Pratyaya E-Commerce Private Limited

September 17, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	10.00	CARE A; Stable	Assigned
Short-term bank facilities	RBI	28.00	CARE A1	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Pratyaya E-Commerce Private Limited (PEPL) factor in the strong operational, managerial and financial support extended by its ultimate parent, Aditya Birla Fashion and Retail Limited (ABFRL). PEPL is strategically aligned with ABFRL's objective of building digital-first brands and strengthens the group's presence in this segment. The company's omnichannel expansion strategy is expected to support growth prospects. Ratings also factor in the significant growth in revenue from FY24 - FY26, following acquisition of a controlling stake by Aditya Birla Digital Fashion Ventures Limited (ABDFVL), and the company's achievement of positive profit before interest, lease rentals, depreciation and taxation (PBILDT) in FY26, after reporting PBILDT losses through FY25. Ratings derive strength from PEPL's experienced management team and its position as a step-down subsidiary of ABFRL.

However, ratings are constrained by the company's moderate scale of operations, continued losses at profit after taxation (PAT) level, and exposure to evolving consumer preferences, spending patterns, and fashion trends. Ratings are further constrained by the inherent inventory risk associated with the fashion industry, working capital-intensive nature of operations, intense competition from established and emerging players, and profit margins susceptible to fluctuations in raw material prices.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Substantially and significantly scaling operations, with revenue remaining above ₹350 crore on a consistent basis, aided by improved performance, resulting in improving in its PBILDT margin to over 7%.
- Improving credit profile of ABFRL.

Negative factors:

- No significant scaling up of operations and reporting operating losses.
- Delaying financial support from parent impacting liquidity.
- Reducing stake of ABDFVL in the company and deteriorating credit profile of ABFRL.

Analytical approach: Standalone

Standalone, while factoring in operational, financial, and managerial linkages with its ultimate parent, ABFRL, and expected need-based financial support from ABFRL to PEPL.

Outlook: Stable

The Stable outlook reflects the expectation that PEPL will continue to derive operational and financial support from its parent, which is likely to drive gradual improvement in its business and financial risk profile in the medium term.

Detailed description of key rating drivers

Key strengths

Strong operational, managerial, and financial support from the parent, ABFRL

Through its wholly owned subsidiary, ABDFVL, ABFRL operates the TMRW platform, which focuses on product and design innovation for Gen-Z and millennial consumers across segments such as athleisure, activewear, expressive wear, and accessories.

[1]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.

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

ABDFVL acquired a 66.24% stake in PEPL for ~₹13 crore in November 2022 resulting in PEPL becoming a subsidiary of ABDFVL under its TMRW House of Brands platform. Subsequently, ABDFVL infused a further ₹9.50 crore in FY24 through compulsory convertible preference shares (CCPS), which were converted into equity shares in FY25. As on March 31, 2026, ABDFVL held an 87.57% stake in PEPL. On August 14, 2026, ABDFVL increased its stake in PEPL to 93.79%. PEPL continues to benefit from strong operational, managerial and financial support from ABDFVL and ABFRL. Financial strength and experienced management of the parent provide PEPL with adequate financial flexibility and strategic guidance, supporting its growth initiatives and business expansion.

Established digital brands with omnichannel expansion supporting growth prospects

PEPL operates primarily through its flagship brand, Nobero, a digital-first athleisure and casualwear label offering affordable, contemporary and comfort-led apparel for mass-premium consumers aged 18–35 years. PEPL follows a predominantly D2C-led model, distributing through its own platforms and leading online marketplaces, while selectively expanding its offline presence through exclusive brand outlets (EBOs) to build brand visibility and an omnichannel footprint. The acquisition strengthens ABFRL's presence in the direct-to-consumer (D2C) segment by expanding its portfolio of digital brands across fashion, beauty, and lifestyle categories. The company's omnichannel strategy, leveraging ABFRL's extensive retail network alongside its digital presence, is expected to enhance customer reach and brand visibility.

