RibaTextilesLimited

(GOVT.RECOGNISEDEXPORTHOUSE)

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Date: 02.07.2026

To,
Corporate Relation Department
BSE Ltd.
25th Floor, PhirozeJeejeebhoy Towers,
Dalal Street Mumbai -400001

Scrip Code: 531952/Equity
Dear Sir(s)

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Company has received a communication from CARE Ratings Limited regarding the credit rating assigned to the Company's banking facilities.

A copy of the credit rating letter received from the credit rating agency is enclosed herewith for your information and record.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,
For **Riba Textiles Limited**

NEHA DUBEY
Digitally signed by NEHA DUBEY
Date: 2026.07.02 22:28:13 +05'30'

(Neha Dubey)
Company Secretary &Compliance officer
M. No.: A46655

Encl. as above

Riba Textiles Limited

July 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	29.00	CARE BBB; Stable	Reaffirmed and removed from Rating Watch with Negative Implications; Stable outlook assigned
Long Term / Short Term Bank Facilities	65.00	CARE BBB; Stable / CARE A3+	Reaffirmed and removed from Rating Watch with Negative Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the ratings assigned to the bank facilities of Riba Textiles Limited (RTL) and simultaneously removed the 'Credit Watch with Negative Implications' while assigning a 'Stable' outlook. This rating action follows the reduction in the United States (U.S.) tariff on imported textiles and apparel from the earlier imposed 50% to 10%. Additionally, RTL has initiated measures to diversify its customer base with a particular focus on the Latin American market, thereby reducing its dependence on the U.S. market, which historically accounted for around 30% of the company's export revenues.

Ratings also take cognizance of the moderate working capital requirements of the company marked by average operating cycle of around ninety days. Ratings also derive strength from the long-standing experience of its promoters as reflected in its diversified and reputed client base. Ratings further take comfort from average financial risk profile of the company marked by comfortable capital structure and moderate debt coverage indicators along with an adequate liquidity position. Ratings strengths are however offset by the presence of the company in a highly competitive industry, thereby, limiting its bargaining power. Ratings are further constrained by the susceptibility of margins to foreign exchange fluctuations risk and the geographical concentration risk faced by the company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations beyond Rs. 300 crores with Return on Capital Employed (ROCE) of around 13% on a sustained basis
- Improvement in the capital structure of the company marked by Total Debt/ Profit Before Interest, Lease, Depreciation, and Tax (PBILDT) below 3.00x on a sustained basis

Negative factors

- Any significant unplanned capex deteriorating the capital structure of the company marked by an overall gearing of above 1.00x
- Deterioration in the working capital cycle of the company due to increase in collection period beyond 70 days on sustained basis

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes that the company shall continue to maintain its stable operational performance and expected to benefit from the long-standing experience of its promoters along with its reputed clientele.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Established presence in export-oriented home textile segment with diversified customer profile

RTL has an established track record in the manufacturing and export of terry towels, bathmats, bath robes and other home textile products. The company has developed long-standing relationships with several international retailers, wholesalers and distributors across geographies, enabling it to maintain a diversified customer base and repeat business. During FY26 (refers to April 01, 2025 to March 31, 2026), the top 10 customers accounted for approximately 34% of total operating income, indicating moderate customer concentration and reducing dependence on any single buyer. The company derives a significant proportion of its revenue from exports, with overseas sales accounting for around 89% of gross sales in FY26. While the United States continues to be an important market, its contribution reduced to around 20% of total sales in FY26 from around 29% in FY25, reflecting management's efforts towards geographical diversification. The company has expanded its presence in markets such as Chile, Saudi Arabia, Brazil, UAE and Peru, partially mitigating concentration risks associated with any limited export destinations. Continued diversification of export markets and expansion of customer relationships remain important from a credit perspective.

Stable operating profitability despite moderation in scale of operations

RTL reported operating income of Rs. 255.38 crore in FY26 as against Rs. 295.86 crore in FY25 due to lower demand from certain key export markets. Despite the decline in revenue, the company maintained healthy operating profitability, with PBILDT improving marginally to Rs. 22.71 crore in FY26 from Rs. 22.68 crore in FY25. Consequently, PBILDT margin improved to 8.89% in FY26 from 7.67% in FY25. The stable profitability is supported by the company's established customer relationships, operational efficiencies and favourable raw material cost environment during the year. The company continues to operate an integrated manufacturing facility with installed capacity of 8,400 metric tonnes per annum for terry towels and related products, supporting operational flexibility and product diversification. Sustaining its profitability margins amidst fluctuating input costs remains a key monitorable.

Moderate capital structure and moderate debt protection metrics

RTL's financial risk profile remains comfortable, supported by steady accretion to reserves and moderate reliance on external debt. Tangible net worth improved to Rs. 106.02 crore as on March 31, 2026, from Rs. 97.90 crore a year earlier owing to retention of profits. The capital structure continued to remain comfortable with overall gearing of 0.72x as on March 31, 2026 (PY: 0.63x). Although total debt increased to Rs. 75.88 crore as on March 31, 2026, from Rs. 61.39 crore as on March 31, 2025, primarily on account of higher working capital borrowings and incremental term debt, the leverage indicators remained at comfortable levels. Debt coverage indicators were moderate with total debt to GCA and total debt to PBILDT of 4.98x and 3.34x respectively as on March 31, 2026. Interest coverage also remained satisfactory at 3.50x in FY26. The company's ability to maintain its comfortable capital structure while supporting future growth plans will remain a key rating monitorable.

