Texmaco Infrastructure & Holdings Limited

July 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long term bank facilities	19.74 (Reduced from 21.26)	CARE A-; Stable	Upgraded from CARE BBB+; Stable

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-7.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Texmaco Infrastructure & Holdings Limited (Texmaco) factors in substantial increase in the escrowed rental base, which strengthened the debt servicing cushion. Consequently, coverage of escrowed rental income over equated monthly instalment (EMI) obligations is estimated to improve to 1.61x in FY26 from 1.29x in FY25 and is expected to remain adequate over the medium term, supported by stable rental cash flows.

Ratings continue to derive comfort from the extensive experience of the promoters and strong management team, presence of an escrow mechanism for debt servicing, diversified revenue profile, strong capital structure, and healthy investment portfolio including strategic holdings in major group companies. Ratings also factor in the company's stable financial performance and the resultant strength in its credit profile.

Ratings take cognisance of expected cash inflows from the joint development agreement (JDA) entered by Texmaco as the landowner with Oro Bloom Developments Private Limited, a joint venture between Hines Group (USA) and Conscient Group, for the development of a mixed-use project comprising residential, commercial/retail and Community Service Personnel (CSP)/Economically Weaker Section (EWS) segments on its ~10-acre land parcel (formerly Birla Mills Compound) in Kamla Nagar, Delhi. Ratings also derive comfort from the commencement of cash inflows from apartment sales under the JDA with PS Group Realty Private Limited for the development of a residential project on the Company's ~137-cottah land parcel at Entally, Kolkata.

CARE Ratings Limited (CareEdge Ratings) notes that no debt is proposed to be raised by the company for either of these projects, with the development, construction and marketing costs being borne by the respective developers under the terms of the JDAs.

However, ratings remain constrained by the company's modest scale of operations, exposure to tenant concentration and lease renewal risks, susceptibility to diminution in the value of investments, dependence on cash flows from hydro-power generation, and regulatory risks associated with real-estate sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in rental income resulting in improvement in rental income/EMI.
- Significant collection from its real estate projects resulting in improved liquidity profile.

Negative factors

- Moderation in rental income/EMI below 1.50x on a sustained basis.
- Increasing total debt to investments (excluding investments in group companies) above 0.25x on a sustained basis.
- Significant deterioration in cash & liquidity investments (excluding investments in group companies) on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

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

CareEdge Ratings expects occupancy levels across the leased properties to remain stable in the medium term. The company also benefits from revenue visibility through diversified income streams, including proceeds from hydro power sales, dividend and interest income, and expected cash inflows from real estate projects being developed under JDAs.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and management team

Texmaco belongs to S.K. Poddar and Akshay Poddar, faction of the K. K. Birla group, which was subsequently rechristened as Adventz Group. Adventz is an established business group in the country having interests in fertilizers, chemicals, financial services, real estate, and sugar. S.K. Poddar, son-in-law of Late K. K. Birla and Akshay Poddar, son of S. K. Poddar, are at the helm of the group’s affairs. Akshay Poddar, Chairman of Texmaco is an alumnus of London School of Economics and Political Science (University of London). Currently, day-to-day operations are looked after by Anish Choudhary, Managing Director. He is an alumnus of IIM Ahmedabad and has around two decades of experience in management consulting, corporate strategy, and real estate development.

Presence of escrow mechanism

The company has strengthened its debt-servicing profile through the expansion of its escrowed rental base from two tenants to three tenants, resulting in an increase in monthly escrowed rental inflows to ~₹0.45 crore from ~₹0.36 crore earlier. The lease rentals from these tenants are routed through an escrow account maintained with Axis Bank and are utilised towards servicing the company's debt obligations. With monthly escrowed rentals of ~₹0.45 crore against debt servicing obligations of ~₹0.28 crore, the company enjoys an adequate cushion in meeting its repayment commitments. The timely collection of rentals by the 10th of each month against debt servicing obligations falling due on the 15th provides further comfort regarding liquidity and debt servicing.

