

Vaibhav Spintex Private Limited

March 16, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	54.31	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Vaibhav Spintex Private Limited (VSPL) to monitor the rating vide e-mail communications dated January 14, 2026, January 19, 2026, January 23, 2026, January 30, 2026, February 19, 2026, February 23, 2026, February 26, 2026, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on VSPL's bank facilities will now be denoted as '**CARE B+; Stable; ISSUER NOT COOPERATING***'.

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

The ratings assigned to the bank facilities of VSPL are revised on account of non-availability of requisite information. Further, the ratings continue to remain constrained due to small scale of operations with limited track record, profitability margins susceptible to fluctuation in key raw material prices, leveraged capital structure and moderate debt coverage indicators, risk associated with seasonality and fragmented nature of industry and working capital intensive nature of operations FY25 (FY refers to the period from April 01 to March 31). The ratings however favorably, factor in experienced promoters, locational advantage emanating from proximity to raw material, and subsidy benefits under Government of Maharashtra Textile Scheme.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on April 02, 2025 the following were the rating strengths and weaknesses (updated based information available from registrar of companies)

Key weaknesses

Small scale of operations with limited track record

The company has a short track record of over five months of operations in manufacturing cotton bales in FY23, as it commenced operations on October 1, 2022. The scale of operations of the company continues to remain small as the company reported a revenue of Rs. 167.35 crore during FY25 compared to Rs. 185.20 crores in FY24. Despite the slight decline in revenue, the company's PBILDT margin improved to 7.48% in FY25 from 3.86% in FY24, owing to a lower cost of materials consumed. Nevertheless, the overall profitability remains modest. Further, the company's PAT margin also remained low at 0.17% during FY25 (P.Y.: 0.05%) owing to high interest and depreciation expenses associated with the nascent stage of operations.

Profitability margins susceptible to fluctuation in key raw material prices

The basic raw material consumed by VSPL to produce yarn is raw cotton, accounting for more than 80-85% of total cost of production. The raw cotton prices are volatile in nature and depend upon multiple factors such as area under production, yield for the year, vagaries of the monsoon, international demand-supply scenario, inventory carry forward from the previous year, and minimum support price (MSP) decided by the government, among others. The raw cotton prices have been volatile over last couple of years, which translates into risk of inventory losses for the industry players, though at times it also leads to

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

inventory gains. Collectively, these factors and intense competition in the industry contribute to low bargaining power of yarn manufacturers and volatility in profitability.

Leveraged capital structure and moderate debt coverage indicators

The company's capital structure moderated and remained moderate as on March 31, 2025, with overall gearing of 2.28x as on March 31, 2025 as against 1.91x as on March 31, 2024. The moderation in capital structure is primarily due reclassification of unsecured loan as debt as on March 31, 2025. However, debt coverage indicators improved on back of improved profitability on an absolute basis and were moderate as marked by PBILDT interest coverage ratio to 2.50x in FY25 from 1.28x in FY24. However, as on March 31, 2025, the total debt to gross cash accruals (GCA) moderated to 7.37 years as against 5.87x in the previous year owing to a lower cash profit (GCA).

Risk associated with seasonality and fragmented nature of industry

The cotton business is highly seasonal in nature, as the sowing season is from March to July and the harvesting season is spread from November to February. Hence, working capital utilization is high in the peak season, resulting in low financial flexibility to shield against any adverse situation in the peak period. The cotton industry is highly fragmented with numerous players operating in the unorganized sector. As VSPL faces stiff competition from other players operating in the same industry in the same area, it results in the low bargaining power of VSPL against its customers.

Working capital intensive nature of operation

The company's operations remain working capital-intensive owing to seasonality associated with availability of raw material. The working capital requirements are supported by working capital borrowings. The average inventory period increased to 26 days in FY25 from 15 days in FY24, while the average collection period also increased to 26 days from 17 days, indicating blockage of funds. Resultantly, the operating cycle stood increased at 44 days in FY25 as against 30 days in FY24.

