Raymond Lifestyle Limited

December 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,500.00 (Enhanced from 1,335.00)	CARE AA; Stable	Reaffirmed
Short-term bank facilities	820.00	CARE A1+	Reaffirmed
Non-convertible debentures	200.00	CARE AA; Stable	Reaffirmed
Commercial paper	550.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to bank facilities, short-term, and long-term instruments of Raymond Lifestyle Limited (RLL) derives strength from its dominant position in the worsted suiting segment, integrated presence across the textile value chain and diversified revenue stream, widespread distribution network supplemented by asset-light retail strategy, presence of established brands in the apparel segment, and experienced promoter group and management.

RLL holds a dominant share in India's branded worsted suiting segment, with over 1,660 stores, including 1,110 Raymond Shop outlets, across 600+ cities in India and seven international markets. Its diversified business across textiles, apparel, garments, and premium shirting contributed 46%, 25%, 17%, and 12% of revenue, respectively, in FY25, mitigating segment-specific risks. In FY25, operating performance moderated with total operating income declined to ₹6,184.71 crore and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins contracted to 7.7%. Subdued demand, unfavourable product mix, operating deleverage, and elevated discretionary investments in retail expansion, marketing, and brand-building initiatives weighed on the profitability. Additionally, a ransomware incident during Q4FY25 caused operational disruptions. The company has opened ~350 stores in last three years, slower-than-expected demand has delayed their break-even thereby reducing fixed cost absorption. Management has since adopted a more cautious expansion approach, including closing non-viable stores. In H1FY26, the company posted an 11% growth in total operating income (TOI) to ₹3,262.83 crore, supported by festive demand and improved retail traction. PBILDT rose to ₹302.97 crore with operating margins at 9.29%, aided by cost rationalization and operating efficiencies. CARE Ratings Limited (CareEdge Ratings) expects H2FY26 to be better than H1FY26 supported by festive and wedding season demand, new product categories and operating efficiencies. The garmenting business is expected to face headwinds with the ongoing US tariffs affecting exports.

The financial profile remained robust with overall gearing at 0.52x (FY24: 0.35x), supported by net worth of ₹4,356 crore and liquidity of ₹1,199.40 crore as on March 31, 2025. As on September 30, 2025, 20.54% of the promoters' 57.15% equity stake in RLL was pledged (~11.74% of total equity), which could weigh on the company's financial flexibility. CareEdge Ratings notes the income tax survey carried at certain offices and manufacturing facilities of the company in September 2025 and would continue to monitor any developments related to this event.

However, rating strengths are partially tempered by working capital intensive operations inherent to the textile industry, raw material price fluctuation and fluctuation in foreign exchange making profitability volatile, intense competition faced from organised and unorganised players, especially in the branded apparel segment, and cyclicality associated with the textile sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the operating performance aided by growth in revenue and stable PBILDT margin leading to healthy cash generated from operations.
- Maintaining strong financial risk profile with net debt/PBILDT less than 1.00x on a sustained basis and surplus liquidity in the form of cash and liquid investments.

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

Negative factors

- Increase in leverage, with net debt/PBILDT above 2.00x on a sustained basis.
- Slowdown in demand leading to lower-than-expected revenue generation and profitability margin below 8-9% on a sustained basis.

Analytical approach: Consolidated.

Consolidated approach, considering strong operational and financial linkages between RLL and its subsidiaries. Subsidiaries consolidated are listed under Annexure-6.

Outlook: Stable

The Stable outlook reflects that the company is likely to maintain its strong operational performance, while maintaining its financial risk profile and liquidity in the medium term.

Detailed description of key rating drivers:

Key strengths

Strong parentage, track record of management, and experience in textile business

The promoter group has a long-standing legacy in the textiles industry and plays an active role in shaping and overseeing the company's strategic decision-making. Gautam Singhania, Executive Chairman, RLL, has been a board member of Raymond Limited since 1990. Under his leadership, the group underwent significant restructuring, divesting non-core businesses such as synthetics, steel, cement, and fast-moving consumer goods (FMCG), to concentrate on establishing RLL as a globally recognised fabric-to-fashion brand. The Raymond group is led by a professionally qualified management team, comprising seasoned industry experts with over 20 years of experience in their respective domains.

