

Shiv S. Balvantrai Rotliwala

August 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	45.00	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB-; Stable / CARE A3

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Shiv S. Balvantrai Rotliwala (SSBR) is considering dip in profitability with operating and net losses in FY25 (Provisional; period refers from April 01 to March 31). Ratings continue to remain constrained due to moderate scale of operations coupled with working capital-intensive nature and the firm's presence in the fragmented and competitive textile industry. Ratings also factors its partnership constitution, which restricts its financial flexibility, with sizeable capital withdrawal by partners in the last few years.

However, ratings continue to derive strength from long-standing experience of its partners in the textile industry, the firm's established marketing and distribution network and its presence in the textile cluster of Gujarat. Ratings also favourably consider the firm's moderate leverage and adequate liquidity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing total operating income (TOI) to above ₹150 crore while achieving profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 10%.

Negative factors

- Deteriorating overall gearing beyond unity owing to continued net losses/ withdrawal of funds or otherwise.
- Any further elongation in operating cycle.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects partner's experience in textile industry and firm's established marketing and distribution network coupled with moderate leverage position.

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations coupled with operating and net losses in FY25

TOI de-grew marginally by 4.51% y-o-y and continued to remain moderate at Rs.129.79 crore in FY25 due to lower sales realisation during FY25. SSBR reported operating loss of Rs.6.32 crore in FY25 as against operating profit of Rs.14.14 crore in FY24 owing to sale of high value inventory at reduced prices, impacting gross margins. Further due to finance charges, SSBR reported net loss of Rs.11.01 crore in FY25. However, with liquidation of the high value inventory, management expects to report operational profits during FY26.

Working capital intensive operations

SSBR's operations remained working capital intensive considering higher operating cycle, which stood at 299 days in FY25 (FY24: 323 days) owing to higher built up of inventories. In the current year, inventories moderated, however, further increase in operating cycle remains a key rating monitorable.

Partnership nature of constitution with sizeable capital withdrawal in last few years

SSBR is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency, and the firm being dissolved on the death/retirement/insolvency of partners. In the past, partners have been withdrawing capital from business for infusing funds in another business ventures of the family. In FY25, partners have withdrawn capital of ~₹9 crore (PY: ~₹4 crore). This

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

withdrawal of capital limits the firm's financial flexibility and results in higher reliance on external working capital debt. Augmentation of net worth base shall remain crucial from a credit perspective.

Presence in highly fragmented and competitive textile industry with inherent cyclicity and associated regulatory risks

The Indian textile industry is highly fragmented with presence of large number of organised and unorganised players. Due to fragmented nature of the fabric industry, bargaining power of fabric manufacturers with raw material suppliers and customers are restricted, which is also reflected in low profit margins across the industry. Textile is a cyclical industry and closely follows macroeconomic business cycles.

Key strengths

Experienced and resourceful partners

SSBR's partners have been associated with textile value chain for over three decades through its earlier association with M/s Balvantrai Lalubhai Rotliwala (BLR), which was engaged in manufacturing and trading grey fabric. SSBR's partners are also engaged in other sister concerns, Shivram Dyeing and Printing Mill (engaged in dyeing and printing work on job work basis), and Vivansh Digital Tex (engaged in digital printing on job work basis). The partners' vast industry experience in the textile value chain benefits SSBR in terms of raw material procurement, ease of managing day-to-day operations and marketing finished goods.

Established marketing and distribution network and presence in textile cluster

Being present in the industry since 1982, partners have established a network of over 100 agents across India. The firm's presence in Surat (Gujarat), textile manufacturing cluster, benefits it in terms of easy access to customers and suppliers, low transportation cost, easy availability of raw materials and skilled/unskilled labour.

Moderate leverage

SSBR's financial risk profile is marked by moderate leverage position. Overall gearing of firm stood at 0.69x as on March 31, 2025 (PY: 0.56x). Moderation in overall gearing is on account of net losses as well as withdrawal of capital by partners. Its debt profile largely comprises working capital debt.

Liquidity: Adequate

SSBR's liquidity position remained adequate marked by comfortable liquidity ratios and low repayment obligations. Current ratio remains comfortable at 2.11x as on March 31, 2025 (PY: 2.39x). Repayments are low ~₹1.25 crore in projected period. SSBR's working capital requirement remains high as the firm extends a high credit period of 75-90 days to its customers to push its products in competitive market. Also, SSBR keeps high inventory to serve its customer in a time-bound manner. These together result in high working capital requirements and elongated operating cycle. Average utilisation of working limits for past twelve months ended July 2025 remained at ~85-90%. SSBR's ability to efficiently manage its inventory requirements, exercise good control over its debtors and retention of accruals generated from business operations shall remain crucial for its liquidity profile.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

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

SSBR is a Surat-based (Gujarat) partnership firm incorporated by Satishchandra Balvantrai Rotliwala and his son Shiv Satishchandra Rotliwala in 2014 post partition of erstwhile firm M/s Balvantrai Lalubhai Rotliwala (BLR). SSBR is engaged in manufacturing grey clothes such as georgette, chiffon and crepe. As on March 31, 2025, SSBR had installed capacity of around 300 lakh metre per annum (LMPA) manufacturing of grey clothes.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	135.92	129.79
PBILDT	14.14	-6.32
PAT	9.29	-11.01
Overall gearing (times)	0.56	0.69
Interest coverage (times)	3.30	NM

A: Audited UA: Unaudited NM: Not Meaningful; Note: these are latest available financial results

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
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	45.00	CARE BB+; Stable / CARE A4+

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	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	45.00	CARE BB+; Stable / CARE A4+	-	1)CARE BBB-; Stable / CARE A3 (08-Oct-24)	1)CARE BBB-; Positive / CARE A3 (29-Sep-23)	1)CARE BBB-; Positive / CARE A3 (23-Nov-22)

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	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Annexure-5: Lender details

To view the 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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