Diversified revenue stream

Texmaco benefits from a diversified revenue profile, with earnings derived from rental income (~35%), dividends and interest (~42%) from investments/ loans & advances, hydro power operations (~17%) and others. Rental income, primarily from the Global Business Park property, remained stable, supported by 100% occupancy, long-term lease agreements with periodic escalations, and healthy collection efficiency. Expansion of escrowed rental base from two tenants to three tenants strengthened the debt-servicing cushion, with the escrowed rental income-to-EMI coverage improving to 1.61x in FY26 from 1.29x in FY25.

The company also witnessed improved performance from its hydro power segment, with power generation increasing to 9.90 million units (mU) in FY26 from 8.03 mU in FY25. Power is supplied to WBSEDCL under a long-term power purchase agreement (PPA; expired on April 02, 2026). However, the PPA is at final stage of renewal and the company is currently in discussions for renewal of the agreement at higher tariff rates.

Strong capital structure and debt coverage indicators

The company continues to maintain a strong capital structure, as reflected in its low gearing of 0.03x as on March 31, 2026 (0.02x as on March 31, 2025). Debt coverage metrics improved in FY26, with the total debt to gross cash accruals (TD/GCA) ratio moderating to 1.88x from 2.59x in FY25, supported by higher cash accrual generation. Interest coverage ratio stood at 1.69x in FY26 compared to 2.37x in FY25. Going forward, capital structure and debt protection metrics are expected to remain comfortable, supported by the absence of significant debt-funded capital expenditure plans and the company's modest leverage profile.

Healthy investments profile

Texmaco's credit profile is supported by its healthy investment portfolio and strong net worth base, with substantial investments in land and buildings, mutual funds, and strategic holdings in group companies. The company also extends loans and advances to group entities and select non-group counterparties based on established business relationships and credit assessment. As on March 31, 2026, Texmaco had investments of ₹78.89 crore in land and properties, ₹878.75 crore in equity instruments, and ₹208.34 crore in mutual funds, apart from loans and advances of ₹23.54 crore extended to subsidiaries and other body corporates. The quoted equity investments had a market value of ~₹1,192 crore as on June 24, 2026 (includes investment in group entities amounting to ₹792 crore), reflecting significant appreciation over their carrying value and underscoring the strength of the company's investment profile. CareEdge Ratings expects the investment portfolio and overall net worth position to remain strong in the near-to-medium term.

JDAs with Oro Bloom Developments Private Limited and PS Group Reality Private Limited
Texmaco entered a JDA with Oro Bloom Developments Private Limited for the development of its ~10-acre land parcel (formerly Birla Mills Compound) in Kamla Nagar, Delhi, comprising residential, commercial/retail and CSP/EWS components. Under the arrangement, the entire development, construction and marketing responsibilities are to be undertaken by the developer at its own cost, while Texmaco, as the landowner, is entitled to 44% of the base revenues and 62% of the incremental revenues and other project-related income. The project has received key approvals, including the Layout Plan Approval and Fire NOC, while approvals such as building plan sanction, environmental clearance and RERA registration are under process.

The company entered a JDA with PS Group Realty Private Limited for development of a residential project, Jade Grove Phase II, on its ~137-cottah land parcel at Entally, Kolkata. The developer is responsible for obtaining all regulatory approvals and undertaking the development, construction and marketing activities at its own cost. The project has witnessed a favorable initial response, with ~18% of the units already booked, and Texmaco has commenced receiving its share of customer advances.

CareEdge Ratings notes that the company does not intend to avail debt towards the development of either project, as all project-related costs are to be borne by the respective developers. Accordingly, projects are expected to support Texmaco's healthy liquidity profile with strong future cash inflows from the projects.

