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TRIDENT/CS/2026

March 26, 2026

National Stock Exchange of India Limited

Exchange Plaza, Plot No.C/1, G Block

Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Scip Code: TRIDENT

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

Scip Code: 521064

Sub: Credit Rating for the Proposed Non-Convertible Debentures (NCDs)

Dear Sir/ Madam,

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Rating of the Company for the proposed Non-Convertible Debentures has been affirmed at 'IND AA' with 'Stable' outlook by India Ratings and Research (Ind-Ra), a Fitch Group Company.

A copy of the press release published on the website of India Ratings and Research is enclosed herewith.

The press release can also be accessed on the website of the India Ratings and Research at <https://www.indiaratings.co.in/>. The same is also available on the website of the Company at www.tridentindia.com under the category: Investor Relations → Financial Reports → Credit Ratings.

Thanking you

Yours faithfully

For Trident Limited

(Sushil Sharma)

Company Secretary

ICSI Membership No: F6535

Encl: as above

Disclaimer :- The details of the authorised signatories are uploaded on the official website of the Company. You may authenticate the authority of the signatory before relying upon the contents of this communication by visiting <https://www.tridentindia.com/authority-matrix/> or may write to us on corp@tridentindia.com.

26/03/2026

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India Ratings Affirms Trident's Proposed NCDs at 'IND AA'; Outlook Stable

Mar 25, 2026 | Trident Limited | Other Textile Products

India Ratings and Research (Ind-Ra) has affirmed Trident Limited's proposed non-convertible debentures (NCDs) rating as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures*	-	-	-	INR1,250	IND AA/Stable	Affirmed

*Yet to be issued

Analytical Approach

Ind-Ra has changed its rating approach from taking a standalone view to taking a fully consolidated view of Trident and its wholly-owned subsidiaries (Trident Limited Employee Welfare Trust; Trident Europe Limited; Trident Global Inc. USA; Trident Group Enterprises Pte. Limited; THTL Trading L.L.C; Trident Home Textiles Limited) and associate company (Trident Global Corp Limited (TGCL; holds 30.42% stake)) on account of likely increased operations at its subsidiaries and associate company. The associate company was primarily set up as an extension arm of Trident and undertakes marketing and selling for Trident.

Detailed Rationale of the Rating Action

The affirmation reflects Trident's healthy consolidated business profile, resilient operating performance, and healthy credit metrics, all of which Ind-Ra expects to sustain, despite the tariff-linked uncertainties. With the completion of the capacity expansion programme, the company began deleveraging in line with Ind-Ra's expectation and will continue to deleverage further with incremental EBITDA generation from the completed capex and the absence of major capex plans.

The rating is further supported by Trident's sustainable margins in the paper segment despite a reduction in paper industry margins, which were impacted by an increase in raw material prices. Ind-Ra expects the margins to remain at 12%-14%, with a likely stabilisation of margins in both textiles and paper segments as well as continued government support in the form of various fiscal incentives. However, the rating remains constrained by high geographical and customer concentration, intense competition, raw material volatility, and forex risks.

List of Key Rating Drivers

Strengths

- Comfortable credit metrics; likely to improve further over FY26-FY27
- Sustained operational performance in 9MFY26 despite the US tariff implications
- Healthy business profile
- Support from fiscal incentives in textile segment

Weaknesses

- Decline in paper business margins in FY25 and 9MFY26; likely to remain range-bound in near-to-medium term

- Continued high revenue concentration
- Forex and industry risks

Detailed Description of Key Rating Drivers

Comfortable Credit Metrics; Likely to Improve Further over FY26-FY27: Ind-Ra expects the consolidated net adjusted leverage (net adjusted debt/operating EBITDA) of 1.50x-1.60x over FY26-FY27 owing to the completion of a large debt-led capex and sustained EBITDA generation from incremental capacity. The net adjusted leverage stood at around 1.46x (annualised) in 9MFY26 (FY25: 1.19x; FY24: 1.72x) despite lower EBITDA impacted by the US tariff implications. Ind-Ra expects the consolidated interest coverage (operating EBITDA/interest expenses) to sustain above 5.0x over FY26-FY27 (9MFY26: 7.8x; FY25: 7.0x; FY24: 6.0x) on account of the likely continued healthy EBITDA and low average cost of debt (8.0% as of December 2025). An improvement in the financial position over the years, in Ind-Ra's assessment, aids Trident's business profile as it allows the company to better manage cyclical volatility inherent in the home textiles and paper businesses. Additionally, the company's low balance sheet leverage has provided some headroom towards foraying into and spending on new growth areas as observed through acquisitions in associate companies. Trident's consolidated gross adjusted debt reduced to INR16.4 billion at FYE25 (FYE24: INR21.3 billion), primarily on account of the prepayment of certain term loans and reduced working capital utilisations.