Key strengths**Experienced promoters**

The company is promoted and directed by Nanda Bhandari and Usha Bhandari. The day-to-day and overall operations are managed by family, including Ashok Bhandari, Swapnil Bhandari, and Shrenik Bhandari. They bring over 15 years of experience through their involvement with group companies, Cottex Private Limited, Vaibhav Cotgin Private Limited, and Vaibhav White Gold Private Limited.

Locational advantage emanating from proximity to raw material

VSPL's manufacturing facility is at Yavatmal (situated in the eastern part of Vidarbha, Maharashtra) which is in vicinity of the cotton-growing region of Maharashtra resulting in easy availability of raw cotton leading to lower logistics and other related costs. Moreover, there is robust demand of cotton bales and cotton seeds in the region due to presence of spinning mills in the region.

Subsidy benefits under Government of Maharashtra Textile Scheme

VSPL has secured a subsidy of ₹7.21 crore in FY24 under Maharashtra's Package Scheme of Incentives (PSI) administered by the District Industries Centre (DIC). This subsidy is linked to the company's capital investment of ₹79 crore and is structured to be disbursed over a period of 10 years, ensuring an annual claim of approximately ₹7-8 crore starting from FY24. The calculation is based on a standardized approach, where the total eligible investment is divided over the subsidy tenure, providing financial stability and predictability. Maharashtra's PSI aims to promote industrial development by offering incentives such as capital and electricity subsidies to reduce operational costs and enhance competitiveness.

Liquidity: Stretched

The company's liquidity is stretched characterised by tightly matched cash accruals repay its expected term debt obligations worth ~6.00 crore during FY26. Further the company had a modest cash and bank balance of around ₹2.78 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

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

Applicable criteria

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

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Liquidity Analysis](#)

[Financial Ratios – Non-financial Sector](#)

[Cotton Textile](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Garments & Apparels

Established in 2020 as a private limited company by Nanda Bhandari and Usha Bhandari, VSPL is engaged in manufacturing cotton yarn and processing of cotton bales. The entity has installed capacity of 20,064 spindles per annum. The registered office and manufacturing unit is at Moharli, Taluka Wani, District Yavatmal, Maharashtra. VSPL procures raw material, cotton bales, from the market and sells cotton yarn and cotton bales (after processing for cleaning) to brokers and agents across Maharashtra and other parts of India.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	185.20	167.35
PBILDT*	7.15	12.51
Profit after tax (PAT)	0.10	0.29
Overall gearing (x)	1.91	2.28
Interest coverage (x)	1.28	2.50

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Brickwork has continued the rating assigned to the bank facilities of VSPL into Issuer Not Cooperating category vide press release dated February 20, 2026 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

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-Cash Credit		-	-	-	15.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Proposed fund based limits		-	-	-	1.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30-08-2030	36.31	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	2.00	CARE B+; Stable; 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	36.31	CARE B+; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (02-Apr-25)	1)CARE BB-; Stable (30-May-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (04-Mar-24)	1)CARE B; Stable (23-Mar-23)
2	Fund-based - LT-Cash Credit	LT	15.00	CARE B+; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (02-Apr-25)	1)CARE BB-; Stable (30-May-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (04-Mar-24)	1)CARE B; Stable (23-Mar-23)
3	Non-fund-based - LT-Bank Guarantee	LT	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (02-Apr-25)	1)CARE BB-; Stable (30-May-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (04-Mar-24)	1)CARE B; Stable (23-Mar-23)
4	Fund-based - LT-Proposed fund based limits	LT	1.00	CARE B+; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (02-Apr-25)	1)CARE BB-; Stable (30-May-24)	1)CARE B; Stable; ISSUER NOT COOPERATING* (04-Mar-24)	1)CARE B; Stable (23-Mar-23)

*Issuer did not cooperate; based on best available information. LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Proposed fund based limits	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: 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.

Contact us

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