

R.G. Spinning Mills Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.15	CARE BB-; Stable; 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

R.G. Spinning Mills Private Limited has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on R.G. Spinning Mills Private Limited's bank facilities will now be denoted as **CARE BB-; 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 rating assigned to bank facilities of R.G. Spinning Mills Private Limited (RGS) continues to be constrained by small scale of operations, highly fragmented, competitive and cyclical nature of industry, inherent volatility associated with raw material prices and its impact on profitability and moderate capital structure. However, the rating derives comfort from the experience of the promoters and established track record of the company

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on April 04, 2025 the following were the rating strengths and weaknesses (updated for the information provided by RGS)

Key weaknesses

Small scale of operations: The scale of operations remained small with operating income of ₹60.64 crore in FY25 (PY: ₹59.98 crore) owing to slowdown in demand for yarn. The company has booked total income of ₹67.59 crore in 11m FY26 (April 01 to February 28).

Highly fragmented, competitive and cyclical nature of industry: The Indian textile industry consists of large-organized players who contribute to 75 per cent of total installed capacity and the remaining 25 per cent is contributed by unorganized segment. RGS is a relatively small player in this space, thereby lacking the benefits of economies of scale. The intense competition in highly fragmented textile industry also restricts its ability to completely pass on volatility in input cost to its customers.

Inherent volatility associated with raw material prices and its impact on profitability: Raw cotton prices are highly volatile, influenced by factors such as production area, yield, monsoon conditions, international demand and supply, carryover inventory, export quotas, and the government's minimum support price (MSP). This volatility poses a risk of inventory losses for industry players. Similarly, the prices of polyester staple fiber (PSF) depend on the costs of purified terephthalic acid (PTA) and mono ethylene glycol (MEG), both petrochemical derivatives whose prices fluctuate with crude oil prices. Consequently, PSF prices are inherently volatile, making spinners' margins vulnerable to adverse fiber price fluctuations.

Moderate capital structure: The overall gearing remained moderate at 2.13x as on March 31, 2025 against 2.17x as on March 31, 2024, owing to increased working capital utilization and terms loans availed for solar captive power project. The debt coverage metrics also stood moderate with Total debt/ GCA of 25x (PY: 26.67x) as on March 31, 2025.

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

Key strengths

Experience of the promoters and established track record of the company:

R.G.Spinning Mills Private Limited (RGS) was incorporated in 2004 and has an established track record of more than a decade in the similar line of industry and established relationship with its suppliers and customers over the years. RGS's operations are spread across three states Maharashtra, Gujarat and Rajasthan. The company is promoted by P. Vasanth who has around 15 years of experience in textile industry

Liquidity: Stretched

Liquidity is stretched marked by tightly matched accruals against term debt obligations and with moderate free cash and bank balance of ₹0.53 crore as of March 31, 2025. The operating cycle of the company deteriorated and remained stretched as on March 31, 2025 at 254 days from 232 days as on March 31, 2024 owing to increased inventory period of 273 days as on March 31, 2025 due to stocking of raw materials. The company has total working capital limits of ₹21.00 crore, and the average working capital utilization stood more than 95% for the last 12 months ended February 2026.

Assumptions/Covenants : Not Applicable

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

Applicable criteria

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

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Cotton Textile](#)

[Manmade Yarn-Methodology](#)

About the company and industry

Industry classification

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

RGS (erstwhile R.G. Spinning Mills Limited) was incorporated on August 18, 2004, as Public Limited Company, promoted by P. Vasanth. RGS is engaged in manufacturing of cotton polyester blended yarn at its manufacturing unit located at Pallipalayam, Tamil Nadu with installed capacity of 18144 spindles as of March 31, 2025. The company manufactures single and double count yarn ranging from 1/30's P/C to 2/80's P/C which is used for manufacturing of fabrics

Brief Financials (Rs. crore)	31-03-2023 (A)	31-03-2024 (A)	31-03-2025 (A)
Total operating income	68.59	59.98	60.64
PBILDT*	5.44	5.53	6.06
Profit after tax (PAT)	0.30	0.28	0.36
Overall gearing (x)	1.84	2.17	2.13
Interest coverage (x)	1.60	1.43	1.40

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: 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
Fund-based - LT-Cash Credit		-	-	-	23.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	November 2028	14.15	CARE BB-; Stable; ISSUER NOT COOPERATING*

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

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-Cash Credit	LT	23.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (04-Apr-25)	1)CARE BB; Stable (05-Apr-24)	-	1)CARE BB; Stable (14-Mar-23) 2)CARE BB; Stable (19-Apr-22) 3)CARE BB; Stable; ISSUER NOT COOPERATING* (06-Apr-22)
2	Fund-based - LT-Term Loan	LT	14.15	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB-; Stable (04-Apr-25)	1)CARE BB; Stable (05-Apr-24)	-	1)CARE BB; Stable (14-Mar-23) 2)CARE BB; Stable (19-Apr-22) 3)CARE BB; Stable; ISSUER NOT COOPERATING* (06-Apr-22)

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

LT: Long term

Annexure-3: Detailed explanation of covenants of 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-Term Loan	Simple

Annexure-5: Lender details

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

Note on complexity levels of the 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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