Sustained Operational Performance in 9MFY26 Despite the US Tariff Implications: In 9MFY26, the consolidated revenue remained stable at INR50.69 billion (9MFY25: INR51.23 billion; FY25: INR69.87 billion; FY24: INR68.09 billion) and EBITDA at INR6.42 billion (INR6.66 billion; INR9.11 billion; INR9.40 billion) despite the US tariff implications, along with lower capacity utilisations resulting in lower absorption of fixed costs and a higher share of low-margin yarns in the sales mix than the high-margin home textiles and paper. Management expects demand from global markets to improve in the near term on the back of free trade agreements signed by India with the European Union, the UK and the US which has created a level playing field with other exporting nations, as well as continued supply chain diversification strategy by global retailers. However, given the current geopolitical issues in the Middle East, the supply chain disruptions could lead to delays in delivery time and impact the margins with higher freight costs, and delayed shipments and order book execution, which would remain key monitorable if the margins are substantially impacted.

Ind-Ra expects the revenue to remain at FY25 levels in FY26, as reflected in 9MFY26's performance and EBITDA to moderate to INR8.5 billion-9.0 billion. Ind-Ra expects Trident to maintain a healthy EBITDA run-rate of INR9 billion-11 billion, supported by a reasonable return on capital employed (ROCE) of 10%-12% (FY26 (estimate): 9%; FY25: 9%; FY24: 9.0%) in the near-to-medium term.

Healthy Business Profile: Trident has a leading market share in the global terry towel market. The business profile continues to benefit from the large scale of operations; diversified product mix (comprising yarn, terry towels, bed linen, paper and chemicals); strong customer profile and vertically-integrated operations (cotton-to-bed and bath linen). During 9MFY26, home textiles (bath & bed linen), yarn and paper contributed 54%, 31% and 15%, respectively, (FY25: 57%; 29% and 14%) to the overall revenue. The company's business profile further benefits from the flexibility to consume yarn internally or sell externally depending upon the yarn market demand-supply dynamics. Furthermore, the distribution is strengthened by the company's presence in various e-commerce platforms, generating a healthy revenue traction.

Support from Fiscal Incentives in Textile Segment: Trident's operating performance benefits from the export incentives (FY25: INR3.56 billion; FY24: INR3.45 billion; FY23: INR3.31 billion), which it receives for its textile business. Any adverse change in the government's export incentives schemes could be a risk to its textile segment profitability. Trident's export incentives/other receivables from government authorities were INR1.11 billion at FYE25 (FYE24: INR1.20 billion; FYE23: INR0.94 billion). Additionally, the company benefits from an interest subsidy of 5%-6% under the textile sector-related fiscal incentives.

Decline in Paper Business Margin in FY25 and 9MFY26; Likely to Remain Range-bound in Near-to-Medium Term: The paper business EBITDA margins reduced to 13.0% in 9MFY26 (FY25: 18.4%; FY24: 26.6%) on account of a higher-than-proportionate increase in raw material costs, a decline in realisations along with reduced capacity utilisations, leading to lower spreads. However, as per management, the paper industry being at the lower curve of the cycle has been reflected in the margins. Furthermore, these margins are sustainable even in lower cycle of the market but the same is likely to improve to 15%-18% in the near term. The agency expects the company's paper margins to remain at 14%-17%

over the near-to-medium term.

Continued High Revenue Concentration: The top customer contributed 17.9% to the consolidated revenue in FY25 (FY24: 18.3%; FY23: 13.1%) and the top five customers to 36.9% (38.4%; 30.6%). Furthermore, the geographical concentration from the US markets increased to 40.4% in FY25 (FY24: 39.3%; FY23: 35.9%), indicating high dependence on a single country. However, the US is the largest importer of textile products, assuring regular, large orders, which aid in earning high margins and operational efficiency. Further, management is exploring other markets in Europe, the UK, Japan, among others, to further diversify its geographical base and exposure to reduce dependency on the US. However, any adverse change in foreign trade policies or political instability in the US may affect the business operations. Ind-Ra shall closely monitor revenue diversification in terms of customers and geographies.

Forex and Industry Risks: Trident's margins are vulnerable to the volatility in raw cotton prices, end-product pricing and fluctuations in foreign currency. The company hedges around 50% of the budgeted home textile sales using forward covers, while yarn and paper divisions hedge sales on order basis. Trident reported a forex loss (including mark-to-market) of INR11.1 million in 9MFY26 (FY25: gain of INR153.1 million; FY24: gain of INR121.0 million). Additionally, Trident's global presence exposes the company to a global economic slowdown, sourcing policies of its key customers and changes in import policies of importing countries. To mitigate the same, Trident has been expanding into other geographies. Any change in tariff policies by the US and its impact on Trident's operations shall be a key monitorable.

