



SHIVA MILLS LIMITED

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CIN: L17111TZ2015PLC022007 GSTRN: 33AAXCS5170R1ZC

SML/SEC/198/SE/2025-26

14.7.2025

The Manager
Listing Department
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Mumbai 400 001

Dear Sir,

Sub: Intimation of Credit Rating - reg.

Ref: Scrip Code: NSE - SHIVAMILLS; BSE - 540961

Pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the Credit Rating Report issued by CARE Ratings Limited (received on today 14.7.2025) for credit facilities availed by the Company from Banks as given below:

Nature of facility	Amount (Rs. crore)	Rating	Rating Action	Reason
Long-term Bank Facilities	27.50 (Reduced from 37.50)	CARE BBB; Stable	Downgraded from CARE BBB+; Negative	Due to net losses over the past three years
Short term Bank facilities	12.50	CARE A3+	Downgraded from CARE A2	

The aforesaid Report from CARE Ratings Limited is enclosed.

Kindly acknowledge the receipt of the same.

Thanking You,

Yours faithfully,

For SHIVA MILLS LIMITED

**M SHYAMALA
COMPANY SECRETARY**

Encl: as above

Annexure - I
Rating Report
Shiva Mills Limited

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	27.50 (Reduced from 37.50)	CARE BBB; Stable	Downgraded from CARE BBB+; Negative
Short-term bank facilities	12.50	CARE A3+	Downgraded from CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Shiva Mills Limited (SML) factors in moderate financial performance, due to diminished downstream demand, leading to net losses over the past three years ended FY25 (refers to April 1 to March 31). Ratings continue to derive strength from the promoters' vast experience in the textile industry, long track record of operations, comfortable capital structure, and availability of captive power.

Ratings continue to be constrained by the relatively moderate scale of operations, and the vulnerability of profit margins to volatile prices of cotton and yarn.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The company's ability to improve the scale of operations with operating income of over ₹300 crore, while maintaining a comfortable capital structure and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of above 10% on a consistent basis.
- Improve debt protection metrics with total debt to gross cash accruals (TD/GCA) below 1.5x on a sustained basis.

Negative factors

- Large debt-funded capital expenditure leading to moderating capital structure with gearing level above unity.
- Any further losses leading to stretch in liquidity profile.
- Moderation in interest coverage below 1.5x on a regular basis.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects the capital structure is expected to remain comfortable with no debt-funded expansion plans and the company is expected to continue to leverage on the promoters' vast experience.

Detailed description of key rating drivers:

Vast experience of promoters in the textile industry

SML belongs to the Coimbatore-based Bannari Amman Group (BAG) of companies, having presence in textiles, automobile dealership, sugar, distilleries, power, and education. Originally promoted by SV Balasubramaniam and his brothers, currently, each brother and the members of next generation are actively engaged in managing their respective businesses. At present, SV Alagappan, brother of SV Balasubramaniam, serves as the Chairman and Managing Director of SML. He is a qualified law graduate with over four decades of experience in the textile industry. The other major companies of the group engaged in the textile sector include Bannari Amman Spinning Mills Ltd (BASML; rated 'CARE BBB-; Negative/CARE A3'), involved in manufacturing yarn, fabrics, and garments; and Shiva Texyarn Limited (STL; rated 'CARE BBB; Negative/CARE A3+'), engaged in spinning and technical textiles.

Long track record of operations in textile industry

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

SML currently operates one spinning unit, at Dindigul, Tamil Nadu. It was earlier with Shiva Texyarn Limited (STL, the group company) before the demerger in 2017. The unit commenced commercial production of yarn in 1989 under STL with an installed capacity of 24,681 spindles, and currently has an installed capacity of 39,072 spindles as on March 31, 2025. The unit manufactures mainly cotton hosiery yarn, with a count range of 25s-40s and warp yarn with count range of 60s and has an established customer base of over 400 customers. The customer base is also reputed and diversified, with the top 10 SML customers constituting ~41.76% (PY: 46.77%) of the total sales in FY25.

Moderate financial performance with net losses

In FY25, SML generated 91% (PY:91%) of the total income through the sale of yarn. The remaining was contributed by the revenue sale of waste cotton. The scale of operations stood moderate with the operating income at ₹169.31 crore in FY25 though improved from ₹158.47 crore in FY24, backed by improved capacity utilisation from 73% in FY24 to 89% in FY25. The PBILDT margin which remained healthy at 14.25% in FY22 had declined consistently over the past three years and stood at 1.26% in FY25 (PY: 2.04%). The decline in profitability was considering subdued demand for the yarn, lower realisation, and increased overhead costs considering moderate capacity utilisation. The company continued to report net losses of ₹3.81 crore in FY25 against net losses of ₹3.22 crore in FY24. The company has started to produce warp yarn for weaving, mainly 60s counts in addition to hosiery yarn to improve profitability considering better sales realisation of warp yarn.

