

Spencers Retail Limited

January 13, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	371.08	CARE BBB-; Stable	Reaffirmed
Long-term / Short-term bank facilities	100.00 (Reduced from 152.00)	CARE BBB-; Stable / CARE A3	Reaffirmed
Short-term bank facilities	2.00	CARE A3	Assigned
Short-term bank facilities	285.00 (Enhanced from 235.00)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Spencers Retail Limited (SRL) continue to derive strength from the strong financial flexibility it enjoys being part of the established RP-Sanjiv Goenka group (RP-SG group), and geographically diversified presence of its retail stores. Ratings also derive strength from high contribution of non-discretionary products in the product basket safeguarding the revenue to an extent, tie-up with Indian and international brands and own brand sales, and favourable working capital cycle.

However, ratings remain constrained due to the continued cash losses incurred by the company in FY25 (refers to April 01 to March 31) and H1FY26 on a consolidated basis, which has resulted in weakening debt protection metrics. Sales have decreased y-o-y in FY25, considering the company closing 51 of its loss-making/low-margin stores. Ratings take cognisance of these steps, including focus on online platforms and closure of loss-making stores, which led to reduction in loss in H1FY26, and is expected to result in further reduction in loss going forward. Continued losses have led to elevated debt levels. Ratings are also constrained by erosion of its net worth due to the increasing losses and no equity infusion in the recent past.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Turnaround in the performance, achieving operating profit with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 2% on a sustained basis.
- Positive net worth with improvement in performance and/or sizeable equity infusion.

Negative factors

- Withdrawal of fund support from the promoter group and/or reduction in the shareholding of the RP-SG group in SRL below 51%.
- Higher-than-envisioned losses on a sustained basis.

Analytical approach:

For arriving at ratings, CARE Ratings Limited (CareEdge Ratings) has considered consolidated business and financial risk profiles of SRL and its subsidiaries, as these companies are engaged in similar line of operations under a common management. Significant comfort is drawn from SRL being part of the RP-SG group. Companies consolidated are listed under Annexure-6.

Outlook: Stable

The stable outlook reflects strong financial flexibility available to the company being part of the RP-SG group and demonstrated support from the group to the company, which is expected to continue going forward.

Detailed description of key rating drivers:

Key strengths

Experienced and resourceful promoters

The RP-SG group has interest across diverse business segments such as power, carbon black, speciality chemicals, retail, education, sports, business process outsourcing, rubber and tea plantations, fast-moving consumer goods (FMCG), and media &

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

entertainment. The flagship company, CESC Limited (rated 'CARE AA; Negative/CARE A1+'), is an integrated power utility, having long track record in generation, transmission and distribution of power in its licensed area. The group is spearheaded by Dr Sanjiv Goenka (previous Chairman of SRL), who has over three decades of professional experience. The group's retail and FMCG businesses are looked after by Shashwat Goenka (Chairman of SRL), who has significant experience in the retail industry.

CareEdge Ratings observes that the group has demonstrated support to the company in the past, which is expected to continue going forward as well.

Geographical diversification with presence in multiple cities across India

The company offers a diverse assortment of food, personal care, and lifestyle (fashion, home, entertainment) products. As on September 30, 2025, the company operated through 121 retail stores (including 31 stores of Natures Basket Limited [NBL]) in 24 cities in India, spread across a trading area of 8.90 lakh square feet. In H1FY26, 83% of the company's revenue (standalone) was from eastern India. SRL closed all of its stores in northern India (NCR region) and southern India, leading to decrease in revenue contribution from those regions. In FY25, SRL closed 47 loss-making stores and opened three new stores, while NBL closed four of its loss-making stores and opened two new stores.

SRL operates in two distinct retail formats being convenience (small format stores) and hypermarket (large format stores) under the name "Spencers". Its subsidiary, NBL, operates its stores on retail format under the name "Natures Basket". The company (consolidated) has also been expanding its stores in Tier-II and Tier-III markets to capture the rising demand of goods in other cities.

