# Trent Limited

November 25, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long-term / Short-term bank facilities | RBI | 285.01 | CARE AA+; Stable / CARE A1+ | Reaffirmed |
| Short-term bank facilities | RBI | 65.00 | CARE A1+ | Reaffirmed |
| Non-convertible debentures | SEBI | - | - | Withdrawn |
| Non-convertible debentures | SEBI | 500.00 | CARE AA+; Stable | Reaffirmed |
| Commercial paper | RBI | 750.00 (Enhanced from 500.00) | CARE A1+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating on ₹500 crore non-convertible debentures (NCDs) upon its redemption and have reaffirmed ratings assigned to the NCD (Proposed), bank facilities, commercial paper of Trent Limited (Trent). Ratings continue to factor strong parentage of Tata Sons Private Limited (TSPL) and expected need-based support to Trent. Ratings also factor in the company's leading position in the domestic retail industry, supported by its extensive footprint of 1,342 stores under the brands of Westside and Zudio across 339 cities (including three cities in the United Arab Emirates [the UAE]) with a total retail area of 18.5 million sq. ft as on September 30, 2026. The company through Trent Hypermarket Private Limited (THPL; a 50:50 joint venture [JV] between Trent and Tesco PLC, UK) operates 87 outlets focused on food, grocery, and daily-use categories, concentrated across 13 cities, and also has an association with Inditex (Zara and Massimo Dutti) in the high street fashion segment.

The company maintained a strong growth trajectory, with total operating income (TOI) increasing by 17.2% year-on-year (y-o-y) to ₹20,056 crore in FY26, supported by sustained stores expansion. The company added 243 stores in FY26, expanded its retail area by 4.7 million sq. ft. The company reported profit before interest, lease rentals, depreciation, and tax (PBILDT) margin of 18.59% in FY26 (FY25: 16.38%). Growth in scale continued to remain robust in H1FY27, with TOI rising 19.9% y-o-y to ₹11,628 crore, and PBILDT margin improving to 18.98% against 17.16% in H1FY26. Performance was driven by continued expansion of Westside and Zudio networks, healthy consumer demand, positive same-store sales growth, and increasing contribution from online and emerging categories. In H1FY27, the company added 56 stores with retail area of 0.8 million sq.ft. As on September 30, 2026, the company operated 311 Westside stores, 999 Zudio stores, and 32 stores under other lifestyle concepts. Going forward, CareEdge Ratings expects the company to sustain its healthy operating performance, supported by continued expansion of stores especially Zudio format and continued growth in online revenue.

Ratings also derive strength from Trent's experienced management team, strong capital structure, and comfortable financial risk profile, reflected in the improvement in overall gearing of 0.30x as on September 30, 2026, from 0.36x as on March 31, 2026. The company's liquidity profile remains strong, supported by healthy gross cash accruals and cash and liquid investments of ₹914 crore as on September 30, 2026.

However, ratings are tempered by the continued losses in JV, such as THPL, necessitating regular funding support and presence in the highly competitive branded retail industry, which is vulnerable to changes in fashion trends, consumer preferences, and economic cycles.

[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 ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

## 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. CareEdge Ratings have applied parent notch up factoring strong managerial and financial linkages. Subsidiaries and JVs being considered for consolidation are under Annexure-5.

**Outlook:** Stable

Stable outlook reflects that the company is likely to maintain its strong operational performance backed by its established market position, while financial profile is expected to remain healthy with robust liquidity.

## Detailed description of key rating drivers

### Key strengths

**Experienced management team and strong parentage**

Trent is part of the Tata Group. The company enjoys strong managerial and financial support from TSPL, which is expected to fund Trent on a need basis as seen historically. In FY20, TSPL infused ₹950 crore into Trent 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.

**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 value and lifestyle segments with an exclusive owned brand portfolio across Westside (Lifestyle), Zudio (value fashion retail), Samoh, and Burnt Toast. As on September 30, 2026, the store portfolio included 311 Westside, 999 Zudio, and 32 stores across other lifestyle concepts with total retail area of 18.5 million sq.ft. Trent's Star stores, primarily in Maharashtra, Karnataka, and Telangana, aim to create local scale and enhance customer accessibility. The Star portfolio includes 87 stores managed by THPL, operating in 13 cities under a JV with Tesco PLC, UK.

**Strong operating performance and improved profitability**

Trent's TOI grew by 17.16% y-o-y increasing to ₹20,056 crore in FY26 from ₹17,118 crore in FY25, aided by expansion of stores and increase in total retail area. PBILDT margin improved to 18.59% in FY26, led by cost rationalisation and store consolidation, especially for Westside undertaken from FY24-FY25. Online revenue has been growing steadily through designated channels (Westside.com, Tata CliQ, and Tata Neu).