As part of its omnichannel strategy, PEPL entered the offline retail segment and had established 15 EBOs across metro and Tier-I cities as of July 2026. The company's total operating income (TOI) is expected to improve in the medium term, supported by planned retail store expansion and continued growth in its digital business.

Significant scale-up in operations, though still moderate in size

PEPL's TOI grew significantly, following its acquisition by ABDFVL, increasing from ₹16.3 crore in FY23 to ₹45.5 crore in FY24, ₹133.6 crore in FY25 and ₹203.0 crore in FY26, translating to a strong compounded annual growth rate (CAGR) of 131.5% from FY23–FY26. Growth has been supported by ABFRL's brand-building expertise, an expanding customer base for athleisure wear, increased penetration across leading online marketplaces and continued expansion of the product portfolio. Growing brand visibility and increasing traction among young, fashion-conscious consumers have supported higher sales volumes and repeat purchases. Scale of operations is expected to continue witnessing healthy growth in the medium term, driven by ABFRL's category and brand-building expertise and continued expansion across digital and offline channels. The company reported PBILDT of ₹6.3 crore in FY26, compared to a PBILDT loss of ₹8.7 crore in FY25. With expected improvement in scale and operating leverage, PBILDT is likely to improve further from FY27 onwards.

Key weaknesses

Moderate capital structure with equity infusion expected from the group as and when required

While acquiring a majority stake in PEPL in November 2022, ABDFVL infused ~₹13 crore. ABDFVL infused a further ₹9.50 crore through CCPS in FY24, which were converted into equity shares in FY25, and extended an inter-corporate loan of ~₹10 crore in FY25. In FY26, the outstanding loan balance of ₹17.70 crore was converted into equity, while ABDFVL further infused ₹23 crore through subscription to the rights issue. The continued financial support extended by ABDFVL, backed by its ultimate parent, ABFRL, underscores the group's commitment to PEPL's growth and is expected to continue in the medium term.

Despite continued net losses, supported by the capital infusions from ABDFVL, PEPL's net worth turned positive in FY26 and stood at ~₹27.66 crore as on March 31, 2026. As on the same date, the company's debt profile primarily comprised lease liabilities of ₹17.23 crore and working capital borrowings of ₹10.91 crore, with overall gearing at ~1.02x. In FY27, PEPL availed a term loan of ₹10 crore towards capital expenditure, with repayment scheduled to commence from Q4FY27. Increase in lease liabilities was driven by the company's strategic expansion of its offline presence through the opening of EBOs, while the increase in working capital borrowings was in line with the growth in its scale of operations. Given that the company remains in the expansion phase and continues to focus on enhancing brand visibility and customer reach, its capital structure is expected to remain under pressure in the near-to-medium term.

Profit margins susceptible to volatile material prices

Procurement cost of finished garments constitutes a significant portion of the company's operating expenses, rendering its profitability susceptible to fluctuations in sourcing costs. Prices quoted by third-party suppliers may vary due to changes in prices of underlying raw materials such as cotton and polyester, supply chain disruptions, geopolitical developments, and demand-supply dynamics. Given the highly competitive nature of the apparel industry, the company has limited pricing flexibility to pass on higher procurement costs to customers, which could adversely impact its operating margins.

Presence in a competitive e-commerce industry and evolving consumer preferences

The company operates in the highly competitive and fragmented apparel and e-commerce industry, with competition from established brands, large online marketplaces, and emerging D2C players. The industry is characterised by rapidly changing consumer preferences and fashion trends, requiring continuous product innovation, brand-building initiatives, and sustained marketing expenditure. Demand for apparel remains discretionary and is sensitive to changes in consumer spending and broader macroeconomic conditions. While PEPL benefits from its portfolio of established digital-first brands and strategic support from its parent, the company's ability to scale operations and improve profitability remains contingent on strengthening brand recall, expanding its customer base, managing inventory effectively, and successfully executing its omnichannel growth strategy. Inability to respond adequately to evolving consumer preferences or competitive pressures could adversely impact revenue growth, inventory realisation, margins, and overall profitability.