Comfortable capital structure

SML's capital structure remained comfortable with nil term loan obligations. SML had not incurred major debt-funded capex in the past, and with efficient collection of receivables, the working capital utilisation also stood lower as on March 31, 2025. Overall gearing stood comfortable at 0.11x as on March 31, 2025 (PY: 0.11x). The debt coverage indicators stood comfortable with TD/GCA at 3.93x as on March 31, 2025 (PY: 3.69x).

Availability of captive power

SML has windmills with an aggregate installed capacity of 10.65 MW, which generated 160 lakh units (PY: 181.64 lakh units) of wind power in FY25. The entire power generated by the windmills are utilised for captive consumption in the textile mill. The company entered group captive arrangement for purchase of solar power of 2 MW. The company meets ~75% of the power requirement through captive power plant.

Volatility associated with raw material prices

The profitability of spinning mills depends largely on cotton and cotton yarn prices, which are governed by factors, such as the area under cultivation, the monsoon, and the international demand-supply situation, among others. Cotton being the major raw material of spinning mills, the movement in its prices without a parallel movement in yarn prices impacts the profitability of spinning mills. The company mainly buys S-6 cotton and bunny from Gujarat and northern part of the country. The cotton textile industry is inherently prone to the cotton and yarn price volatility. The average purchase cost of cotton has been volatile in the range of ₹170 to 220 per kg for the past three years ended FY25.

Industry outlook

India's cotton yarn industry is expected to witness a revenue growth of 7–9% in the current fiscal, a marked improvement from the modest 2–4% growth recorded in the previous year. This uptick will be driven primarily by higher volumes, aided by a modest rise in yarn prices and better domestic demand. Exports constitute ~30% of the industry's revenue, with China accounting for nearly 14%. In fiscal 2025, India's yarn exports to China saw a dip due to an unusually high domestic cotton output in China, leading to a 5–7% contraction in India's overall cotton yarn exports. However, with China's cotton production expected to normalise, yarn exports are projected to rise by 9–11% this year. This is likely to benefit Indian spinners, as they will leverage steady domestic cotton production in current cotton season and regain their market share. Moreover, India's position in textile exports to US remains competitive given the higher tariff on China (key competing nation in home textile exports), which is expected to support the 6-8% revenue growth for downstream industries (home textiles and readymade garments).

Liquidity: Adequate

Liquidity is adequate, characterised by nil repayment obligations and a minimal cash balance of ₹0.29 crore (PY: ₹0.50 crore) as on March 31, 2025. The company maintains an inventory of 60-70 days and extends a credit period

of 20-30 days based on the buyer. The raw material (S-6 cotton and bunny) is procured domestically from Gujarat and Northern part of the country. The credit period extended by the suppliers remained between 10 and 15 days. The average working capital utilisation of the company stood low at 37.27% for 12 months ended May 2025. Current ratio stood at 2.30x as on March 31, 2025.

Assumptions/Covenants: Not applicable

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](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Consumer discretionary	Textiles	Textiles and apparels	Other textile products

SML (formerly STYL Textile Ventures Limited) was incorporated on November 24, 2015, as a result of the demerger of one of the spinning units from STL (rated 'CARE BBB; Negative / CARE A3+'). The company, with an installed capacity of 39,072 spindles as on as on March 31, 2025, mainly manufactures cotton hosiery yarn with an average count of 25s-40s. SML also has windmills of 10.65 MW, catering to ~75% of the power requirements.

Financial performance

(₹ crore)

For the period ended	2023 (12m, A)	2024 (12m, A)	2025 (12m, A)
Working Results			
Total Operating income	159.96	158.47	169.31
PBILDT	-0.81	3.23	2.14
Interest	0.95	0.76	1.24
Depreciation	6.05	6.72	6.76
PBT	-7.64	-3.93	-4.24
PAT (after deferred tax)	-7.16	-3.22	-3.81
Gross Cash Accruals	-1.58	2.79	2.51
Financial Position			
Equity Capital	8.64	8.64	8.64
Networth	99.86	96.18	92.41
Total capital employed	102.59	108.49	103.89
Key Ratios			
Growth			
Growth in Total income (%)	-24.88	-0.93	7.21
Growth in PAT (after deferred tax) (%)	-140.54	-55.08	17.30
Profitability			
PBILDT/Total Op. income (%)	-0.50	2.04	1.26
PAT (after deferred tax)/ Total income (%)	-4.48	-2.03	-2.25
ROCE (%)	34.05	-43.44	-3.54
Solvency			
Debt Equity ratio (times)	0.00	0.00	0.00
Overall gearing ratio(times)	0.00	0.11	0.11
Interest coverage(times)	NM	4.25	1.72
Term debt/Gross cash accruals (years)	0.00	0.00	0.00
Total debt/Gross cash accruals (years)	0.00	3.69	3.93

