs, tariff related uncertainty continues. In July 2026, the US imposed additional Section 301 tariffs ranging from ~10.0-12.5% on imports from multiple economies, including India. Any differential tariff treatment or product-specific exemptions available to competing home-textile exporters, namely China, Pakistan, and Turkey, among others, may affect the competitiveness of Indian exporters in the US market. However, Trident's established market position, integrated operations and long-standing relationships with reputed global retailers provide partial mitigation.

The textile industry is also exposed to changes in government policies. Trident derives sizeable benefits from export incentive schemes such as RoDTEP and RoSCTL. These incentives support its competitiveness, operating profitability and debt coverage indicators. Any withdrawal or adverse modification of these schemes or material delay in receipt of eligible incentives may affect Trident's competitiveness, profitability and cash flows.

Presence in cyclical, competitive, and fragmented textile industry
The Indian textile industry is inherently cyclical in nature. Any adverse changes in global economic outlook and demand-supply conditions in the domestic market directly impact the demand and profitability of players. Textile industry remains vulnerable to factors such as input price fluctuations, mobilisation of adequate workforce and changes in government policies for overall development of the textile industry. Its highly fragmented structure results in a high level of competition and intense pricing pressures. These risks are partly mitigated by Trident's diversified operations and established market position.

The global home textile market is mainly driven by demand from the US and Europe. India's home textile exports were impacted in FY26 by elevated US tariffs and the consequent cost disadvantage compared to competing exporting countries. However, the subsequent reduction in the tariffs in February 2026 narrowed the tariff differential and improved the competitiveness of Indian textile exporters. For home textiles, gradual growth in exports to the European Union (EU), the United Kingdom (UK) and the Middle East is further expected, supported by recently concluded trade agreements (FTAs) and continued supply-chain diversification by global retailers. However, customer onboarding requirements, product adaptation, geopolitical tensions and shipping disruptions may constrain the pace of diversification and increase freight costs.

Liquidity: Strong

Trident's liquidity is strong marked by expected healthy annual cash accruals in the medium term against annual debt repayment obligations of ~₹140-200 crore. The average utilisation of its fund-based working capital limits stood moderate at ~54% for the 12 months ended May 2026. Liquidity is further supported by unencumbered cash and bank balances of ₹782 crore as on March 31, 2026, and the company's consistent generation of healthy cash flow from operations. Trident has no major capex plans in the near term and is expected to incur routine maintenance and upgradation capex of ~₹150-200 crore per annum in the medium term through internal cash accruals and available liquidity. Trident's expected cash accruals and undrawn working capital limits are sufficient to fund its routine capex and incremental working capital requirements in the medium term.

Environment, social, and governance (ESG) risks

Factors	Compliance and action adopted by company
Environmental	• Trident regularly reviews its environmental risks and undertakes initiatives to mitigate them. Periodic audits are conducted to identify the potential risks and follows ISO 14001, ISO 45001 and ISO 9001 guidelines. • Trident maintains a zero liquid discharge facility for management of wastewater generated from towel and sheeting processing and has a water recovery rate of ~ 95%. The zero liquid discharge mechanism covers 100% of towel and sheeting processing operations at Budhni, Madhya Pradesh. Trident also treats water through effluent treatment plant (ETP) at Punjab and uses it for gardening and horticulture. • E-waste is recycled at the collection centres while hazardous waste such as ETP sludge is disposed at authorised treatment, storage, and disposal facilities. • Trident has installed captive solar power plant capacity of 57.38 MW and co-gen captive power plant of 67.60 MW as on March 31, 2026.
Social	• Trident emphasises to promote a safe and healthy working environment by training employees and workers on occupational health and safety practices and procedures, strict adherence to regulations and safety audits. • Trident's corporate social responsibility (CSR) activities are mainly dedicated towards promoting education and healthcare, rural development, skill development, sports, social welfare, empowering women, environmental sustainability and animal welfare.
Governance	• Trident has an adequate governance with majority independent directors on board. It has a dedicated risk management committee, audit committee, and stakeholder relationship committee among others. • It also has an investor grievance redressal mechanism, a whistle blower policy and other extensive disclosures.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Cotton Textile
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Incorporated in 1990, Trident is promoted by Mr Rajinder Gupta. Trident is engaged in the manufacturing cotton yarn, towel, bed sheet, paper and chemical products. Trident has over 15 manufacturing facilities across three locations: Dhaula and Sanghera in Punjab, and Budhni in Madhya Pradesh. As of March 31, 2026, Trident had an installed capacity of over 7.97 lakh spindles and 7,464 rotors for yarn production, 664 looms with a terry towels production capacity of ~90,000 metric tonnes per annum (MTPA), 504 looms with bed sheets production capacity of ~64 million metres per annum, 1,75,000 MTPA of paper, 1,15,000 MTPA of sulphuric acid. The company also operates captive power plant of ~67.60 megawatt (MW) and solar power plant of 57.38 MW. In India, Trident has marketing offices in Mumbai, Gurugram, New Delhi, Ludhiana, Chandigarh and Bhopal. It also has international marketing offices in Dubai, New York, London and Singapore.

Brief Financials – Consolidated (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	7,010	6,709	1,787
PBILDT	911	869	300
Profit after tax (PAT)	371	377	158
Overall gearing (x)	0.36	0.39	NA
PBILDT Interest coverage (x)	7.00	7.63	10.00

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	31-12-2028	196.81	CARE AA; Stable
Fund-based - LT/ ST-CC/PC/Bill Discounting	RBI	Simple	-	-	-	-	1536.94	CARE AA; Stable / CARE A1+
Non-fund-based - ST-BG/LC	RBI	Simple	-	-	-	-	12.50	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	196.81	CARE AA; Stable	-	1)CARE AA; Stable (05-Sep-25) 2)CARE AA; Stable (04-Apr-25)	1)CARE AA; Stable (04-Apr-24)	-
2	Non-fund-based - ST-BG/LC	ST	12.50	CARE A1+	-	1)CARE A1+ (05-Sep-25) 2)CARE A1+ (04-Apr-25)	1)CARE A1+ (04-Apr-24)	-
3	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	1536.94	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (05-Sep-25) 2)CARE AA; Stable / CARE A1+ (04-Apr-25)	1)CARE AA; Stable / CARE A1+ (04-Apr-24)	-
4	Term Loan-Long Term	LT	-	-	-	-	1)Withdrawn (04-Apr-24)	-

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: Lender details

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

Annexure-5: List of entities consolidated as on June 30, 2026

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Trident Europe Limited	Full	Subsidiary
2	Trident Global Inc., USA		
3	THTL Trading L.L.C.		
4	Trident Group Enterprises PTE. Limited		
5	Trident Global Corporation Limited	Moderate	Associate

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:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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