Stable financial performance despite small scale of operations
Texmaco reported a healthy growth in its operating income, which increased by ~15% to ₹20.23 crore in FY26 from ₹17.68 crore in FY25. Operating profitability moderated in the year, with the profit before interest, lease rentals, depreciation and taxation (PBILDT) margin declining to 22.41% from 38.67%, primarily due to higher expenditure towards legal and professional services, corporate social responsibility (CSR) activities, and repairs and maintenance. Despite moderation in operating margins, the company reported profit after taxation (PAT) of ₹9.98 crore in FY26 compared to a net loss of ₹8.56 crore in FY25, supported by healthy non-operating income, largely comprising gains from the sale/ fair value of investments. The company's cash accruals remained robust and improved to ₹14.92 crore in FY26 from ₹11.59 crore in FY25, reflecting its stable cash flow generation capabilities.

Key weaknesses

Risk of non-renewal of rent agreement
Texmaco derives part of its income from rent received from its property leased out in Gurugram and Delhi. In all rent agreements, renewal option is after nine years and Texmaco is exposed to non-renewal of agreement post expiry of the contract. However, contracts have already been renewed in the past with contracted escalation in every three years, mitigating the risk to a certain extent.

Vulnerability of cash flow to hydro power unit generation
Texmaco owns and operates a 3-MW hydro power plant over the Neora river in Kalimpong, West Bengal. Power generation depends on the rainfall and other factors, and Texmaco witnesses' variability in hydro power generation considering such parameters.

Regulatory risks associated with real-estate sector
Real estate projects are prone to varying degrees of uncertainty, at the macro-level, affecting the economy as a whole and at the sector level. The projects are prone to local, state, and national laws and regulations (governing acquisition, construction, and development of land among others). Failure to comply with such rules and regulations often leads to delays or in the worst case, complete closure of the project; all of which may lead to a complete or partial loss of capital invested.

Liquidity: Adequate

Adequate liquidity characterised by healthy cash accruals of ₹14.92 crore in FY26 against modest debt repayment obligations of ₹2.60 crore and a cash and bank balance of ₹1.22 crore as on March 31, 2026. Liquidity is further reinforced by substantial investments in equity instruments (non-group companies) amounting to ₹214 crore and liquid mutual funds amounting to ₹208.34 crore as on the same date. Given the company's low leverage and limited debt servicing commitments, with scheduled repayments of ₹2.70 crore in FY27, CareEdge Ratings expects Texmaco's internal accruals and liquid investments to provide sufficient liquidity support for meeting its financial obligations in a timely manner.

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

Applicable criteria

Definition of Default
Investment Holding Companies
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial ratios-Non financial sector
Rating methodology for debt backed by Lease Rental Discounting (LRD)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Texmaco was incorporated as Textile Machinery Corporation Limited in September 1939. Currently, the company derives its major income from leased properties, dividend and interest income from strategic investments, and operation of a 3-MW mini hydro power project at Neora, District Kalimpong, in West Bengal. Texmaco is part of the Adventz group, a faction of the erstwhile K. K. Birla group. The company has also entered JDAs as a landowner, partnering with reputed developers for real estate projects in Kolkata and Delhi, expecting strong cash inflows in the next 4–5 years.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Ab)
Total operating income	17.68	20.23
PBILDT	6.84	4.53
PAT	-8.56	9.98
Overall gearing (times)	0.02	0.03
Interest coverage (times)	2.37	1.69

A: Audited; Ab: Abridged; 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-Lease rental discounting/ Rent Receivables Financial		-	-	15-10-2036	19.74	CARE A-; 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 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-Lease rental discounting/ Rent Receivables Financial	LT	19.74	CARE A-; Stable	-	1)CARE BBB+; Stable (03-Jul-25)	1)CARE BBB+; Stable (07-Jun-24)	1)CARE BBB+; Stable (05-Jun-23)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/facilities- Not applicable

Annexure 4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	Simple

Annexure 5: Lender details

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

Annexure-6: List of entities consolidated – Not applicable

Annexure-7: 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 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), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings 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 in 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.

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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