In H1FY27, TOI increased by 19.9% y-o-y to ₹11,628 crore from ₹9,701 crore in H1FY26, while PBILDT margins improved to 18.98% from 17.16%. The growth in scale was supported by the continued expansion of the Westside and Zudio store network with a focus on secondary cities and emerging micro-markets and healthy consumer demand, same-store sales growth, and a rising contribution from emerging categories, and strong growth in online channels. In H1FY27, while same store sales growth stood low, online revenues witnessed a healthy growth of 20% y-o-y. Emerging categories comprising of beauty and personal care, innerwear, and footwear contributed over 21% of revenues. Going forward, CareEdge Ratings expects the company to sustain its healthy operating performance, supported by continued expansion of stores especially Zudio format and continued growth in online revenue.

**Strong financial profile and liquidity position**

Trent's financial profile has witnessed an improvement aided by growth in scale and operations and healthy profitability. Capex towards the store expansion has been funded primarily through internal accruals. The company has effectively managed its debt levels, while continuing to pursue its growth objectives. Overall gearing improved to 0.30x as on September 30, 2026, compared

to 0.36x as on March 31, 2026 (March 31, 2025: 0.41x), supported by accretion to reserves and decline in debt. Debt protection metrics remain healthy, with PBILDT interest coverage at 17.38x in H1FY27 (FY26: 16.02x; FY25: 14.01x) and total debt/PBILDT at 0.53x in H1FY27 (FY26: 0.69x; FY25: 0.80x). Liquidity is strong, backed by cash flow from operations of ₹1,486 crore as on September 30, 2026, and cash and liquid investments of ₹914 crore as on September 30, 2026. 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. 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**

THPL (Star Bazaar) continued to incur losses in FY26, necessitating funding support while the consolidation of warehousing business under THPL Support Services Limited into Trent Business Support Services Limited (formerly known as Booker India Limited) is expected to improve the performance of Trent Business Support Services Limited going forward. 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 to Trent. Online retailers, such as Amazon, Flipkart, and Myntra pose a competitive threat to Trent. Overall growth in 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; therefore, 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. Increase in the inflation can impact the company's demand and profitability.

## Liquidity: Strong

Trent has strong liquidity as marked by ~₹914 crore of cash and liquid investments as on September 30, 2026, with a significant proportion of current investments in mutual funds (₹733 crore). The company has no utilisation of its fund-based bank lines for 12-months ended September 30, 2026. The company's capex plans are largely expected to be funded through internal accruals.

## Environment, social, and governance (ESG) risks

The company acknowledges key environmental, social, and governance (ESG) risks and has embedded sustainability across three strategic pillars to mitigate them: Be resource efficient, Be responsible by design, and Be people conscious.

Sustainability initiatives aimed at reducing environmental impact are integrated into the overall business strategy. On the social and governance front, the company's core values, which are reflected in the sustainability strategy, Human Rights Policy and the Tata Code of Conduct, aim to foster a culture of respect, dignity, and transparency, both within the organisation and in interactions with stakeholders.

The company aims to assess all merchandise vendors on SEDEX SMETA four pillar comprising labour, health and safety, environment, business ethics practices. 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
Factoring Linkages Parent Sub JV Group
Financial Ratios  Non Financial Sector
Liquidity Analysis of Non-Financial Sector Entities
Short Term Instruments
Retail
Rating Outlook and Credit Watch
Withdrawal

## 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 on September 30, 2026. Trent operates in the retail sector with a presence across the entire fashion spectrum from value fashion to premium and luxury products. It runs Westside (Lifestyle retailing) and Zudio (Value retailing) primarily in retail apparels, beauty, and fashion segment. As on September 30, 2026, Trent's store portfolio included 311 Westside, 999 Zudio, and 32 stores across other lifestyle concepts. The company has eight subsidiaries, two JV - THPL and Trent MAS Fashion Private Limited, and two associations with Inditex of Spain and Massimo Dutti as on September 30, 2026. THPL, a JV with Tesco PLC, UK, operates Star Stores (87 stores across 13 cities), which is engaged in grocery retailing. Trent has associations with the Inditex group, which operates 20 Zara stores and four Massimo Dutti stores in India.

| Brief Consolidated Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) | Sept 30, 2026 (UA) |
|---|---|---|---|
| Total operating income | 17,118 | 20,056 | 11,628 |
| PBILDT | 2,804 | 3,728 | 2,207 |
| Profit after tax (PAT) | 1,534 | 1,721 | 986 |
| Overall gearing (x) | 0.41 | 0.36 | 0.30 |
| Interest coverage (x) | 14.01 | 16.02 | 17.38 |

