

Ratnakar Spinners India Private Limited (Revised)

July 07, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	122.00	CARE BB-; Stable	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Ratnakar Spinners India Private Limited (RSIPL) are constrained on account of limited experience of promoters with RSIPL being maiden venture in yarn manufacturing industry, implementation and stabilization risks associated with on-going debt-funded greenfield project and stretched liquidity. The rating is further constrained on account of susceptibility of profit margins due to volatile raw material prices and RSIPL's presence in competitive and fragmented textile industry.

The rating, however, derive strength from favourable plant location and achievement of financial closure for the greenfield project.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely commissioning of project without any time or cost over runs and achievement of envisaged TOI and profitability.

Negative factors

- Delay in project execution, resulting in significant time and cost overrun leading to moderation in financial risk profile.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook on the long-term rating of the company reflects CARE Ratings Limited's expectation (CARE Ratings') that company will be able to complete the ongoing project within envisaged cost and time parameters along with stabilisation of its operations post implementation.

Detailed description of key rating drivers:

Key weaknesses

Implementation and stabilization risk associated with on-going project

RSIPL is undertaking a greenfield project to manufacture Poly Viscose (PV) yarn in Bhilwara district, Rajasthan. The project will have an installed capacity of 35.17 Tons per day (TPD), supported by the installation of 35,904 spindles. The total project cost is envisaged at ₹166.10 crore to be funded in debt equity ratio of 1.94:1. The project is expected to commence operations in two phases with first phase consisting of a unit of 18,144 spindles commencing commercial operations in July 2025 and second unit consisting of 17,760 spindles commencing commercial operations in Phase II in October 2025.

As of May 31, 2025, RSIPL has incurred ₹103.90 crore, constituting 62.6% of the total project cost. RSIPL's ability to complete the project within the envisaged time and cost parameter and realise the envisaged returns from the same shall remain crucial from the credit perspective.

Limited experience of promoters in yarn manufacturing

Promoted by Mr. Shankar Lal Jat, RSIPL is a family-owned enterprise with prior experience of promoters in steel manufacturing, hospitality and NBFC industry. RSIPL is maiden venture of promoters in yarn manufacturing business. The promoters are ably supported by professionals with expertise in textile industry to effectively oversee and manage operations.

Fragmented and competitive industry with profitability susceptible to fluctuations in raw material prices

The key raw materials for manufacturing PV yarn are Polyester and Viscose fibres. Polyester fibre prices remain volatile since they are manufactured from the crude oil derivatives which are vulnerable to movement in crude oil prices. Moreover, RSIPL operates in a highly competitive and fragmented textile industry which is inherently vulnerable to the economic cycle and faces strong competition from both organized and unorganized domestic players.

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

Key strengths

Location advantage of being present in Bhilwara market

RSIPL is setting up a manufacturing facility in Bhilwara, Rajasthan which is widely recognized as the Textile City of Rajasthan and is one of the fabric manufacturing hubs of India. This strategic location offers substantial advantages, including ready access to skilled labour and well-integrated raw material supply network across the textile value chain.

Financial closure achieved

The greenfield project has successfully achieved financial closure with a debt tie-up to the tune of ₹109.56 crore, thereby mitigating the risk of timely availability of funds for completion of project, to a certain extent.

Liquidity: Stretched

Liquidity of company is stretched with project implementation at a moderate stage and prevalent stabilization risk. Out of envisaged promotor contribution of ₹56.54 crore, promoters have already infused funds of ₹59.31 crore. Going forward, timely commencement of operations and generation of envisaged cash accruals to meet the debt obligation shall remain crucial from credit perspective.

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

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Project stage companies](#)

[Manmade Yarn-Methodology](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Incorporated in 2021, Ratnakar Spinners India Private Limited (RSIPL; CIN: U17299RJ2021PTC077899), is promoted by Shankar Lal Jat and his family members. RSIPL is setting up a greenfield project with project cost of ~₹166.10 crore for manufacturing of Poly Viscose Spun yarn with 35,904 spindles, at its plant located at Bhilwara district, Rajasthan. The promotor group has experience in steel manufacturing, hospitality and NBFC industry.

Brief Financials: Not applicable as RSIPL is project phase entity.

Status of non-cooperation with previous CRA: None

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	31/03/2033	110.00	CARE BB-; 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-Term Loan	LT	110.00	CARE BB-; Stable				
2	Fund-based - LT-Cash Credit	LT	12.00	CARE BB-; Stable				

LT: Long 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Analytical Contacts Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Ujjwal Manish Patel Director CARE Ratings Limited Phone: 079-40265649 E-mail: ujjwal.patel@careedge.in Ashutosh Sharma Analyst CARE Ratings Limited E-mail: Ashutosh.sharma@careedge.in
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