



**Press Release**  
**VINOD DENIM LIMITED**  
**January 12, 2026**  
**Rating Assigned, Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.06	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	77.57	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	5.70	Not Applicable   Withdrawn	-
Bank Loan Ratings	0.50	-	ACUITE A3   Assigned
Bank Loan Ratings	1.25	-	ACUITE A3   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	79.38	-	-
Total Withdrawn Quantum (Rs. Cr)	5.70	-	-

**Rating Rationale**

Acuité has reaffirmed its long-term rating at '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short-term rating at '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 78.82 Cr. bank facilities of Vinod Denim Limited (VDL). The outlook is '**Stable**'.

Acuité has assigned its long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short-term rating at '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 0.56 Cr. bank facilities of Vinod Denim Limited (VDL). The outlook is '**Stable**'.

Acuite has also withdrawn the long-term facility of Rs. 0.01 Cr. bank facilities of VDL without assigning any rating as the instrument is fully repaid. The rating is being withdrawn on account of request received from the Company and No Dues Certificate received from the banker.

Acuite has also withdrawn the long-term facility of Rs. 5.69 Cr. without assigning any rating as it is a proposed bank facility of Vinod Denim Limited (VDL). The rating has been withdrawn on account of the request received from the company.

The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating as applicable to the respective facility / instrument.

**Rationale for rating reaffirmed**

The rating reaffirmation reflects stable operating performance of the group and moderate financial risk profile, marked by moderate net worth, gearing and comfortable debt coverage indicators along with debt funded capex. The group's adequate liquidity position, reflected by healthy net cash accruals further supports the rating. However, these strengths are partly offset by moderately intensive working capital operations, vulnerability of profitability to fluctuations in raw material prices and the group's presence in a highly

competitive textile industry.

## **About the Company**

Vinod Denim Limited was incorporated in 2009 by the Mittal family and is engaged in manufacturing of wide range of denim fabric. The company commenced its operations from 2011. The company purchases raw cotton yarn and undertakes warping, sizing and texturizing activity in-house, along with dyeing and finishing process. The company sells finished denim fabric (indigo dyed) to traders in Delhi, Ulhasnagar, Kolkata and Ahmedabad. The company has its registered office in Ahmedabad, Gujarat. The Current Directors of the company are Mr. Dhaval Anil Kumar Mittal, Mr. Gagan Nirmalkumar Mittal, Mr. Sureshkumar Mittal, Mr. Harshil B Vadodariya, Mr. Vinodkumar Mangalchand Mittal and Ms. Shailey Rishabh Lohia.

## **About the Group**

Based in Ahmedabad Gujarat, Vinod Group is promoted by Mr. Vinod Mittal and family and has presence of over four decades in the textile industry. The group includes five companies viz. Vinod Spinners Private Limited, Vinod Texspin LLP, Vinod Cotfab Private Limited, Vinod Denim Limited, Vinod Texworld Limited. The group has integrated operations across textile value chain and undertakes spinning, weaving, yarn manufacturing, grey fabric production, dyeing and finishing of grey fabric, as well as the manufacturing of heavy cotton finished fabric and finished denim fabric.

## **Unsupported Rating**

Not Applicable

## **Analytical Approach**

### **Extent of Consolidation**

- Full Consolidation

### **Rationale for Consolidation or Parent / Group / Govt. Support**

Acuite has consolidated the business and financial risk profiles of Vinod Cotfab Private Limited, Vinod Texworld Limited, Vinod Spinners Private Limited, Vinod Denim Limited, Vinod Texspin LLP together referred to as the 'Vinod Group' (VG). The consolidation is based on common promoters, shared brand name and operational and financial synergies within the group.

## **Key Rating Drivers**

### **Strengths**

#### **Experienced management and long-established presence in the textile industry**

VCPL is part of the Vinod group of companies (Textile division) which was established in 2008 by Mr. Mittal and family. The group undertakes spinning activities, manufacturing of yarn, manufacturing of grey fabric, dyeing and finishing of grey fabric, manufacturing of heavy cotton finished fabric and manufacturing of finished denim fabric. The group has integrated operations across the textile value chain and undertakes spinning, weaving, processing (bleaching, printing, dyeing) and manufacturing. The group has a pan India presence and a wide dealer network. The group is promoted by Mr. Vinod Mittal, Mr. Harsh Mittal and Mr. Yash Mittal, who collectively possess more than four decades of experience in the textile industry. The top management is also supported by a well-qualified and experienced team of second line of management.