Dominant position in the worsted suiting fabrics business

RLL has built a strong reputation as a market leader in India's worsted suiting fabric segment. As on September 30, 2025, the company operates a widespread retail network of 1,663 stores, including 1,110 outlets under its flagship brand, The Raymond Shop (TRS), making it the largest exclusive brand outlet network in the country's textile and apparel industry. RLL holds a dominant market share of over 65% in branded suiting and has become the leading over-the-counter (OTC) branded shirting player in India since launching the category in 2015. With vertically integrated operations spanning fibre to fashion, RLL maintains leadership across branded textiles, apparel, garmenting, and premium cotton shirting. It is also India's largest exporter of men's tailored suits, jackets, and trousers, supplying over 50 global brands across more than 45 countries. Supported by 10 advanced manufacturing facilities in India and Ethiopia, the company produces over 11 million garments annually along with a fabric manufacturing capacity of 120 million metres and ranks among the top three suit manufacturers globally.

Diversified revenue stream with integrated presence across the textile value chain

RLL maintains a strategically balanced and diversified revenue profile across its core business segments. In FY25, domestic operations contributed ~78% of the consolidated revenue, continuing to represent the primary driver of growth. International markets accounted for the balance 22%, reflecting the company's expanding global footprint. RLL's vertically integrated business model spans the entire textile value chain, including yarn production, suiting and shirting fabrics, business-to-consumer (B2C) shirting, garments, denim, branded apparel, and retail. This comprehensive integration strengthens operational efficiency, reduces reliance on third-party vendors, and enables agile, cost-effective execution across its value streams.

Widespread distribution network supplemented by asset-light retail strategy

RLL operates one of the largest retail networks in India's textile and apparel sector, with 1,663 stores as on September 30, 2025. This includes 1,110 outlets under TRS, 50 Made to Measure (MTM) stores, and 503 Exclusive Brand Outlets (EBOs). In H1FY26, the company added 19 stores and rationalised its network by closing 31 underperforming outlets. The retail footprint spans over 600 cities in India and includes 48 stores across seven international markets. RLL continues to optimise its network by exiting loss-making EBOs and multi-brand outlets (MBOs). The company follows an asset-light franchise model for TRS, with ~75% operated by franchisees, while over 80% of EBOs and MTM stores are company-owned to ensure brand consistency. Franchisees bear store setup costs and inventory risk, enabling efficient expansion with minimal capital outlay. Sales recognition varies by format, with revenue booked at the point of sale in EBOs and at dispatch in MBOs. For store expansion, the management has shifted to a more calibrated strategy, prioritising the closure of non-performing stores and leveraging partnerships with TRS and MBOs for Ethnix and other branded apparel. This approach is expected to be more cost-efficient while simultaneously improving distribution reach.

Margins contracted in FY25 amid demand pressures and operational challenges, with H1FY26 showing recovery

In FY25, RLL reported a 5.4% decline in TOI to ₹6,184.71 crore from ₹6,540.14 crore in FY24. PBILDT stood at ₹477.24 crore, with margins contracting to 7.7% from 14.3%. The decline was attributed to subdued demand, an unfavourable product mix, operating deleverage, and elevated spending on retail expansion and brand-building. Additionally, a ransomware incident in Q4FY25 disrupted operations. The company has opened ~350 stores in the last three years, slower-than-expected demand has delayed their break-even, thereby reducing fixed cost absorption. However, performance improved in H1FY26, with revenue rising 11% year-on-year to ₹3,262.83 crore and PBILDT increasing to ₹302.97 crore, supported by festive season demand, cost rationalisation, and operating efficiencies. CareEdge Ratings expects H2FY26 to be better than H1FY26 supported by festive demand, wedding season and GST rate cut. The garmenting business is expected to face winds with the ongoing US tariffs affecting exports.

