

June 01, 2026

## Radiaant Expovision Private Limited: Ratings downgraded, outlook revised to Stable from Negative

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash Credit	10.00	10.00	[ICRA]BBB- (Stable); downgraded from [ICRA]BBB (Negative) and outlook revised to Stable from Negative
Long-term – Fund-based – Term Loan	30.50	21.00	[ICRA]BBB- (Stable); downgraded from [ICRA]BBB (Negative) and outlook revised to Stable from Negative
Short-term – Fund-based – Domestic/export credit facility	64.50	74.00	[ICRA]A3; downgraded from [ICRA]A3+
<b>Total</b>	<b>105.00</b>	<b>105.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings downgrade factors in the expectation of continued pressure on Radiaant Exports Private Limited's (REPL) debt coverage metrics, driven by an increase in the debt level on account of elevated working capital intensity. The net working capital intensity (NWC/OI) of the company increased to around 65% in FY2026 from 24% in FY2022, primarily due to elongated inventory holding and receivable cycles. The company's cash flow from operations remained weak over the past few fiscals, resulting in a deterioration in its liquidity position, as reflected in the limited cushion in working capital limits with an average utilisation of around 95%, even though the same is supported to an extent by the demonstrated funding support from promoters. Further, with a decline in revenues following the closure of the apparel business and increased reliance on borrowings, the credit metrics have moderated, as reflected in Total Debt/OPBDITA of 7.9 times and an interest coverage of 2.0 times as on March 31, 2026 (estimated). REPL's operating performance remained under pressure over the past few fiscals owing to subdued demand for home textile products in key export markets such as the US and Europe, amid high inflation and geopolitical uncertainties, including tariff-related challenges. Going forward, the company's ability to stabilise revenues post the closure of the garment business and diversify its customer base, given the high dependence on a few customers, will remain key monitorables.

The ratings continue to positively factor in the extensive experience of the promoters in the home textile furnishings export industry and the company's established relationships with reputed international retailers that have helped garner repeat orders. The overall operating profit margin remained steady as the company is involved in designer products, which help it earn a premium. Moreover, the company's healthy order book position provides revenue visibility over the near term.

The ratings continue to be constrained on account of high client and geographical concentration risks as a significant proportion of revenues comes from a single customer. Intense competition from other domestic players and low-cost countries, which restricts the company's pricing flexibility, also constrains the margins. The ratings also factor in the vulnerability of the company's profitability to foreign exchange rate fluctuations and high dependence on export incentives provided by the Government of India (GoI). Any downward revision in the same or any other unfavourable regulatory changes may adversely impact its margins.

The uncertainty surrounding the imposition of import tariffs by the US is another risk factor for the sector. If increased from the current level of 10%, it remains to be seen what impact it might have on demand, how US importers will respond to the tariff shock and the associated price inflation, and the extent to which exporters like REPL will be compelled to share the tariff burden. Nevertheless, given the significantly higher tariffs imposed on competing nations, especially China, exporters from India like REPL appear to have a comparative advantage. This will present an opportunity to counteract the pricing pressure by expanding volumes through market share gains.

The Stable outlook on the long-term rating reflects ICRA's expectation that REPL's credit profile will continue to benefit from timely financial support from the promoters, which will help the company navigate the uncertain geopolitical environment and help maintain credit metrics commensurate to the rating level.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters in home furnishing textiles** – The promoters have almost three decades of experience in the home furnishing industry and are involved in the company's day-to-day operations. This has helped ensure high-quality products and has aided the company in getting repeat orders from its customers.

**Established relationships with globally renowned clients** – REPL supplies to some of the major global players like Target Stores, Euromarket Designs, Dillard Store Services etc. It has a track record of getting repeat orders, which supports its revenue stability.

### Credit challenges

**Increased working capital intensity and pressure on sales** – The US remains the largest market for Indian home textiles. However, subdued demand owing to imposition of tariffs by the US has resulted in a decline in exports to the country and consequently a fall in the company's revenue. REPL's operations are highly working capital intensive as the company is required to maintain sufficient raw materials and finished goods inventory to meet its customer requirements within a reasonable period. Further, working capital utilisation has increased in the past few fiscals due to increase in working capital intensity. Consequently, due to lower-than-estimated revenue from the apparel business along with increased borrowing level, the debt protection metrics moderated. Its Total Debt/OPBIDTA and Interest coverage stood at 6.9 times and 2.0 times, respectively as on March 31, 2026 (estimated).

