

June 05, 2026

## Rajkrupa Textiles India Private Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*                                     | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                   |
|---|--------------------------------------|-------------------------------------|---------------------------------|
| Long-term – Fund-based – Working capital limits | 25.00                                | 25.00                               | [ICRA]BBB+ (Stable); reaffirmed |
| Short-term – Non-fund based limits – LC/BG**    | (23.50)                              | (23.50)                             | [ICRA]A2; reaffirmed            |
| <b>Total</b>                                    | <b>25.00</b>                         | <b>25.00</b>                        |                                 |

\*Instrument details are provided in Annexure II

\*\*sub limit of the overall fund-based working capital limit

### Rationale

The reaffirmation of the ratings on the bank facilities of Rajkrupa Textiles India Private Limited (RTIPL) considers the promoters' extensive experience and established track record in the textile industry, along with the company's longstanding relationships with reputed customers. Its revenues declined by around 8.5% year over year (YoY) in FY2026 owing to lower sales volume in the fabric and garment segments amid weak export demand. The revenues are expected to stabilise in FY2027, supported by an increased focus on fabric exports going ahead. The operating profit margins (OPM) improved to 7.6% in FY2026 (provisional) from 6.6% in FY2025, primarily due to lower job work expenses on account of reduced garment sales. The OPM is likely to improve further with a higher share of fabric sales, which offer better realisations than garments. The ratings factor in the company's healthy financial risk profile, reflected in a comfortable capital structure and strong debt protection metrics, with interest coverage of 63.6 times and TD/OPBITDA below unity in FY2026.

The ratings remain constrained by the company's exposure to volatility in raw material prices, such as yarn and grey fabric that are linked to cotton prices, as well as the competitive nature of the textile industry, which limits pricing flexibility. The ratings factor in the concentration risks, with around 67% of operating income (OI) derived from Sri Lanka and Hong Kong, while top five customers contributed to approximately 60% of revenues in FY2026. Further, its profitability is exposed to changes in export incentives and foreign exchange fluctuations, given the high share of export revenues and the absence of active hedging.

The Stable outlook reflects the expectation of a modest improvement in revenue and operating performance over the medium term. ICRA assumes that any incremental capex will be funded in a manner that supports maintenance of debt protection metrics at the current levels.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters in textile industry** – RTIPL's promoters have over two decades of experience in the textile sector, which has resulted in established relationships with key customers and suppliers, leading to repeat orders. This, along with its integrated operations across the textile value chain from grey fabric to garment manufacturing, supports the operational efficiency.

**Reputed and established customer profile with track record of repeat business** – RTIPL manufactures and supplies cotton fabrics and garments to established domestic and international clients. The company has maintained long-standing relationships with customers such as RNA Resources Group Limited (Landmark Group), Hela Clothing Private Limited, Norlanka

Manufacturing Pvt Ltd, Ritz Design Centre and Jay Jay Mills Lanka (Pvt) Ltd. This, along with its design capabilities and consistent product quality, supports steady order inflows.

**Healthy financial profile** – RTIPL has a healthy financial risk profile, driven by steady internal accruals, as reflected in its net worth of Rs. 151.2 crore as on March 31, 2026, as well as its capital structure and coverage metrics. The company's gearing and Total Debt/OPBITDA remained below unity as on March 31, 2026, on account of negligible long-term bank debt, while the TOL/TNW stood at 0.3 times. This conservative leverage profile supports strong debt protection metrics, with an interest coverage ratio of 63.6 times as on March 31, 2026, aided by minimal long-term debt and improvement in operating margins in FY2026.

### Credit challenges

**Exposed to high customer concentration risk** – RTIPL remains exposed to customer concentration risk, with the top five customers contributing around 55-60% of the OI over the past three fiscals. However, the established profile of these customers provides comfort with respect to counterparty credit risk.

**Intense competition restricts pricing flexibility** – The Indian textile industry is fragmented with the presence of numerous organised and unorganised players, which constrains the company's bargaining power with large overseas customers. Nonetheless, the established customer base and long-standing relationships, along with a track record of repeat orders, provide some support.

**Profitability susceptible to volatility in raw material prices and foreign currency exchange rates** – RTIPL has limited control over the pricing of key inputs such as cotton yarn and cotton grey fabric, and the inventory requirement exposes its margins to variations in raw material prices. Further, a significant portion of revenue is derived from exports denominated in US dollars, exposing the profitability to foreign currency fluctuations. However, RTIPL does not hedge its foreign currency exposure. Given the appreciation in the US dollar, any adverse movement in exchange rates may have a material impact on its profitability.