Healthy financial risk profile

The company's financial risk profile remains supported by a healthy capital structure and adequate liquidity. Overall gearing stood at 0.52x as on March 31, 2025 (FY24: 0.35x), reflecting moderate leverage against a strong net worth base of ₹4,415.42 crore as on September 30, 2025. The increase in debt was primarily towards working capital and lease obligations. Liquidity remains comfortable with cash and liquid investments of ₹1,213.58 crore as on H1FY26. Coverage metrics are adequate, with PBILDT interest coverage at 2.30x in FY25 and 2.58x in H1FY26, while net debt to PBILDT improved to 2.09x in H1FY26, compared to 2.27x in FY25, supported by improved domestic demand, margin expansion, better product mix and operating efficiency. Planned capex of ₹175–200 crore in FY26 for store expansion, IT infrastructure, and maintenance is expected to be funded through internal accruals without straining liquidity.

Key weaknesses

Exposure to global sourcing risks, commodity price volatility, and trade-linked headwinds

RLL remains exposed to global sourcing risks, commodity price volatility, and trade-linked headwinds. Raw materials, primarily wool, cotton, and polyester, account for ~21% of total cost of sales, with wool comprising ~30% of raw material consumption and sourced mainly from Australia, South Africa, the US, and South America. The company mitigates price fluctuation risks through a mix of forward contracts, spot bookings, inventory planning, and vendor diversification. In inflationary periods, RLL typically hedges up to six months in advance, allowing partial cost pass-through, although pricing adjustments may be delayed. Export performance in Q1FY26 was impacted by geopolitical factors, including US tariff uncertainties, contributing to a 22% year-on-year revenue decline in the garmenting segment. Despite these challenges, RLL's diversified sourcing strategy and proactive risk management continue to provide resilience against external pressures.

Intense competition from organised and unorganised sector in branded apparel segment

RLL operates in a competitive branded apparel market, contending with domestic and international players, such as Allen Solly, Louis Philippe, Van Heusen, Arrow, Siyaram, US Polo, Blackberry, Zodiac, Tommy Hilfiger, and Nautica. The company remains exposed to evolving fashion trends and shifts in consumer preferences, which can impact demand and inventory planning. However, RLL's extensive retail footprint, strong brand recognition, and diversified product offerings across price points provide resilience against market volatility. The company is strengthening its digital and omni-channel capabilities to enhance customer engagement and adapt to changing consumption patterns. These initiatives, and ongoing network optimisation and brand investments, are expected to support stable operating performance over the medium term.

Liquidity: Strong

The liquidity profile of RLL remains strong, supported by unencumbered cash and liquid investments of ₹1,213.38 crore as on September 30, 2025. The company reported gross cash accruals (GCA) of ₹251.47 crore in H1FY26, indicating healthy internal cash generation. Liquidity is further supported by low utilisation of fund-based working capital limits, averaging ~37% over the past 12 months. The GCA is expected to be sufficient to meet its scheduled debt repayment of ₹22.12 crore in FY26. The company plans to undertake capex of ~₹175–200 crore in FY26 towards store expansion, maintenance and IT upgradation and the ongoing capacity expansion capex in the garmenting division, which is expected to be funded primarily through internal accruals without significant reliance on additional debt.