Liquidity

Adequate: The company reduced its fund-based limits to INR10.41 billion from INR18.00 billion on account of lower working capital requirement and shift from unsecured funding lines to unsecured funding lines. The average utilisation of the fund-based limits (combined secured and unsecured) was low at around 24% for the 12 months ended January 2026. Furthermore, the company had moderate free cash balances of INR5.49 billion at FYE25 (FYE24: INR5.08 billion). The agency expects Trident's overall cost of debt to remain at 6%-8% over the medium term, supported by the state interest rate subsidies applicable for its existing loans (100% as at end-February 2026).

Ind-Ra expects Trident's debt service coverage ratio to be comfortable above 2.5x for its modest scheduled debt repayments of INR1.09 billion and INR1.41 billion in FY26 and FY27, respectively. Ind-Ra expects the free cash flow to turn positive in FY26 (FY25: INR4.6 billion; FY24: negative INR6.8 billion) supported by sustained EBITDA generation and reduced capex despite the likely shareholder distributions of around INR2.5 billion per year (FY25: INR1.8 billion; FY24: INR1.8 billion). Trident has increased its financial flexibility due to its healthy operations and improved balance sheet position, substantiated by the introduction of new private lenders, use of commercial papers in the past and funding through NCDs.

Rating Sensitivities

Positive: A substantial increase in the scale of operations and profitability margins with the geographical and customer diversification coupled with a healthy ROCE while maintaining sound financial metrics with the consolidated net adjusted leverage reducing below 1.0x, all on a sustained basis, would be positive for the rating.

Negative: Large debt-funded capex/inorganic acquisitions, a decline in liquidity buffers and/or a significant reduction in sales and profitability, resulting in a drop in the ROCE and the consolidated net adjusted leverage exceeding 2.0x, all on a sustained basis, would be negative for the rating.

Any Other Information

Standalone Performance: Trident reported revenue of INR69.66 billion in FY25 (FY24: INR67.30 billion) and EBITDA of INR9.02 billion (INR9.35 billion) with EBITDA margins of 12.94% (13.89%). The interest coverage improved to 6.97x in FY25 (FY24: 6.05x) and the net leverage to 1.21x (1.73x).

In 9MFY26, the revenue stood at INR50.51 billion with EBITDA of INR6.39 billion and EBITDA margin of 12.64%. The interest coverage was at 7.86x and net leverage of 1.46x (on annualised basis).

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on Trident, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

Incorporated in 1990 as Abhishek Industries Ltd, Trident is promoted by Rajinder Gupta. Headquartered in Ludhiana (Punjab), the company was renamed Trident Limited in 2011. Trident manufactures cotton yarn, terry towels, bed linen and paper. It has three manufacturing facilities located in Dhaula and Sanghera (Punjab) and Budhni (Madhya Pradesh). On 31 December 2025, the facilities collectively held 8,15,000 spindles, 7,464 rotors, 1,100 looms (terry towel and bed sheet combined). The company also has a paper manufacturing capacity of 175,000 metric tonnes per annum (mtpa) and a chemical manufacturing capacity for sulphuric acid of 115,000mtpa. The operations are also supported by captive power plants with a total installed capacity of 65.7MW (meeting around 40% of total power requirements) supplemented by solar power capacities of 40.9MW. Trident is listed on the National Stock Exchange of India Limited and BSE Ltd.

Key Financial Indicators

Particulars (Consolidated)	9MFY26 (Unaudited)	FY25	FY24
Net revenue (INR billion)	50.69	69.87	68.09
EBITDA (INR billion)	6.42	9.11	9.40
EBITDA margin (%)	12.66	13.04	13.81
EBITDA interest coverage (x)	7.85	7.00	6.01
Net adjusted leverage (x)	1.46*	1.19	1.72
Source: Company, Ind-Ra			
*Standalone on an annualised basis			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Current Rating	26 March 2025	27 March 2024	20 October 2023	28 March 2023	10 March 2023
Issuer rating	Long-term	-	-	-	-	WD	IND AA/Stable	IND AA/Stable
Proposed non-convertible debentures	Long-term	INR1,250	IND AA/Stable	IND AA/Stable	IND AA/Stable	-	IND AA/Stable	-
Non-convertible debentures	Long-term	INR1,250	-	-	-	-	-	WD

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

The Rating Process

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