Acuité believes that the extensive experience of the promoters will strengthen the business of the group over the medium term.

### **Stable operating performance**

The operating income of the group improved marginally to Rs.1758.74 crore in FY2025 from Rs. 1752.04 crore in FY2024. The group recorded revenue of ~Rs. 986.39 crore in 6MFY2026. The operating margins of the group have seen an increase over the years, the operating margins of the group stood at 4.58 percent in FY2025 as against 3.82 percent in FY2024. The increase in operating margins is primarily on account of a decline in raw material prices. The PAT margins stood at 1.57 percent in FY2025 as against 1.17 percent in FY2024. Acuite believes that the group's ability to consistently improve its scale of operations and operating profitability will

remain a key rating sensitivity.

## **Weaknesses**

### **Moderate Financial Risk Profile**

The financial risk profile of the group stood average, marked by moderate net worth, gearing (debt-equity) and debt protection metrics. Tangible net worth increased to Rs. 191.05 crore as of March 31, 2025 from Rs. 146.76 crore on March 31, 2024, due to accretion of profits to reserves. The total debt of the group stood at Rs. 294.18 crore as on 31<sup>st</sup> March 2025 which includes long term loans of Rs. 128.73 crore, short term loans of Rs. 145.77 crore and unsecured loans of Rs. 19.68 crore. The gearing (debt-equity ratio) stood at 1.54 times as on 31 March 2025 as compared to 1.95 times as on 31 March 2024. The debt protection metrics stood moderate with Interest Coverage Ratio (ICR) stood at 3.33 times for FY2025 as against 3.74 times for FY2024. Debt Service Coverage Ratio (DSCR) stood at 1.45 times in FY2025 as against 1.37 times in FY2024. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 2.87 times as on 31 March 2025 as against 3.56 times as on 31 March 2024. Net Cash Accruals to Total Debt (NCA/TD) stood at 0.17 times for FY2025 as against 0.14 times for FY2024. Debt/EBITDA stood at 3.45 times in FY2025 as against 4.12 times in FY2024.

### **Captive Power Plant Capex**

The group has completed capex worth Rs. 39.05 crore in FY2025. Further, in FY2026 and FY2027 the group is undertaking capital expenditure (capex) for solar projects in three of its companies to support captive power consumption and upgrading machines in two of its companies to improve quality of the product. The total cost of solar project is Rs. 17.7 crore, funded through a combination of unsecured loans (USL) from the directors/internal cash accruals of Rs. 2.03 crore, and term loans of Rs. 15.67 crore. The benefits from this project are expected to begin accruing from January 2026/ June 2026. The total cost of upgrading the machines is Rs. 21.35 crore, funded through promoter contributions/internal cash accruals of Rs. 5.38 crore and term loans of Rs. 15.74 crore. The benefits from this project are expected to begin accruing from January 2026/ June 2026. As learnt from the management the captive power plants are expected to result in savings of 45-50% on power costs.

Acuité believes that while these investments will help reduce power costs, the group's coverage and leverage ratios may experience slight moderation over the medium term due to the increase in debt levels.

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

The working capital operations of the group stood moderate marked by GCA days of 108 days in FY2025 as against 92 days in FY2024. The collection period stood moderate at 72 days in FY2025 as against 65 days in FY2024. Notably, the group provides a credit period of 30-60 days to its debtors. The inventory holding stood at 35 days in FY2025 as against 23 days in FY2024. On the other hand, the creditors' period stood moderate at 54 days in FY2025 as against 48 days in FY2024, owing to a moderate credit period of 30-60 days extended by the suppliers to the group. The reliance on fund-based bank limit remained moderate with utilisation at 81 percent and the non-fund-based limit at 84 percent for last 12 months ended September 2025.

Acuite believes that the working capital operations of the group may continue to remain moderate over the medium term.