For the period ended	2023 (12m, A)	2024 (12m, A)	2025 (12m, A)
Liquidity			
Current ratio (times)	3.42	2.26	2.30
Quick ratio (times)	2.24	0.98	1.24
Turnover			
Average collection period (days)	33	39	50
Average inventory (days)	68	55	62
Average creditors (days)	8	12	13
Operating cycle (days)	93	82	100

A: Audited; 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

Details of rated facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Detailed explanation of covenants of rated instrument / facility: 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-Long Term		-	-	-	27.50	CARE BBB; Stable
Non-fund-based-Short Term		-	-	-	12.50	CARE A3+

Annexure-2: Rating history of 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	-	-	-	-	1)Withdrawn (12-Sep-23)	1)CARE BBB+; Stable (05-Aug-22)
2	Fund-based-Long Term	LT	27.50	CARE BBB; Stable	-	1)CARE BBB+; Negative (03-Sep-24)	1)CARE BBB+; Negative (12-Sep-23)	1)CARE BBB+; Stable (05-Aug-22)
3	Non-fund-based-Short Term	ST	12.50	CARE A3+	-	1)CARE A2	1)CARE A2	1)CARE A2

						(03-Sep-24)	(12-Sep-23)	(05-Aug-22)
4	Fund-based/Non-fund-based-LT/ST	LT/ST	-	-	-	-	1)Withdrawn (12-Sep-23)	1)CARE BBB+; Stable / CARE A2 (05-Aug-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Details of rated facilities

1. Long-term facilities

1.A. Fund-based limits

Sr. No.	Name of Bank / Lender	Rated Amount (₹ crore)	Remarks
1.	Indian Overseas Bank	10.00	Cash Credit with Sublimit of PCFC/LC/WCFC/WCDL
2.	ICICI Bank Ltd.	17.50	Cash Credit
	Total	27.50	

PCFC: Packing Credit in Foreign Currency; LC: Letter of Credit; WCFC: Working Capital in Foreign Currency; WCDL: Working Capital Demand Loan

Total long-term facilities: ₹27.50 crore

2. Short-term facilities

2.A. Non-fund-based limits

Sr. No.	Name of Bank / Lender	Rated Amount (₹ crore)	Remarks
1.	ICICI Bank Ltd.	12.50	Letter of Credit
	Total	12.50	

Total short-term facilities: ₹12.50 crore

Total facilities (1.A+2.A): ₹40.00 crore

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Long Term	Simple
2	Non-fund-based-Short Term	Simple

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Annexure-5: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Contact us

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(This follows our Press Release for the entity published on July 14, 2025)

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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CIN - L67190MH1993PLC071691

Annexure - II
Press Release
Shiva Mills Limited

Facilities/Instruments	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	27.50 (Reduced from 37.50)	CARE BBB; Stable	Downgraded from CARE BBB+; Negative
Short-term bank facilities	12.50	CARE A3+	Downgraded from CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Shiva Mills Limited (SML) factors in moderate financial performance, due to diminished downstream demand, leading to net losses over the past three years ended FY25 (refers to April 1 to March 31). Ratings continue to derive strength from the promoters' vast experience in the textile industry, long track record of operations, comfortable capital structure, and availability of captive power.

Ratings continue to be constrained by the relatively moderate scale of operations, and the vulnerability of profit margins to volatile prices of cotton and yarn.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The company's ability to improve the scale of operations with operating income of over ₹300 crore, while maintaining a comfortable capital structure and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of above 10% on a consistent basis.
- Improve debt protection metrics with total debt to gross cash accruals (TD/GCA) below 1.5x on a sustained basis.

Negative factors

- Large debt-funded capital expenditure leading to moderating capital structure with gearing level above unity.
- Any further losses leading to stretch in liquidity profile.
- Moderation in interest coverage below 1.5x on a regular basis.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects the capital structure is expected to remain comfortable with no debt-funded expansion plans and the company is expected to continue to leverage on the promoters' vast experience.

Detailed description of key rating drivers:

Key strengths

Vast experience of promoters in the textile industry

SML belongs to the Coimbatore-based Bannari Amman Group (BAG) of companies, having presence in textiles, automobile dealership, sugar, distilleries, power, and education. Originally promoted by SV Balasubramaniam and his brothers, currently, each brother and the members of next generation are actively engaged in managing their respective businesses. At present, SV Alagappan, brother of SV Balasubramaniam, serves as the Chairman and Managing Director of SML. He is a qualified law graduate with over four decades of experience in the textile industry.