Environment, social, and governance (ESG) risks

	Risk factors
Environmental	• A reduction target of 15–20% in Scope 1 and Scope 2 greenhouse gas emissions has been set for 2030, using FY25 (FY refers to April 01 to March 31) as the baseline. To support this goal, coal has been replaced with biomass briquettes, LPG has been substituted with PNG, and energy-efficient IE4 motors have been installed. Waste heat recovery systems have been implemented, and rooftop solar panels have been deployed, including a 640 kW installation at the Vapi facility. • The renewable energy usage target is 25% by 2030. As of FY25, 15% of electricity consumption is sourced from renewables. Rooftop solar installations have been completed at Vapi and SSAL, and green power purchase agreements have been signed to support this shift. • A Zero Liquid Discharge (ZLD) system has been implemented at the Chhindwara plant using reverse osmosis and multiple effect evaporators, enabling near-complete wastewater recycling. At Kolhapur, 75% of wastewater is currently recycled, with plans to reach 100%. Effluent treatment plants are operational across all sites, and rainwater harvesting systems are in place at Vapi and additional sites. • A commitment has been made to achieve zero waste to landfill by 2030. Waste segregation and recycling practices are in place across all manufacturing units. Packaging materials are reclaimed at the Amravati plant, centralised waste segregation is practiced at Kolhapur, certified e-waste disposal is carried out at Jalgaon, and fabric waste is sent to specialised recyclers. • Low-toxicity dyes and chemicals have been adopted to reduce hazardous chemical usage. Waste is segregated at source and disposed of through certified vendors in accordance with Maharashtra Pollution Control Board (MPCB) and Zero Discharge of Hazardous Chemicals (ZDHC) regulations. • Sustainable raw materials are prioritised, including Global Organic Textile Standard (GOTS)-certified organic cotton, European Flax-certified linen, 100% Responsible Wool Standard (RWS)-certified wool, and Global Recycled Standard (GRS)-certified polyester. In the garmenting division, 10% of fabric is recycled, along with 4% recycled lining and 2.4% recycled labels. Circular design principles are applied to enhance product longevity and recyclability. • Compliance with the Perform Achieve Trade (PAT) Scheme is maintained at Vapi, Kolhapur, and Chhindwara. Energy efficiency upgrades include the installation of turbo blowers, Internet of Things (IoT)-based energy monitoring systems, efficient compressors, and smart lighting. • Multiple environmental and sustainability certifications have been obtained, including ISO 14001:2015, ISO 45001:2018, GOTS, RWS, GRS, Oekotex 100, HIGG Index, WRAP, Amfori, Fair Trade, European Flax, and Better Cotton Initiative (BCI). • In FY25, total energy consumption reached 1.89 million gigajoules (GJ), with 15% sourced from renewable energy. Water consumption was 1.87 million kilolitres (KL), and 4.8 lakh KL of tertiary-treated water was discharged. Waste generation totalled 10,915 metric tonne, of which 7,848 metric tonne was recycled or reused, and 2,982 metric tonne was sent to landfill.
Social	• Employee well-being is supported through 100% coverage for health and accident insurance, maternity and paternity benefits, and day care facilities. Mental health support is provided via the Employee Assistance Programme (EAP), along with wellness campaigns and on-site amenities. • The company has a target of achieving 20% gender diversity by 2030. • The overall employee turnover stood at 16% in FY25. • Community engagement is driven through corporate social responsibility (CSR) initiatives focused on education, healthcare, and empowerment. In FY25, ₹179 lakh was spent on CSR, supporting projects such as paediatric heart surgeries, cancer rehabilitation, civic education for students, and school infrastructure upgrades.
Governance	• The board comprises 10 directors, with 77.78% being independent, including one woman director. All board committees—Audit, ESG, CSR, Risk Management, and others—are chaired by independent directors, ensuring transparency and accountability. • A dedicated ESG Committee was formed to oversee environmental, social, and governance strategy, risk identification, and progress monitoring. The committee includes independent directors and meets regularly to align ESG goals with business strategy. • Comprehensive governance policies are in place, including those for anti-bribery, code of conduct, whistleblower, human rights, related party transactions, and board diversity. These policies are board-approved, publicly disclosed, and extend to value chain partners. • Internal financial controls and risk management systems are reviewed regularly by the Audit and Risk Committees. Ernst & Young LLP conducts internal audits, and the company has responded effectively to cybersecurity incidents, including a ransomware attack in February 2025. • The company maintains high standards of transparency through quarterly and annual disclosures, ESG and Business Responsibility and Sustainability Reporting (BRSR), and structured stakeholder engagement. No material related party transactions or regulatory non-compliance were reported in FY25.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles and apparels	Garments and apparels

