

Manidhar Textiles LLP

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	33.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	29.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

For arriving at ratings of Manidhar Textile LLP (MTLLP), CARE Ratings Limited (CareEdge Ratings) has taken combined view of two sister concerns, Manidhar Textile (MT) and MTLLP, due to operational and managerial linkages. Together, they are referred as Manidhar group (MG).

MTLLP has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, ratings on MTLLP's bank facilities will now be denoted as 'CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*.

Users of these ratings (including investors, lenders and public at large) are hence requested to exercise caution while using above rating(s).

Ratings assigned to bank facilities of MTLLP continue to remain constrained considering its moderate financial risk profile and debt coverage indicators, scalability risk of new project set up under MTLLP and MG's presence in highly competitive and fragmented industry. Ratings also factor moderate scale of operations, moderate profit margins which are exposed to volatility in raw material (RM) prices, partnership nature of constitution of MT and stretched liquidity. However, ratings derive strength from experienced promoters with established track record of operations.

Analytical approach: Combined

For arriving at ratings, CareEdge Ratings has taken combined view of MT and MTLLP considering:

- Common partners, all partners of MTLLP have 90% share in profit/loss of MT.
- Both entities are engaged in weaving of grey fabrics. Details of entities combined are listed under Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' view that MG shall continue to benefit from its experience promoters and expected growth in scale of operations post increase in installed capacity with commencement of operations in MTLLP.

Detailed description of key rating drivers:

At the time of last rating on December 04, 2024, the following were the rating strengths and weaknesses considered (updated for the FY25 (Audited)).

Key weaknesses

Project scalability risk considering presence in highly competitive and fragmented industry

MG is undertaking a greenfield project under MTLLP for installation of 176 airjet shuttle-less looms in a phased manner at Surat, having installed capacity of manufacturing 244.3 lakh metres per annum. The estimated project cost of ₹55.15 crore is to be funded through debt-equity and USL mix of 1.49-1. Phase I of the project with 132 airjet looms commenced operations in August 2024 and Phase II with the balance 44 airjet looms commenced operations in December 2024. As MG operates in a highly competitive and fragmented market with low entry barrier and presence of numerous large and small players, scaling up operations and achievement of envisaged total operating income (TOI) and profitability and effective management of incremental working capital requirement remains key monitorable from the credit perspective.

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

Moderate scale of operations and profitability margins

MG's scale of operations grew by 39% to ₹83 crore in FY25 (out of which ~₹33 crore was contributed by MTLLP), with improved profit before interest, lease rentals, depreciation and tax (PBILDT) margin of 16.27% (PY: 8.94%), considering better absorption of fixed cost owing to economies of scale. However, profit margins are susceptible to the volatile prices of raw material, viscose yarn, which constitutes 80-90% of the production cost. Nevertheless, Viscose fibre prices are relatively less volatile compared to cotton and Polyester. The ability of the firm to manage the volatility in the raw material prices would be important from a credit perspective

Moderate financial risk profile and debt coverage indicators

Despite availing term debt for the capex in MTPPL, the capital structure of MG has remained moderate, marked by overall gearing of 1.97x at FY25 end (PY: 0.93x). Debt coverage indicators have remained moderate, marked by PBILDT interest coverage and total debt to gross cash accruals (GCA) stood at 2.14x (PY: 1.51x) and 8.34 years (PY: 10.15 years), respectively, as on March 31, 2025.

Partnership nature of constitution of MT

MT faces risks from withdrawal/transfer of capital by the partners, which may lead to deterioration in the capital structure. In the past five years ended FY25 (FY refers to April 01 to March 31), there were two instances of capital withdrawal amounting to ₹0.33 crore in FY23 and ₹0.76 crore in FY25 compared to profit of ₹0.50 crore and ₹0.98 crore in FY23 and FY25, respectively. Any disproportionate withdrawal of partners' capital going forward will remain a key rating sensitivity.

Key strength

Experience promoters with established track record of operations

The promoters of MG have an experienced of about a decade in the textile industry. Satish Mashru looks after the production and administration function of the firm, while Anant Patel and Aneri Patel looks after the finance function of the firm. The promoters are supported by experienced professionals to look after the day-to-day operations.

Liquidity: Stretched

Liquidity of MG is likely to stay stretched due to high utilisation of working capital limits and moderate operating cycle. Operating cycle elongated to 129 days at FY25 end (PY: 77 days), owing to high inventory period and debtor collection period. This working capital intensive nature of operations is partly funded by creditors (~70-130 days) and working capital bank borrowings. MG reported negative cash flow from operations of ₹15 crore in FY25. GCA is expected to remain adequate in the range of ₹4-₹12 crore in FY26-FY28, compared to term debt repayment obligations of ₹2-₹5.5 crore over the same period.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[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 and apparels	Other textile products

Incorporated in 2015, MT (Partnership firm) is engaged in manufacturing grey fabrics in Surat since almost a decade. The firm initially was engaged in weaving of polyester-based grey fabric till 2018. Post 2018, it gradually shifted to manufacturing viscose

base grey fabric. The firm has 522 water jet looms with installed capacity of 97.07 lakh meters per annum. For technological advancement, MG set up a greenfield project in MTLLP to establish a manufacturing unit at Surat with 176 airjet looms having installed capacity of weaving viscose based grey fabric of 244.3 lakh meters per annum.

Combined financials: MG

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (UA)	March 31, 2025 (UA)
Total operating income	47.18	59.74	82.95
PBILDT	3.29	5.34	13.50
Profit after tax (PAT)	0.50	0.55	1.11
Overall gearing (x)	1.67	1.21	1.62
Interest coverage (x)	1.98	1.51	2.14

A: Audited UA: Unaudited; Note: these are latest available financial results

Standalone financials of MTLLP: MTLLP was a project phase entity in FY24 and operations have commenced from December 2024.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	NA	32.83
PBILDT	NA	8.49
Profit after tax (PAT)	NA	0.13
Overall gearing (x)	NA	2.10
Interest coverage (x)	NA	2.99

A: Audited, NA: Not applicable

Status of non-cooperation with previous CRA: Nil

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-Term Loan		-	-	31/06/2031	33.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ST-Cash Credit		-	-	-	27.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	1.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	33.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (04-Dec-24)	-	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	1.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (04-Dec-24)	-	-
3	Fund-based - LT/ ST-Cash Credit	LT/ST	27.50	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (04-Dec-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; 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	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the Entity	Extent of consolidation	Rationale for consolidation
1	Manidhar Textile (MT)	Full	Financials and operational linkages

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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