



Date: 17<sup>th</sup> February, 2026

To, The General Manager Capital Market(Listing) National Stock Exchange of India Ltd. Exchange Plaza, BKC Bandra-Kurla Complex, Bandra (East), Mumbai-400 051  <b>Symbol: RUBYMILLS</b>	To, Dy. General Manager Marketing Operations (Listing) The BSE Limited P. J. Towers, 25th Floor, Dalal Street, Fort, Mumbai-400 001  <b>Code: 503169</b>
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**Sub: Intimation of Credit Rating as per Regulation 30 of SEBI (LODR) Regulations, 2015**

Dear Sir/Madam,

In connection with the captioned subject, we wish to inform you that India Ratings and Research (A Fitch Group Company) has assigned:

1. The Ruby Mills's Bank Loan Facilities of INR 2,482 million (reduced from INR 2,500 million) 'IND BBB+' / Stable Rating Watch off. This represents an upgrade from the previous rating of "IND BBB/Rating Watch with developing Implications"
2. The Ruby Mills's Bank Loan Facilities of INR 1,357.70 million 'IND BBB+' / Stable Rating.
3. The Ruby Mills's Bank Loan Facilities of INR 396.10 million 'IND BBB' / Stable/IND A3+ Rating

The assignment letter issued by India Ratings and Research (A Fitch Group Company) is enclosed herewith.

Kindly take the same on your records

Thanking you,  
Yours faithfully,

**For THE RUBY MILLS LIMITED**

**Anuradha Tendulkar**  
**Company Secretary and Compliance Officer**

## India Ratings Upgrades The Ruby Mills's Bank Loan Facilities to 'IND BBB+'/Stable; Off Rating Watch with Developing Implications; Rates Additional Limits

Feb 16, 2026 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has upgraded The Ruby Mills Limited's (TRML) bank loan facilities' rating to 'IND BBB+' from 'IND BBB' while resolving the Rating Watch with Developing Implications. The Outlook is Stable. The detailed rating actions are as follows:

### Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR2,482 (reduced from INR2,500)	IND BBB+/Stable	Upgraded; Off Rating Watch
Bank loan facilities	-	-	-	INR1,357.70	IND BBB+/Stable	Assigned
Bank loan facilities	-	-	-	INR396.10	IND BBB/Stable/IND A3+	Assigned

### Analytical Approach

Ind-Ra continues to take a standalone view of TRML to review the ratings.

### Detailed Rationale of the Rating Action

The upgrade reflects TRML's improved operating profitability margin in 1HFY26, exceeding the agency's expectations. This improvement is likely to lead to healthy EBITDA growth during 4QFY26 and FY27, resulting in enhanced credit metrics. Ind-Ra has resolved the Rating Watch following the successful execution of the memorandum of association (MOA) with Mindset Estates Pvt Ltd. (MEPL) and the consequent clarity regarding the impact on TRML's business and financial profile. Lease rentals that were previously credited to MEPL will now be credited to TRML.

### List of Key Rating Drivers

#### Strengths:

Scale of operation likely to improve in near term due to closure of the agreement

Established track record of operations and experienced management

Reputed tenants, moderate renewal risk to benefit business and operational profile in medium to long run

Cash flow waterfall ensures debt servicing

#### Weaknesses:

Single asset concentration risk

Credit metrics to remain stretched in near term

Working capital cycle likely to remain elongated in the near-to-medium term

Resolution on enforcement directorate attachment remains a key monitorable

## Detailed Description of Key Rating Drivers

**Scale of Operation likely to Improve in Near Term due to Closure of the Agreement:** During 1HFY26, TRML earned a revenue of INR1,552 million with an absolute EBITDA of INR270 million and EBITDA margins of 17.41%. Out of the total revenue, INR1,342.66 million was derived from the textiles segment and INR209.50 million from the real estate lease rentals segment. Ind-Ra expects a healthy improvement in the revenue in FY26 due to the closure of the MOA by TRML as the ownership of the leased assets has been transferred to TRML at end-December 2025. TRML's revenue increased to INR2,427.08 million in FY25 (FY24: INR2,370.20 million; FY23: INR2,596.50 million), primarily driven by an improved performance of the textiles business segment to INR2,087.52 million (INR1,971.70 million; INR2,261.40 million). However, the revenue from the real estate lease rentals segment declined to INR339.56 million in FY25 (FY24: INR398.50 million), attributed to the vacancy of a key tenant. As a result, TRML's EBITDA declined to INR454.04 million in FY25 (FY24: INR553.66 million; FY23: INR515.62 million), with EBITDA margins contracting to 18.71% (23.40%; 19.90%). Ind-Ra expects an improvement in the scale of operations during 4QFY26 and FY27 due to closure of the MOA with the MEPL in December 2025.