High contribution of non-discretionary product in the product basket

SRL offers a wide range of food and lifestyle products (fashion, home, entertainment). In FY25 approximately 73% of SRL's and 90% of NBL's product basket is non-discretionary in nature, which provides stability to demand for the products. Presence of large amount of non-discretionary nature of products in the basket provided cushion to the company in FY21-22 from significant decline in overall demand considering COVID-19 pandemic, when consumers curtailed their discretionary spending with reduced income and tendency to preserve cash.

Tie-up with Indian and international brands and own brand programme

SRL provides customers with wide choice across 70,000+ stock-keeping units (SKUs). The company has tie-ups with several multinational brands. NBL has a product base of ~18,000+ SKUs from reputed Indian and multinational brands. It also operates through its own portfolio of private brands. The private brand products contribute ~10-11% to the company's total sales.

Favourable working capital cycle

SRL (consolidated) has low collection period, which is inherent in the industry. Average inventory holding period is relatively low (39-45 days), considering high share of fast-moving food items with low shelf life, which leads to lower working capital requirement. SRL is exposed to the risk of slow, non-moving, expired, and non-saleable inventory, for which it follows suitable provisioning norms. Average creditor's period is generally of 1.5-2 months with actual credit period ranging between 7 and 120 days depending on the type of product and relationship with the supplier. Hence, the company continues to maintain negative working capital cycle.

Key weaknesses

Weak financial performance in FY25 and H1FY26

On a consolidated level, the company's TOI de-grew in FY25 by ~15% compared to FY24 with de-growth of ~19% in H1FY26 from H1FY25, due to closure of loss-making stores with store footprint reducing from 167 stores as on March 31, 2024, to 121 store as on March 31, 2025, and September 30, 2025. SRL continued to incur losses in FY25 and H1FY26 due to intense competition from other retail stores and quick commerce platforms. Continued operating loss and high capital charge led to significant losses of ₹246.36 crore in FY25 (₹266.15 crore in FY24). Owing to closure of store and restructuring operations, other expenses also remain high in FY25. In H1FY26, the company incurred net losses due to decline in revenue and under absorption of overheads, while the operating losses were at ₹10.18 crore, which remains lower compared to H1FY25 at ₹43.62 crore. Since the company closed many of its loss-making stores in FY25, depreciation reduced for H1FY26. The company has taken steps, including closure of multiple loss-making stores in FY25, alongside focusing on online platforms (Jiffy), to increase sales and improve profitability. However, its impact is to be seen going forward.

Weakening debt protection metrics

Continuous losses and absence of equity infusion resulted in erosion of the net worth, leading to negative net worth position on consolidated basis as on March 31, 2025. Debt coverage indicators remain weak. Ongoing losses, combined with the reliance on

debt to meet other financial obligations, have contributed to a higher debt position as of September 30, 2025. Timely equity / fund infusion by promoter group would be critical going forward.

Intensely competitive nature of the retailing industry

Increased competition from brick and mortar and online players is impacting overall same stores sales growth (SSSG) of SRL and NBL. There is increased competition in retail sector from quick commerce players including Blinkit, Swiggy Instamart, Zepto among others, which continues to be a key threat. Change in foreign direct investment (FDI) norms can lead to further competition. The government had allowed FDI in food processing sector. Apart from this, the government is also contemplating liberalising rules relating to multi-brand retail. This will open foreign investments, which may pose a threat to existing retail players such as SRL among others.

Liquidity: Adequate

Considering sustained cash losses, SRL's liquidity gets comfort from the expected support from its promoter group. Utilization for SRL's working capital limits stood high in excess of ~90% for 12 months ended October 2025, while in NBL, working capital limit utilisation stood at ~96% for 12 months ended October 2025. SRL had cash and cash equivalents (consolidated) of ₹22.67 crore as on September 30, 2025. SRL enjoys significant financial flexibility as part of the RP-SG group. In the past, the group also demonstrated support to SRL through capital infusion.