Moderate working capital intensity

The company operates in a working capital-intensive industry due to inventory requirements and credit extended to overseas customers. Nevertheless, its working capital cycle has remained at moderate levels over the years. The operating cycle stood at 95 days as on March 31, 2026, as compared to 72 days as on March 31, 2025. The elongation in operating cycle was primarily on account of higher inventory holding period, which increased to 54 days in FY26 from 35 days in FY25, along with moderation in collection efficiency as reflected by average collection period of 60 days (FY25: 53 days). Despite the increase, the working capital cycle remains manageable and is supported by established relationships with customers and suppliers. Efficient management of receivables and inventory levels will remain important for maintaining liquidity and controlling dependence on bank borrowings.

Key weaknesses

Susceptibility of profitability to volatility in raw material prices

Raw materials constitute a major component of RTL's cost structure, with cotton yarn, cotton, dyes and chemicals being the key inputs. The prices of cotton and cotton yarn are inherently volatile and are influenced by factors such as crop output, global demand-supply dynamics, weather conditions and government policies.

Any sharp increase in raw material prices may adversely impact profitability, particularly in periods of weak demand when the company's ability to pass on cost increases to customers may be limited. While RTL benefits from established customer relationships and periodic price renegotiation mechanisms, its margins remain exposed to fluctuations in raw material prices.

Exposure to foreign exchange fluctuation risk

RTL remains exposed to foreign exchange risk due to the export-oriented nature of its operations. Export sales accounted for approximately 89% of total sales in FY26, while imports remained negligible at around Rs. 2.82 crore, resulting in limited natural hedge against currency movements. The company primarily transacts in foreign currencies, including the US dollar and other international currencies, and therefore remains susceptible to adverse exchange rate fluctuations. Although RTL undertakes hedging through forward contracts to mitigate currency risks, sharp movements in exchange rates may continue to impact profitability and cash flows.

Geographical concentration in export markets

Despite ongoing efforts towards geographical diversification, the company continues to derive a substantial proportion of its revenue from a limited number of export markets. While dependence on the United States reduced during FY26, a significant portion of revenue continues to originate from Chile, the United States, Saudi Arabia, Brazil, Australia and other select overseas markets. Accordingly, RTL remains exposed to changes in economic conditions, trade policies, tariff structures, geopolitical developments and demand trends in these markets. Any prolonged slowdown in key export destinations could adversely affect the company's revenue profile.

Inherent cyclicality and competitive intensity of the textile industry

RTL operates in the highly competitive textile and home furnishings industry, which is characterised by intense competition from both domestic and international manufacturers. Demand for home textile products is closely linked to consumer spending patterns and economic conditions in export markets. The industry is also exposed to risks arising from changes in trade regulations, labour availability, logistics costs, and global demand-supply imbalances. Consequently, the company's operating performance remains vulnerable to adverse developments in the textile sector and the broader global economic environment.

Liquidity: Adequate

The liquidity position of the company remained adequate with a free cash and bank balance of Rs. 4.15 crore as on March 31, 2026. Further, expected gross cash accruals for FY27 stand at approximately Rs. 13-14 crores against debt repayment obligations of Rs. 8.00 crores. The current ratio and quick ratio of the company stood at 1.19x and 0.68x respectively as on March 31, 2026. The high working capital requirements are largely met though bank borrowings and average utilization for last twelve months ended May 2026 stood at ~65%.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Textile

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Riba Textiles Limited (RTL) is an export-oriented Terry Towels and Tufted Rugs manufacturing unit based 100 kms from New Delhi in the state Of Haryana. RTL has a current manufacturing capacity of 8400 Metric Tonnes. The production unit encompasses 24 acres of land with a built-up area of 10,00,000 square feet. RTL is a fully integrated unit with a composite plant incorporating Dyeing, Weaving, Finishing, Sublimation, Shearing Embroideries and Tufting.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	295.86	255.38
PBILDT*	22.68	22.71
Profit after tax (PAT)	8.50	8.13
Overall gearing (x)	0.63	0.72
Interest coverage (x)	3.85	3.50

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2029	29.00	CARE BBB; Stable
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	65.00	CARE BBB; Stable / CARE A3+

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	65.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB / CARE A3+ (RWN) (05-Sep-25) 2)CARE BBB; Stable / CARE A3+ (04-Jul-25)	1)CARE BBB; Stable / CARE A3+ (09-Jul-24)	-
2	Fund-based - LT-Term Loan	LT	29.00	CARE BBB; Stable	-	1)CARE BBB (RWN) (05-Sep-25) 2)CARE BBB; Stable (04-Jul-25)	1)CARE BBB; Stable (09-Jul-24)	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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.

Annexure-6 List of Facilities/Instruments and FSRs
As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ 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 may accordingly be SEBI, RBI or MCA and can only

[2]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

be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Contact us

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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