**Established Track Record of Operations and Experienced Management:** Incorporated in 1917, TRML is a composite textile manufacturer engaged in the production of various types of cotton and synthetic fabrics. The company is also involved in the development, sale, and leasing of commercial real estate. TRML is promoted by the Shah family and is currently managed by the third and fourth generations of the promoters. The leadership team includes Hiren M. Shah (chairman), Bharat M. Shah (managing director), Viraj M. Shah (managing director), Purav H. Shah (executive director, chief executive officer, and chief financial officer), and Rishabh V. Shah (president), all of whom have extensive experience in the textile and real estate sectors. The promoters' deep industry knowledge and TRML's longstanding presence in the textile sector have enabled the company to build and maintain strong, long-term relationships with both customers and suppliers. Ind-Ra believes TRML will continue to benefit from its established industry presence, supported by the promoters' legacy and the company's proven operational track record.

**Reputed Tenants, Moderate Renewal Risk to Benefit Business and Operational Profile in Medium-to-long Term:** TRML has a stable revenue stream due to its long-term associations and contracts with established tenants such as Ernst & Young, Cathay Pacific Airways Limited, DSP Asset Managers Pvt Ltd, which together account for 75% of the total leased carpet area. Furthermore, the company's association with its tenants helps it in renewing contracts through mutual consent, thereby providing strong revenue visibility. At end-January 2026, the building had 67% occupancy levels, with a total carpet area of 0.412msf. TRML has a sizable renewal coming up in FY27. The management is engaged in discussions with the tenant for the same and expects the lease to be rolled over. The renewal risk is a key monitorable.

**Cash Flow Waterfall Ensures Debt Servicing:** The rentals from the lessee will directly flow through to the project's escrow account, on which the lender has a charge. The cash flow waterfall mechanism has been set in such a way that the first use of the rentals would be towards debt servicing, followed by taxes and regular operational and maintenance (O&M) expenses as listed in the business plan to the lender, and then towards the DSRA and creation of an interest fluctuation reserve. This serves as a ring-fence for cash flow movements outside the firm before the debt obligations are paid off. Also, other O&M expenses that are not listed in the business plan to the lender would be met only after fulfilling the debt obligations. Considering the nature of the waterfall mechanism, the banker has mitigated the repayment risk if the rental income is deposited by tenants in a timely manner, assuming the company's tax payments and operational expenses are not substantial.

**Single Asset Concentration Risk:** TRML's reliance on a single asset exposes it to risks associated with any adverse changes in the asset's operational performance or shifts in the demand-supply dynamics of the Dadar area. However, the

group's over 15 years of industry experience and the property being a well-known landmark mitigates this risk to some extent. This also enhances its appeal and significance among tenants, contributing to its sustained occupancy and rental potential.

**Credit Metrics to Remain Stretched in FY26:** The net leverage (adjusted net debt/EBITDA) deteriorated significantly to 4.91x in FY25 (FY24: 2.53x), and the same is likely to exceed 5.0x in FY26, mainly driven by an increase in the long-term borrowings to INR3,140.85 million (INR1,896.07 million). The interest coverage declined to 9.57x in FY25 (FY24: 11.91x) and likely to moderate in FY26. The company availed a lease rental discounting loan of INR2,500 million in December 2024, for making payment towards development partner and upgradation of parking facility, lobby renovation, among others.

**Working Capital Cycle likely to Remain Elongated in the Near-to-medium Term:** The gross working capital cycle elongated to 379 days in FY25 (FY24: 304 days; FY23: 195 days), mainly due to an increase in the inventory days to 396 (321; 208), stemming from the unbilled revenue and work-in-progress status of its orders. The creditor days also increased to 58 in FY25 (FY24: 49; FY23: 48). Ind-Ra expects the working capital to remain elongated in FY26 and near-to-medium term, primarily due to the nature of the textile industry, where the entity must maintain substantial inventory in the form of grey fabrics to effectively manage supply chain demands, thereby resulting in an elongated working capital cycle.

**Resolution on Enforcement Directorate Attachment Remains a Key Monitorable:** The Enforcement Directorate (ED) has attached bank balances worth approximately INR26 million of TRML at end-October 2025, linked to a 2012 transaction with Rajput Retail Ltd. While the company returned the principal amount, the ED claims interest earned on related term deposits is proceeds of crime, which TRML is contesting. Ind-Ra will closely monitor this enforcement directorate attachment issue.