Long track record of operations in textile industry

SML currently operates one spinning unit, at Dindigul, Tamil Nadu. It was earlier with Shiva Texyarn Limited (STL, the group company) before the demerger in 2017. The unit commenced commercial production of yarn in 1989 under STL with an installed capacity of 24,681 spindles, and currently has an installed capacity of 39,072 spindles as on March 31, 2025. The customer base is also reputed and diversified, with the top 10 SML customers constituting ~41.76% (PY: 46.77%) of the total sales in FY25.

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

Comfortable capital structure

SML's capital structure remained comfortable with an overall gearing at 0.11x as on March 31, 2024 (PY: 0.11x). The company does not have term loan obligations. The debt coverage indicators remained comfortable with TD/GCA at 3.93x as on March 31, 2024 (PY: 3.69x).

Availability of captive power

SML has windmills with an aggregate installed capacity of 10.65 MW, which generated 160 lakh units (PY: 181.64 lakh units) of wind power in FY25. The entire power generated by the windmills are utilised for captive consumption in the textile mill. The company entered group captive arrangement for purchase of solar power of 2 MW. The company met ~75% of the power requirement for FY24 through captive power source.

Key weaknesses

Moderate financial performance with net losses

The scale of operations stood moderate with the operating income at ₹169.31 crore in FY25, though improved from ₹158.47 crore in FY24. However, the company's profitability declined over the years from 14.25% in FY22 to 1.26% in FY25 due to industry-wide slowdown of demand for cotton yarn and higher overhead costs. The company continued to report net losses of ₹3.81 crore in FY25 against net losses of ₹3.22 crore in FY24. However, the company undertook measures to produce higher count yarns to improve profitability with better sales realisation.

Volatility associated with raw material prices

The profitability of spinning mills depends largely on cotton and cotton yarn prices, which are governed by factors, such as the area under cultivation, monsoon, and international demand-supply situation, among others. Cotton being the major raw material of spinning mills, the movement in cotton prices without a parallel movement in yarn prices impacts the profitability of spinning mills. The company mainly buys S-6 cotton from Gujarat. The cotton textile industry is inherently prone to the cotton and yarn price volatility.

Liquidity: Adequate

Liquidity is adequate, characterised by nil repayment obligations and a minimal cash balance of ₹0.29 crore (PY: ₹0.50 crore) as on March 31, 2025. The company maintains an inventory of 60-70 days and extends a credit period of 20-30 days based on the buyer. The raw material (S-6 cotton and bunny) is procured domestically from Gujarat and Northern part of the country. The credit period extended by the suppliers remained between 10 and 15 days. The average working capital utilisation of the company stood low at 37.27% for 12 months ended May 2025. Current ratio stood at 2.30x as on March 31, 2025.

Assumptions/Covenants: Not applicable

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](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Consumer discretionary	Textiles	Textiles & apparels	Other textile products

SML (formerly STYL Textile Ventures Limited) was incorporated on November 24, 2015, as a result of the demerger of one of the spinning units from STL (rated 'CARE BBB; Negative / CARE A3+'). The company, with an installed capacity of 39,072 spindles as on March 31, 2025, mainly manufactures cotton hosiery yarn with an average count of 25s-40s. SML also has windmills of 10.65 MW, catering to ~75% of the power requirements.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	159.96	158.47	169.31
PBILDT	-0.81	3.23	2.14
PAT	-7.16	-3.22	-3.81
Overall gearing (times)	0.00	0.11	0.11
Interest coverage (times)	NM	4.25	1.72

A: Audited; 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
Fund-based-Long Term		-	-	-	27.50	CARE BBB; Stable
Non-fund-based-Short Term		-	-	-	12.50	CARE A3+

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	-	-	-	-	1)Withdrawn (12-Sep-23)	1)CARE BBB+; Stable (05-Aug-22)
2	Fund-based-Long Term	LT	27.50	CARE BBB; Stable	-	1)CARE BBB+; Negative (03-Sep-24)	1)CARE BBB+; Negative (12-Sep-23)	1)CARE BBB+; Stable (05-Aug-22)
3	Non-fund-based-Short Term	ST	12.50	CARE A3+	-	1)CARE A2 (03-Sep-24)	1)CARE A2 (12-Sep-23)	1)CARE A2 (05-Aug-22)

4	Fund-based/Non-fund-based-LT/ST	LT/ST	-	-	-	-	1)Withdrawn (12-Sep-23)	1)CARE BBB+; Stable / CARE A2 (05-Aug-22)
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LT: Long term; ST: Short 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-Long Term	Simple
2	Non-fund-based-Short Term	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 on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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