RLL is a fashion and retail company with iconic men's fashion brands and a vast retail network. The company offers fashion products and services with branded textile, apparel brands across formal, casual and ethnic wear. Lifestyle business of Raymond Limited was demerged and transferred to RLL on June 30, 2024. RLL now operates 1,663 stores across 600+ cities and seven countries. Its portfolio includes brands such as Park Avenue, ColorPlus, Parx, and Ethnix, supported by over 20,000 SKUs in branded textiles. The company has a fabric manufacturing capacity of ~120 million metres and garmenting capacity of over 11 million pieces annually. Garmenting and high-value shirting businesses are housed in subsidiaries, while the core entity focuses on branded textiles and apparel.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	6,540.14	6,184.71	3,262.83
PBILDT	936.90	477.24	302.97
PAT	2,644.72^	38.17	55.37
Overall gearing (times)	0.35	0.52	0.56
Interest coverage (times)	4.79	2.30	2.58

A: Audited UA: Unaudited; Note: these are latest available financial results
^includes ₹2,165.20 crore profit on sale of FMCG business.

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	INE02ID14049	17-Oct-2025	6.75	15-Jan-2026	125.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	INE02ID14031	10-Oct-2025	6.75	08-Jan-2026	75.00	CARE A1+
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	7-365 days	350.00	CARE A1+
Debentures-Non-convertible debentures	INE301A07060	10-Feb-2021	9.00	09-Feb-2031	200.00	CARE AA; Stable
Fund-based - LT-Cash Credit		-	-	-	1400.00	CARE AA; Stable
Fund-based - ST-Factoring/ Forfeiting		-	-	-	225.00	CARE A1+
Fund-based-Short Term		-	-	-	45.00	CARE A1+
Non-fund-based-Short Term		-	-	-	550.00	CARE A1+
Term Loan-Long Term		-	-	31-03-2030	100.00	CARE AA; Stable

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	1400.00	CARE AA; Stable	1)CARE AA; Stable (08-Apr-25)	1)CARE AA; Stable (09-Dec-24)	-	-
2	Commercial Paper-Commercial Paper (Standalone)	ST	550.00	CARE A1+	1)CARE A1+ (08-Apr-25)	1)CARE A1+ (09-Dec-24)	-	-
3	Debentures-Non-convertible debentures	LT	200.00	CARE AA; Stable	1)CARE AA; Stable (08-Apr-25)	1)CARE AA; Stable (09-Dec-24)	-	-
4	Fund-based-Short Term	ST	45.00	CARE A1+	1)CARE A1+ (08-Apr-25)	1)CARE A1+ (09-Dec-24)	-	-
5	Non-fund-based-Short Term	ST	550.00	CARE A1+	1)CARE A1+ (08-Apr-25)	1)CARE A1+ (09-Dec-24)	-	-
6	Fund-based - ST-Factoring/ Forfeiting	ST	225.00	CARE A1+	1)CARE A1+ (08-Apr-25)	1)CARE A1+ (09-Dec-24)	-	-
7	Term Loan-Long Term	LT	100.00	CARE AA; Stable	1)CARE AA; Stable (08-Apr-25)	-	-	-

LT: Long term; ST: Short 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	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non-convertible debentures	Simple
3	Fund-based - LT-Cash Credit	Simple
4	Fund-based - ST-Factoring/ Forfeiting	Simple
5	Fund-based-Short Term	Simple
6	Non-fund-based-Short Term	Simple
7	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Silver Spark Apparel Limited	Full	Subsidiary
2	Celebrations Apparel Limited	Full	Subsidiary
3	Raymond Luxury Cottons Limited	Full	Subsidiary
4	Jaykayorg SA	Full	Subsidiary
5	Ray Global Consumer Products Limited	Full	Subsidiary
6	Raymond (Europe) Limited	Full	Subsidiary
7	R&A Logistics Inc.*	Full	Step-down subsidiary
8	Silver Spark Middle East FZE*	Full	Step-down subsidiary
9	Silver Spark Apparel Ethiopia PLC*	Full	Step-down subsidiary
10	Raymond America Apparel Inc.*	Full	Step-down subsidiary

*Subsidiaries of Silver Spark Apparel Limited

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.

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About us:
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