**Exposed to high customer and geographical concentration risks, intense competition from low-cost countries** – The company receives a significant portion of its revenues from a single customer, Target Stores, US (accounted for ~66% of revenues in 11M FY2026). As a result, it remains exposed to increased customer concentration risk. As far as geographical concentration is concerned, the sales are highly skewed to the US. Intense competition from other low-cost countries as well as domestic competitors keeps the pricing power in check, limiting profitability.

**Exposure to foreign exchange rate volatility and fluctuation in raw material costs** – As exports constitute a significant percentage of REPL's turnover, it remains exposed to the foreign currency fluctuation risks to the extent of the unhedged exposure. Further, while the company has been able to pass on raw material price hikes over the years, the trend in the same remains monitorable. ICRA also notes that the profit margins of REPL remain aided by the fact that the company deals in designer products, which earn a premium.

**Exposed to risks associated with policy and regulatory changes, including export incentives** – The Government of India (GoI) extends various incentives to encourage exporters. The exporter enjoys export incentives in the form of duty drawbacks and license sale, which support its operating profit margins. Thus, any change in the incentives extended by the GoI to exporters or in the regulatory policies of importing countries can adversely impact the company's profitability and cash flows; in this regard, ICRA notes that these incentives have been extended by the government over the years, and the likelihood of further extensions provides comfort.

## Liquidity position: Adequate

The company's liquidity position is Adequate, characterised by an average buffer of Rs. 4 crore in working capital limits for 14 months ended in February 2026 and cash and bank balances of Rs. 4-5 crore as of March 2026. As the company's reliance on working capital borrowings has increased, promoters have infused funds to support liquidity. Even as the company's repayment obligations remain at moderate level (Rs. 7 crore in FY2027), REPL's ability to effectively manage its working capital cycle and expected timely infusion of funds by the promoters in case of any funding mismatch continue to support its liquidity position.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded if there is a meaningful rise in REPL's earnings coupled with an improvement in the working capital intensity, leading to an increase in cash flow generation on a sustained basis.

**Negative factors** – The ratings could be downgraded if there is any material decline in the company's earnings on a sustained basis. The ratings could also be impacted if REPL undertakes unanticipated fresh debt-funded investments or experiences any significant stretch in its working capital cycle, adversely impacting its liquidity.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

REPL (initially Radiant Exports) was set up in 1991 as a partnership firm by Major General (Retired) K. K. Sehgal and his son, Mr. Vivek Sehgal. Subsequently, the firm was converted into a private limited company, Radiaant Expovision Private Limited, in February 2019. The company manufactures textile home furnishings including cushions, cushion covers, tablecloths, bed covers, quilts, kitchen linen, and curtains. REPL operates through six units — five in Noida (Uttar Pradesh) and one in Karur (Tamil Nadu). The entity is a ~100% export-oriented unit and exports to leading retailers, primarily those in the US and Europe. Also, the company commenced operations of the new garment unit in FY2023 for manufacturing shirts, which was closed in FY2026.

## Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	233.7	245.9
PAT	5.2	2.6
OPBDIT/OI	7.1%	7.8%
PAT/OI	2.2%	1.1%
Total outside liabilities/Tangible net worth (times)	2.1	2.4
Total debt/OPBDIT (times)	6.8	6.9
Interest coverage (times)	2.5	2.0

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	June 01,2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash Credit	Long-term	10.00	[ICRA]BBB- (Stable)	05-May-25	[ICRA]BBB (Negative)	-	-	8-Mar-24	[ICRA]BBB (Stable)
				23-Sep-25	[ICRA]BBB (Negative)				
Fund-based – Term Loan	Long-term	21.00	[ICRA]BBB - (Stable)	05-May-25	[ICRA]BBB (Negative)	-	-	8-Mar-24	[ICRA]BBB (Stable)
				23-Sep-25	[ICRA]BBB (Negative)				
Fund-based – Domestic/export credit facility	Short-term	74.00	[ICRA]A3	05-May-25	[ICRA]A3+	-	-	8-Mar-24	[ICRA]A3+
				23-Sep-25	[ICRA]A3+				
Non-fund based – Forward Cover	Short-term	-	-	05-May-25	-	-	-	8-Mar-24	[ICRA]A3+

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. No.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash Credit	Simple
Long-term – Fund-based – Term Loan	Simple
Short-term – Fund-based – Domestic/export credit facility	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 II: Instrument details**

ISIN	Instrument Name	Date of Issuance	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Cash Credit	NA	NA	10.00	[ICRA]BBB- (Stable)
NA	Fund-based – Term Loans	FY2023	FY2031	21.00	[ICRA]BBB- (Stable)
NA	Domestic/Export Credit Facility	NA	NA	74.00	[ICRA]A3

Source: Company

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

**Annexure III: List of entities considered for consolidated analysis-Not Applicable**

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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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For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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