## Liquidity

**Adequate:** The company maintains a DSRA, equivalent to three months of repayment obligations, in the form of fixed deposits. The DSRA stood at INR85 million at FYE25. The company had a cash balance of INR110 million at end-September 2025 (FYE25: INR48.94 million; FYE24: INR184.32 million) and liquid investments in mutual funds and governments securities to the tune of INR1,168.49 million (INR1,003.66 million; INR548.173 million). Rent collections are deposited into an escrow account, with surplus cash accessible to the company only after meeting its debt servicing obligations. In addition to the escrowed property, TRML generates a rental income of INR10.9 million per month which further strengthens its liquidity and financial flexibility. The debt service coverage ratio, based on scheduled repayments, is likely to remain above 1.20x during the loan tenor. TRML has scheduled debt obligations of INR306.56 million in FY26, INR379.43 million in FY27 and INR442.19 million in FY28. The DSRA requirements will be adjusted after 36 months, based on the revised repayment and interest obligations for the remaining loan tenor. Additionally, the company holds vacant floors, which provide a liquidity cushion and enhance financial flexibility.

## Rating Sensitivities

**Positive:** The DSCR being maintained above 1.2x and the resolution of the outstanding governance issue Could lead to a positive rating action

**Negative:** A decline in the textiles division's margins, the DSCR being maintained below 1.1x and any negative impact on the liquidity due to the outstanding governance issue could lead to a negative rating action.

## Any Other Information

Not applicable

## About the Company

Incorporated in 1917, TRML is a Maharashtra-based textile manufacturer engaged in the manufacturing of various types of

cotton and synthetic fabrics, as well as the development, renting and sale of commercial space. The company's spinning and weaving unit is in Dhamni and fabric processing unit is in Kharsundi, Maharashtra. The company receives steady rental income from various lessees across multiple floors of The Ruby Tower. Its key tenants include Cathay Pacific Airways Limited, IMCD India Private Limited, DSP Asset Managers Pvt Ltd, Signet Excipients Private Limited, and Ernst & Young.

## Key Financial Indicators

Particulars	FY25	FY24
Revenue (INR million)	2,423.05	2,366.58
EBITDA (INR million)	454.05	553.66
EBITDA margin (%)	18.74	23.40
Gross interest coverage (x)	9.57	11.91
Net leverage (x)	4.91	2.53
Source: TRML; Ind-Ra		

## Status of Non-Cooperation with previous rating agency

Not applicable

## Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook/Watch	Historical Rating/Outlook	
				29 January 2026	30 July 2025
Bank loan facilities	Long-term	INR3,839.7	IND BBB+/Stable	IND BBB/Rating Watch with Developing Implications	IND BBB/Rating Watch with Developing Implications
Bank loan facilities	Long-term/Short-term	INR396.1	IND BBB/Stable/IND A3+	-	-

## Bank wise Facilities Details

The details are as reported by the issuer as on (16 Feb 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	State Bank of India	Fund-based working capital limits	89.7	IND BBB/Stable / IND A3+
2	Bank of Baroda	Fund-based working capital limits	77.8	IND BBB/Stable / IND A3+
3	Bank of India	Fund-based working capital limits	62.5	IND BBB/Stable / IND A3+
4	Union Bank of India	Lease Rental Discounting Term loan	2482	IND BBB+/Stable
5	HDFC Bank Limited	Lease Rental Discounting Term loan	1090	IND BBB+/Stable

6	IndusInd Bank Limited	Lease Rental Discounting Term loan	98.7	IND BBB+/Stable
7	IndusInd Bank Limited	Lease Rental Discounting Term loan	49.3	IND BBB+/Stable
8	IndusInd Bank Limited	Lease Rental Discounting Term loan	119.7	IND BBB+/Stable
9	Bank of Baroda	Non-fund-based working capital limits	60	IND A3+
10	State Bank of India	Non-fund-based working capital limits	18	IND A3+
11	Bank of India	Non-fund-based working capital limits	50	IND A3+
12	IndusInd Bank Limited	Term loan	38.1	IND BBB/Stable

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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## About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

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## **APPLICABLE CRITERIA AND POLICIES**

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### **Evaluating Corporate Governance**

### **Corporate Rating Methodology**

### **Policy for Placing Ratings on Rating Watch**

### **Short-Term Ratings Criteria for Non-Financial Corporates**

### **The Rating Process**

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