

**Press Release**  
**MARIS SPINNERS LIMITED**  
**September 05, 2025**  
**Rating Reaffirmed**



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	89.50	ACUITE BB   Stable   Reaffirmed	-
Bank Loan Ratings	25.50	-	ACUITE A4+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	115.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BB**' (read as **ACUITE double Ba**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.115.00 Cr. bank facilities of Maris Spinners Limited (MSL). The outlook is '**Stable**'.

**Rationale for reaffirmation of rating**

The rating reaffirmation reflects MSLs moderate scale of operations with steady growth in revenue and profitability, due to stable cotton prices and improvement in yarn realizations. The rating also draws comfort from the extensive experience of the management. However, the rating is constrained by moderately intensive working capital operations, below average financial risk profile, stretched liquidity position and susceptibility of the margins to raw material price volatility.

**About the Company**

Maris Spinners Limited (MSL), listed on Bombay Stock Exchange (BSE), was originally incorporated as a private limited company on 18th September, 1979 by Mr. Rengaswamy. In July 1994, it transitioned into a deemed Public Limited Company under the Companies Act, 1956. The company is currently managed by Mr. Anand Rengaswamy, who serves as a managing director. The Company commenced commercial production in 1981 with an installed capacity of 11,856 spindles. Factory located in the Mysore district of Karnataka and Tiruchirapalli district of Tamilnadu, MSL's spinning units currently have a combined installed capacity of 49,536 spindles manufacturing 100% cotton combed yarn of counts 30s, 40s & 60s. The company mainly caters to the domestic market. MSL also operates a windmill with a capacity of 2.1 Mega-watts and solar power with a capacity of 3MW, the power generated from the same is used for captive purpose. This accounts for 30% of their power requirement.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of MSL to arrive at the rating

**Key Rating Drivers**

**Strengths**

**Established presence in the textile industry and experienced management**

MSL is promoted by Mr. Anandkumar Rengaswamy, Mr. Thangavelu Jayaraman, Mr. Thangavelu Raghuraman, Mr. Sethuraman Kalyanaraman, Mr. Parag Harkishon Udani, Mr. Hari Govind, Mr. Adithya Raghuraman, Mr. Ananthakumar Dhamavanthi and Mr. Swaminathan with more than three decades of experience in the textile industry. The company was incorporated in September 18, 1979 and commenced production in 1981, initially with an installed capacity of 11,856 spindles, which was gradually expanded to the present total capacity of 57,204 spindles at both its plants i.e. in Karnataka and Tamil Nadu. Management have more than 4 decades of experience in spinning industry and with the experience of the management MSL has emerged as a reputed spinning player in south India. Acuite believes that the promoter's extensive experience in the textile industry would aid the business risk profile of the company over the medium term.

### **Augmentation in operating performance**

The company's operating income improved to Rs.178.55 Cr in FY2025 from Rs.166.86 Cr in FY2024, reflecting a year-on-year growth of around 7 percent. This growth in revenue is attributable to recovery in yarn demand for commodity counts and improvement in yarn realization rates. Further, during Q1FY2026, the company registered revenue of Rs.38.1 Cr and expected to close the year with revenue of Rs.185-195Cr. The operating profit margin improved sharply to 8.51 percent in FY2025 from a modest 0.95 percent in FY2024. The improvement in EBITDA is primarily due to improved realizations and lower raw material costs. Further, in the Q1FY2026 the company registered EBITDA margin of 4.28 percent against 3.96 percent registered during Q1FY2025 and expected to end the year with the margin of 8-9 percent. Similarly, at the net level, losses narrowed with PAT at Rs.-1.26 Cr percent in FY2025 from Rs.-9.13 Cr in FY2024. Acuite believes, the company's ability to improve its profitability amidst the volatility in raw material prices and inherently cyclical nature of the yarn spinning industry remains a key monitorable.

### **Weaknesses**

#### **Moderately intensive working capital operations:**

The working capital operations of MSL remained moderately intensive in nature as reflected from gross current asset days of (GCA) 116 in FY2025 against 119 days in FY2024. The elongation in GCA days is primarily due to elongated inventory days of 76 in FY2025 against 73 days in FY2024. Debtor days improved to 15 days in FY2025 from 21 days in FY2024, while creditor days stood at 69 days in FY2025 against 80 days in FY2024. The current ratio remained modest at 0.82 times as on March 31, 2025 against 0.79 times as on March 31, 2024. The company's reliance on bank limits remained moderate with average utilization of ~73 percent over the past 6 months ending May 2025. Acuite believes, the working capital operations will remain at similar levels due to the nature of industry.