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Retail](#)
- [Service Sector Companies](#)
- [Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Retailing	Diversified retail

SRL was incorporated on February 08, 2017, as part of the RP-SG Group. The retail business (except the business in Gujarat and some investments) of erstwhile SRL (wholly owned subsidiary of CESC Ltd, the flagship company of the group) was transferred to RP-SG Retail Limited, under the scheme of arrangement of the CESC Group. Subsequently, RP-SG Retail Limited was rechristened as SRL in December 2018.

SRL is a multi-format retailer providing merchandise across categories such as FMCG, fashion, food, staples, general merchandise, personal care, home essentials, electrical and electronics with 90 stores as on September 30, 2025. In July 2019, the company acquired 100% stake in NBL from Godrej Industries Limited at an enterprise value of ₹300 crore, which was settled through cash and takeover of outstanding debts. NBL operates with 31 stores as on September 30, 2025.

Omnipresent Retail India Private Limited, a 100% subsidiary of SRL, is engaged in operating an online platform and also acts as delivery agent on commission basis.

Consolidated Financials

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	2345.03	1995.20	860.98
PBILDT*	-9.17	-43.26	-10.18
Profit after tax (PAT)	-266.15	-246.36	-125.40
Overall gearing (x)	NM	NM	NM
Interest coverage (x)	NM	NM	NM

A: Audited UA: Unaudited; NM: Not Meaningful as networth and PBILDT are negative.; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	09/12/2029	371.08	CARE BBB-; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	100.00	CARE BBB-; Stable / CARE A3
Fund-based - ST-Bank Overdraft		-	-	-	2.00	CARE A3
Fund-based - ST-Purchase Invoice Financing		-	-	-	285.00	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 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-Term Loan	LT	-	-	-	1)Withdrawn (14-Jan-25) 2)CARE BBB-; Stable (05-Apr-24)	1)CARE BBB-; Stable (01-Dec-23) 2)CARE BBB; Stable (07-Jul-22)	1)CARE BBB; Negative (23-Feb-23) 2)CARE BBB; Stable (07-Jul-22)
2	Fund-based - LT/ST-Cash Credit	LT/ST	-	-	-	1)Withdrawn (14-Jan-25) 2)CARE BBB-; Stable / CARE A3 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (01-Dec-23) 2)CARE BBB; Stable / CARE A3 (07-Jul-22)	1)CARE BBB; Negative / CARE A3 (23-Feb-23) 2)CARE BBB; Stable / CARE A3 (07-Jul-22)
3	Fund-based - LT-Term Loan	LT	371.08	CARE BBB-; Stable	-	1)CARE BBB-; Stable (14-Jan-25) 2)CARE BBB-; Stable (05-Apr-24)	1)CARE BBB-; Stable (01-Dec-23) 2)CARE BBB; Stable (07-Jul-22)	1)CARE BBB; Negative (23-Feb-23) 2)CARE BBB; Stable (07-Jul-22)
4	Fund-based - LT/ST-Cash Credit	LT/ST	100.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (14-Jan-25) 2)CARE BBB-; Stable / CARE A3 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (01-Dec-23) 2)CARE BBB; Stable / CARE A3	1)CARE BBB; Negative / CARE A3 (23-Feb-23) 2)CARE BBB; Stable / CARE A3

								(07-Jul-22)
5	Fund-based - ST-Purchase Invoice Financing	ST	285.00	CARE A3	-	1)CARE A3 (14-Jan-25) 2)CARE A3 (05-Apr-24)	1)CARE A3 (23-Feb-23) 2)CARE A3 (01-Dec-23)	1)CARE A3 (07-Jul-22)
6	Fund-based - ST-Bank Overdraft	ST	2.00	CARE A3				

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	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Fund-based - ST-Bank Overdraft	Simple
4	Fund-based - ST-Purchase Invoice Financing	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	Nature Basket Limited	Full	Subsidiary
2	Omnipresent Retail India Private Limited	Full	Subsidiary

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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