A: Audited; UA: Unaudited; Note: These are latest available financial results.
Financials are reclassified 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

**For complexity level of instruments rated refer to Annexure-1.**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of regulators:**
A list of facilities / instruments falling under the purview of 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 | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Commercial Paper-Commercial Paper (Standalone) | RBI | Simple | INE849A14122 | 12-May-2026 | 7.2 | 11-Dec-2026 | 100.00 | CARE A1+ |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Commercial Paper-Commercial Paper (Standalone) | RBI | Simple | INE849A14130 | 15-May-2026 | 7.25 | 13-Jan-2027 | 200.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | RBI | Simple | INE849A14148 | 15-May-2026 | 7.30 | 15-Feb-2027 | 200.00 | CARE A1+ |
| Commercial Paper-Commercial Paper (Standalone) | RBI | Simple | Proposed | - | - | - | 250.00 | CARE A1+ |
| Debentures-Non Convertible Debentures | SEBI | Simple | INE849A08082 | 31-May-2021 | 5.78 | 29-May-2026 | 0.00 | Withdrawn |
| Debentures-Non Convertible Debentures | SEBI | Complex | Proposed | - | - | - | 500.00 | CARE AA+; Stable |
| Fund-based - LT/ ST-Working Capital Limits | RBI | Not Applicable | - | | - | - | 210.01 | CARE AA+; Stable / CARE A1+ |
| Fund-based - LT/ ST-Working Capital Limits | RBI | Not Applicable | - | | - | - | 75.00 | CARE AA+; Stable / CARE A1+ |
| Non-fund-based - ST-BG/LC | RBI | Not Applicable | - | | - | - | 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 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/ ST-Working Capital Limits | LT/ST | 210.01 | CARE AA+; Stable / CARE A1+ | 1)CARE AA+; Stable / CARE A1+ (12-May-26) | 1)CARE AA+; Stable / CARE A1+ (21-Nov-25) | 1)CARE AA+; Stable / CARE A1+ (22-Nov-24) | 1)CARE AA+; Stable / CARE A1+ (23-Nov-23) |
| 2 | Non-fund-based - ST-BG/LC | ST | 65.00 | CARE A1+ | 1)CARE A1+ (12-May-26) | 1)CARE A1+ (21-Nov-25) | 1)CARE A1+ (22-Nov-24) | 1)CARE A1+ (23-Nov-23) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3 | Fund-based - LT/ ST-Working Capital Limits | LT/ST | 75.00 | CARE AA+; Stable / CARE A1+ | 1)CARE AA+; Stable / CARE A1+ (12-May-26) | 1)CARE AA+; Stable / CARE A1+ (21-Nov-25) | 1)CARE AA+; Stable / CARE A1+ (22-Nov-24) | 1)CARE AA+; Stable / CARE A1+ (23-Nov-23) |
| 4 | Debentures-Non Convertible Debentures | LT | - | - | 1)CARE AA+; Stable (12-May-26) | 1)CARE AA+; Stable (21-Nov-25) | 1)CARE AA+; Stable (22-Nov-24) | 1)CARE AA+; Stable (23-Nov-23) |
| 5 | Commercial Paper-Commercial Paper (Standalone) | ST | 750.00 | CARE A1+ | 1)CARE A1+ (12-May-26) | 1)CARE A1+ (21-Nov-25) | 1)CARE A1+ (22-Nov-24) | 1)CARE A1+ (23-Nov-23) |
| 6 | Debentures-Non Convertible Debentures | LT | 500.00 | CARE AA+; Stable | 1)CARE AA+; Stable (12-May-26) | - | - | - |

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**

| Sr No | Name of the entity | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|
| 1 | Fiora Business Support Services Limited | Full | Subsidiary |
| 2 | Nahar Retail Trading Services Limited | | |
| 3 | Netria Property Holdings Limited | | |
| 4 | Trent Business Support Services Limited (formerly known as Booker India Limited) | | |
| 5 | Fiora Hypermarket Limited (formerly known as Fiora Online Limited) | | |
| 6 | Trent Global Holdings Limited (Mauritius) (TGHL) | | |
| 7 | Trent Global Trading LLC (Dubai) | | |
| 8 | Trent Foundation | | |
| 9 | Trent Hypermarket Private Ltd | Moderate | Joint Ventures |
| 10 | Trent MAS Fashion Private Limited | | |
| 11 | Massimo Dutti India Pvt Ltd (Massimo Dutti) | | Associates |
| 12 | Inditex Trent India Private Limited (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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