### **Susceptibility of operating margins to volatility in raw material prices**

VG's key raw material, cotton is a highly seasonal commodity and good quality cotton is available only during the peak cotton season i.e. October to March. Operating margins in textile companies are susceptible to changes in cotton prices, which are highly volatile and commoditised product. Any abrupt change in cotton prices due to supply-demand scenario, carryover stocks in the overseas market, and government regulations of changes in minimum support price (MSP) can lead to distortion in market prices and affect the profitability of players across the cotton value chain. Further, textile industry is highly fragmented and competitive with the presence of a large number of organised and unorganised players

### **Highly competitive textile industry and shifts in consumer preferences**

The textile industry in India is highly fragmented and competitive marked by presence of large number of organised and unorganised players. The group is exposed to intense competition from both domestic players as well as the overseas market. The shifts in consumption patterns can also have an adverse impact on the operations of the group. The Indian denim industry has also seen a muted growth in past few years and will have impact on the growth of the existing players such as Vinod group. However, Acuité believes that extensive experience of promoters in textile industry will mitigate such risk to certain extent.

### **Rating Sensitivities**

- Sustained improvement in scale of operations along with improving profitability.
- Elongation in working capital cycle leading to stretch in liquidity position.
- Time and cost overrun in ongoing and upcoming capex leading to deterioration in financial risk profile

### **Liquidity Position**

#### **Adequate**

The liquidity position remains adequate, evidenced by sufficient net cash accruals offsetting maturing debt obligations. Net cash accruals ranged Rs. 32-49 crore between FY2023 and FY2025, surpassing maturing repayment obligations of Rs. 24-26.5 crore during the same period. Cash accruals are expected in the range of Rs. 46-50 crore against maturing repayment obligations of Rs. 23-25 crore over the medium term. The current ratio stood 1.26 times on March 31, 2025, against 1.27 times on March 31, 2024. The working capital operations are moderate in nature marked by GCA days of 108 days in FY2025 and fund-based bank limit remained moderate with utilisation at 81 percent and the non-fund-based limit at 84 percent for last 12 months ended September 2025. Further, the cash and bank balance stood at Rs. 0.41 crore as on 31st March 2025. Acuite believes the liquidity position of the company may continue to remain adequate with steady cash accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1758.74	1752.04
PAT	Rs. Cr.	27.58	20.56
PAT Margin	(%)	1.57	1.17
Total Debt/Tangible Net Worth	Times	1.54	1.95
PBDIT/Interest	Times	3.33	3.74

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

Not Applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuite'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
22 Nov 2024	Bank Guarantee (BLR)	Short Term	1.25	ACUITE A3 (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.56	ACUITE BBB-   Stable (Assigned)
	Covid Emergency Line.	Long Term	2.48	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	10.14	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	48.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	6.14	ACUITE BBB-   Stable (Assigned)
07 Jun 2023	Term Loan	Long Term	11.96	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	0.50	ACUITE A4 (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE B+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.89	ACUITE B+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	4.03	ACUITE B+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.23	ACUITE B+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	9.31	ACUITE B+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BB-)
	Proposed Long Term Bank Facility	Long Term	1.06	ACUITE Not Applicable (Withdrawn)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.25	Simple	ACUITE A3   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	48.00	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	1.23	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Credit Exposure Limit (FCNR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A3   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.11	Simple	ACUITE BBB-   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.69	Simple	ACUITE Not Applicable   Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2027	0.61	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2031	9.83	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	14 Oct 2025	Not avl. / Not appl.	14 Aug 2033	10.14	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	14 Oct 2025	Not avl. / Not appl.	14 Nov 2033	4.66	Simple	ACUITE BBB-   Stable   Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	14 Oct 2025	Not avl. / Not appl.	14 Nov 2033	0.06	Simple	ACUITE BBB-   Stable   Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2027	0.01	Simple	ACUITE Not Applicable   Withdrawn
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2027	2.99	Simple	ACUITE BBB-   Stable   Reaffirmed

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Vinod Denim Limited
2	Vinod Spinners Private Limited
3	Vinod Cotfab Private Limited
4	Vinod Texworld Limited
5	Vinod Texspin LLP

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### About Acuité Ratings & Research

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