#### **Below- average financial risk profile:**

MSL's financial risk profile remained below average with low net worth, high gearing and below average debt protection metrics. The company's net worth stood at Rs.19.84Cr as on March 31, 2025 against Rs.21.34Cr as on March 31, 2024. The decline in net worth is due to net loss. The total debt level (comprise of Long-term loan of Rs.34.80 Cr, Unsecured loan from directors of Rs.0.50 Cr, Short-term debt of Rs.32.11 Cr and current maturities of long-term debt of Rs.11.38Cr) stood at Rs.78.79 Cr as on March 31, 2025 against Rs.81.41Cr as on March 31, 2024. The gearing and total outside liabilities to tangible net worth (TOL/TNW) remained high at 3.97 times and 5.16 times as on March 31, 2025 respectively, as compared to 3.82 times and 4.92 times as on March 31, 2024. The debt-protection metrics remained below average with interest coverage ratio (ICR) and debt service coverage ratio (DSCR) of 1.49 times and 0.64 times in FY2025 as against 0.19 times and 0.40 times in FY2024. Debt to EBITDA improved, yet remained high at 5.14 times as on March 31, 2025 against 47.39 times as on March 31, 2024. Acuite believes, the financial risk profile of the company will improve due to expected improvement in profitability.

#### **Susceptibility of the profitability to the fluctuations in raw material prices**

The profitability of MSL remains inherently susceptible to fluctuations in the prices of key raw material such as cotton, which account for a significant portion of its over all cost structure. Cotton prices are exposed to agro-climatic conditions, government policies and international demand-supply dynamics, leading to volatility in its price. Given the company's limited ability to fully pass on such cost escalations to customers in a highly competitive and fragmented yarn industry, any sharp rise in the raw material prices can exert pressure on operating margins.

### **Rating Sensitivities**

- Consistent improvement in revenues and profitability levels.
- Timely support from promoters to meet the repayment obligations.
- Any significant elongation in working capital cycle leading to deterioration in the financial risk profile and liquidity position.

**Liquidity position: Stretched**

The company registered insufficient net cash accruals of Rs.5.42 Cr during FY2025 against the repayment obligations of Rs.11.38 Cr. however the repayments are on timely basis as confirmed by the bankers and supported by promoters own funds. The company is expected to register NCA's in the range of Rs.7.5 Cr to 11.5 Cr during FY2026-28 against the expected debt repayment range of Rs.7 to 11.4 Cr. The GCA days remained moderate at 116 days in FY2025 and current ratio stood at Rs.0.82 times as on March 31, 2025. The fund based working capital limits are utilized at an average of ~73 percent over the past 6 months ending May 2025. The cushion in the working capital limits is estimated to provide short-term liquidity comfort.

**Outlook: Stable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	178.55	166.86
PAT	Rs. Cr.	(1.26)	(9.13)
PAT Margin	(%)	(0.70)	(5.47)
Total Debt/Tangible Net Worth	Times	3.97	3.82
PBDIT/Interest	Times	1.49	0.19

### Status of non-cooperation with previous CRA (if applicable)

Not applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Jun 2024	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	19.00	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Bills Discounting	Long Term	4.50	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	19.52	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	0.83	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Working Capital Term Loan	Long Term	1.70	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Cash Credit	Long Term	20.50	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	4.50	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Term Loan	Long Term	13.00	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Working Capital Term Loan	Long Term	1.49	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Working Capital Term Loan	Long Term	0.99	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Working Capital Term Loan	Long Term	2.80	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Proposed Long Term Bank Facility	Long Term	0.67	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
03 Jul 2023	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	19.00	ACUITE BB+   Stable (Reaffirmed)
	Bills Discounting	Long Term	4.50	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	19.52	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	0.83	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.70	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	20.50	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4.50	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	6.67	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	6.33	ACUITE BB+   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.49	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.99	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.80	ACUITE BB+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.67	ACUITE BB+   Stable (Assigned)

19 Jun 2023	Letter of Credit	Short Term	25.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Working Capital Term Loan	Long Term	2.80	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	0.99	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	1.49	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	6.67	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	4.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	20.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Working Capital Term Loan	Long Term	1.70	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	0.83	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Term Loan	Long Term	19.52	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Bills Discounting	Long Term	4.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	19.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
24 Mar 2022	Bank Guarantee/Letter of Guarantee	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A3 (Reaffirmed)
	Proposed Letter of Credit	Short Term	9.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	19.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE BBB-   Stable (Reaffirmed)
	Bills Discounting	Long Term	4.50	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	20.50	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	19.50	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.44	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.34	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.22	ACUITE BBB-   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	2.88	ACUITE BBB-   Stable (Assigned)
	Working Capital Term Loan	Long Term	2.80	ACUITE BBB-   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.86	ACUITE BBB-   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.98	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.98	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Overseas Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A4+   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE BB   Stable   Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.50	Simple	ACUITE BB   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE BB   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4+   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.19	Simple	ACUITE BB   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2029	19.52	Simple	ACUITE BB   Stable   Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2030	13.00	Simple	ACUITE BB   Stable   Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE BB   Stable   Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2025	1.49	Simple	ACUITE BB   Stable   Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	2.80	Simple	ACUITE BB   Stable   Reaffirmed



## Contacts

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