

September 19, 2025

## Richaco Exports Private Limited: Update on Entity

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term – Fund based - Term loans	15.00	15.00	[ICRA]A- (Stable)
Short-term – Fund based limits	450.00	450.00	[ICRA]A2+
Short-term – Non-fund based limits	75.00	75.00	[ICRA]A2+
<b>Total</b>	<b>540.00</b>	<b>540.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

For arriving at the ratings, ICRA has taken a consolidated view of two entities of the Richaco Exports Group (referred to as the Group, hereafter), namely Richaco Exports Private Limited (REPL) and Gaurav International (GI), given the close business, financial and managerial linkages between them (refer to the Analytical Approach section for details).

Indian exporters have been navigating a turbulent trade environment, with recent tariff hikes by the US threatening to reshape long-standing business dynamics. The latest round of US tariffs, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden to 60-70% for some categories, combined with pre-existing levies. This escalation places Indian exporters at a disadvantage compared to competitors in East and Southeast Asia, which face lower tariff rates.

ICRA expects the Group's business to be impacted by the turbulent trade environment, with most of its products falling under the higher tariff categories. The manufacturing facilities of the Group are located in Delhi and the National Capital Region and has 21 facilities with a capacity to manufacture 2.1 million units per annum. The export profile of the Group has been dominated by the US over the years. Direct exports to the US account for 75-80% of the Group's revenues, exposing the company to the tariff-related uncertainties.

According to the management discussions, the Group has been actively negotiating with its customers to pass on the increased tariff costs. Besides, implementation of the trade agreement with the UK, supporting an increase in trade volumes to the UK is likely to moderate the impact of the US tariffs to an extent.

ICRA notes these developments and their potential impact on the Group's revenue and profitability, as the entire tariff burdens may be difficult to pass on to the downstream stakeholders. If the recently imposed tariffs continue, ICRA anticipates the revenues and margins of the Group to moderate in H2 FY2026. Nevertheless, the Group's established market position, enduring buyer relationships with renowned international brands, and healthy financial risk profile are likely to cushion the impact to some extent. The performance remained healthy with the Group registering export revenues of Rs. 572.4 crore in 5M FY2026. The liquidity remains comfortable, supported by cushion of Rs. 63.1 crore against the combined sanctioned working capital limits of Rs. 500 crore (excluding the seasonal limit of Rs. 50 crore) and cash and liquid investments totalling Rs. 15 crore as of August 31, 2025 vis-a-vis the repayment obligation of Rs. 10.6 crore in FY2026. Nonetheless, ICRA will continue to monitor the developments in this regard and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Textiles - Apparel</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of two entities of the Richaco Exports Group, namely Richaco Exports Private Limited (REPL) and Gaurav International (GI), given the close business, financial and managerial linkages between them, as mentioned in Annexure-II

## About the company

Established in 1979, REPL is promoted by Mr. Vijay Uppal, Mr. Viney Uppal and their families. The company manufactures and exports woven and knitted apparels and operates out of its manufacturing facilities in Delhi and the National Capital Region. The firm mainly exports to renowned brands/retailers in the US and Europe, such as Abercrombie & Fitch and Belk International, among others.

## Key financial indicators (audited)

Consolidated	FY2023	FY2024	FY2025*
Operating income	1,562.2	1,617.4	1,542.1
PAT	130.5	112.7	112.4
OPBDIT/OI	12.9%	11.4%	12.1%
PAT/OI	8.4%	7.0%	7.3%
Total outside liabilities/Tangible net worth (times)	2.8	1.8	-
Total debt/OPBDIT (times)	2.4	2.3	2.4
Interest coverage (times)	10.2	6.8	7.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; \*Provisional numbers; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Current ratings (FY2026)					Chronology of rating history for the past 3 years							
					FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long-Term	15.00	Sep 19, 2025	[ICRA]A-(Stable)	Dec 20, 2024	[ICRA]A-(Stable)	Oct 27, 2023	[ICRA]A-(Stable)	Jul 07, 2022	[ICRA]A-(Stable)		
Fund based limits	Short-Term	450.00	Sep 19, 2025	[ICRA]A2+	Dec 20, 2024	[ICRA]A2+	Oct 27, 2023	[ICRA]A2+	Jul 07, 2022	[ICRA]A2+		
Non-fund based limits	Short-Term	75.00	Sep 19, 2025	[ICRA]A2+	Dec 20, 2024	[ICRA]A2+	Oct 27, 2023	[ICRA]A2+	Jul 07, 2022	[ICRA]A2+		

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based - Term loans	Simple
Short-term – Fund based limits	Simple
Short-term – Non-fund based limits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term – Fund based - Term loans	FY2015	NA	FY2028	15.00	[ICRA]A- (Stable)
NA	Short-term – Fund based limits	NA	NA	NA	450.00	[ICRA]A2+
NA	Short-term – Non-fund based limits	NA	NA	NA	75.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company name	Ownership	Consolidation approach
Richaco Exports Private Limited	100.00%	Full Consolidation
Gaurav International	100.00%	Full Consolidation

Source: Company

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**G S Ramakrishnan**

+91 44 4596 4300

[g.ramakrishnan@icraindia.com](mailto:g.ramakrishnan@icraindia.com)

**Srikumar K**

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Geetika Mamtani**

+91 22 6169 3330

[geetika.mamtani@icraindia.com](mailto:geetika.mamtani@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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