### Liquidity position: Adequate

RTIPL's liquidity profile is expected to remain adequate, supported by free cash and bank balance of Rs. 17.06 crore as on March 31, 2026, and the availability of undrawn working capital limits of Rs. 25.0 crore as of April 2026. The average utilisation of these limits remained low at 4.1% over the 12-month period ending April 2026, indicating sufficient cushion. The company does not have any significant debt-funded capex plans. It is anticipated to incur only marginal maintenance capex in the near term, which will be funded through internal accruals. Coupled with minimal repayment obligations, these factors are likely to support RTIPL's adequate liquidity position over the medium term.

### Rating sensitivities

**Positive factors** – The ratings could be upgraded in case of any significant increase in the revenues and profitability, strengthening its net worth, along with expansion in its geographical presence and customer base.

**Negative factors** – Pressure on the ratings could arise if there is any significant decline in revenues or any material deterioration in the margins. Any stretch in the working capital cycle or large debt funded capital expenditure, impacting the liquidity, could also lead to ratings downgrade. Specific credit metrics that could lead to ratings downgrade include TOL/TNW above 1.7 times on a sustained basis.

## Analytical approach

| Analytical approach             | Comments   |
|---------------------------------|--|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Textile – Fabric</a><br><a href="#">Textiles - Apparels</a> |
| Parent/Group support            | Not applicable   |
| Consolidation/Standalone        | The ratings are based on the standalone financial risk profile of the company.   |

## About the company

Rajkrupa Textiles India Private Limited was incorporated on August 2, 2021. The business of Raj Exports, incorporated in 1998, was transferred to RTIPL on August 2, 2021. RTIPL is managed by Mr. Niraj Shah and Mr. Shirish Shah, who have long experience in the textile business. product portfolio includes knitted fabric, t-shirts, socks and hosiery products made from cotton knitted fabrics. The company's manufacturing facilities are in Ahmedabad (Gujarat) and Tirupur (Tamil Nadu). At present, its knitting (grey fabric manufacturing capacity), processing (dyeing and printing) and garment manufacturing capacities stand at ~750 MT/ month, ~900 MT/month and ~8 lakh units/month, respectively.

### Key financial indicators (audited)

| RTIPL (Standalone)                                   | FY2024 | FY2025 | FY2026* |
|--|--------|--------|---------|
| Operating income                                     | 498.8  | 614.7  | 562.5   |
| PAT  | 21.6   | 26.0   | 23.8    |
| OPBDIT/OI  | 8.2%   | 6.6%   | 7.6%    |
| PAT/OI   | 4.3%   | 4.2%   | 4.2%    |
| Total outside liabilities/Tangible net worth (times) | 0.8    | 0.5    | 0.3     |
| Total debt/OPBDIT (times)                            | 0.1    | 0.0    | 0.0     |
| Interest coverage (times)                            | 40.2   | 50.5   | 63.6    |

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; 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 (FY2027)                    |            |                          | Chronology of rating history for the past 3 years |                     |        |        |              |                     |              |                     |
|-------------------------------------|------------|--------------------------|---|---------------------|--------|--------|--------------|---------------------|--------------|---------------------|
| Instrument                          | Type       | Amount rated (Rs. crore) | FY2027  |                     | FY2026 |        | FY2025       |                     | FY2024       |                     |
|                                     |            |                          | Date  | Rating              | Date   | Rating | Date         | Rating              | Date         | Rating              |
| <b>Fund-based-Working capital</b>   | Long term  | 25.00                    | June 05, 2026                                     | [ICRA]BBB+ (Stable) | -      | -      | Mar 25, 2025 | [ICRA]BBB+ (Stable) | Mar 11, 2024 | [ICRA]BBB+ (Stable) |
| <b>Non-fund based limits-LC/BG^</b> | Short term | (23.50)                  | June 05, 2026                                     | [ICRA]A2            | -      | -      | Mar 25, 2025 | [ICRA]A2            | Mar 11, 2024 | [ICRA]A2            |

^sub limit of the overall fund-based working capital limits

### 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 Financial Sector Regulators (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 Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

| Instrument                                 | Complexity indicator |
|--|----------------------|
| Long-term – Fund-based – Working capital   | Simple               |
| Short-term – Non-fund based limits – LC/BG | 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 | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|---------------------------------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA   | CC1/WCDL2/EPC/PCFC                    | NA               | NA          | NA       | 25.00                    | [ICRA]BBB+ (Stable)        |
| NA   | Letter of credit/<br>Bank guarantee * | NA               | NA          | NA       | (23.50)                  | [ICRA]A2                   |

Source: Company; \* sub limit of the overall fund-based working capital limit

### 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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### Branches



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