Liquidity: Adequate

Liquidity is considered adequate, supported by the company's financial flexibility as a step-down subsidiary of ABFRL and part of the Aditya Birla Group. In FY26, the outstanding loan balance of ₹17.70 crore from ABDFVL was converted into equity, while ABDFVL further infused ₹23 crore through subscription to the rights issue to support the company's ongoing expansion and growth initiatives. The company has term debt repayment obligations of ~₹0.59 crore in FY27, apart from lease liability obligations of ~₹6.53 crore. In addition to gross cash accruals, CARE Ratings Limited (CareEdge Ratings) expects the company to continue receiving timely financial support from the ABFRL towards capex and debt servicing, if required, given its strategic importance within the TMRW platform. Average utilisation of its fund-based working capital limits remained moderate at ~70% for 12-months ended June 2026.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Cotton Textile
Retail
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

PEPL was incorporated on December 11, 2014, with its registered office in Hyderabad. ABDFVL acquired 66.24% stake in PEPL resulting in PEPL becoming a subsidiary of ABDFVL under its TMRW House of Brands platform. ABDFVL further infused ₹9.5 crore in FY24 in form of CCPS which got converted into equity shares in FY25. As on March 31, 2026, ABDFVL held 87.57% in PEPL, while Venkata Karthik and Bala Satish held 6.21% each respectively. On August 14, 2026, ABDFVL increased its stake in PEPL to 93.79%. ABDFVL is a wholly owned subsidiary of ABFRL.

PEPL operates primarily through its flagship brand, Nobero, a digital-first athleisure and casualwear label offering affordable, contemporary and comfort-led apparel for mass-premium consumers aged 18–35 years. Its product portfolio includes T-shirts, polos, hoodies, sweatshirts, shackets, joggers, shorts, cargos and co-ord sets, with a focus on high-velocity SKUs to drive inventory churn and repeat purchases. PEPL follows a predominantly D2C-led model, distributing through its own platforms and leading online marketplaces, while selectively expanding its offline presence through EBOs to build brand visibility and an omnichannel footprint.

Brief Consolidated Financials (₹ crore) – ABFRL (Parent)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	7354.74	8176.92	2025.56
PBILDT*	716.53	686.64	116.93
Profit after tax (PAT)	-624.17	-829.89	-248.73
Overall gearing (x)	0.74	0.99	NA
Interest coverage (x)	1.18	1.33	0.85

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief Financials (₹ crore) - PEPL	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	133.55	203.04	48.50
PBILDT*	-8.69	6.26	1.40
Profit after tax (PAT)	-7.98	-1.36	-0.86
Overall gearing (x)	NM	1.02	NA
Interest coverage (x)	NM	1.47	1.06

A: Audited; UA: Unaudited; NA: Not available; NM: Not meaningful; 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
For complexity level of instruments rated refer to Annexure-1
Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-	-	-	31-03-2031	10.00	CARE A; Stable
Fund-based - ST-Bank Overdraft	RBI	Simple	-	-	-	-	15.00	CARE A1
Fund-based - ST-Working Capital Demand loan	RBI	Simple	-	-	-	-	6.00	CARE A1
Non-fund-based - ST-Letter of credit	RBI	Simple	-	-	-	-	7.00	CARE A1

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-Term Loan	LT	10.00	CARE A; Stable				
2	Fund-based - ST-Bank Overdraft	ST	15.00	CARE A1				
3	Non-fund-based - ST-Letter of credit	ST	7.00	CARE A1				
4	Fund-based - ST-Working Capital Demand loan	ST	6.00	CARE A1				

LT: Long term; ST: Short term

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

Annexure-4: 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.

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