



Press Release
O C SWEATERS LLP
January 22, 2026

Rating Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	ACUITE B Stable Upgraded	-
Bank Loan Ratings	25.00	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	42.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to **'ACUITE B' (read as ACUITE B)** from **'ACUITE B-' (read as ACUITE B minus)** and reaffirmed its short-term rating of **'ACUITE A4' (read as ACUITE A four)** on the Rs.42.00 Cr. bank facilities of O C Sweaters LLP (OCSLLP). The outlook remains **'Stable'**.

Rationale for Upgrade

The rating upgrade considers sustained improvement in revenues, along with benefits derived from experienced promoters and management. The firm recorded revenues of Rs. 115.95 crore in FY2025, reflecting significant growth from Rs. 62.21 crore in FY2024. The increase in revenues was attributed to successful execution of order book and penetration into domestic market. The operating margin increased to 2.90% in FY2025 from (16.41)% in FY2024. This improvement was driven by increased operations leading to better absorption of fixed costs as the orders had better margins. The firm's financial risk profile remained weak, marked by negative net worth, negative gearing, and negative debt protection metrics. Furthermore, the firm has working capital-intensive nature of operations. The Gross Current Assets (GCA) days improved but still stood high at 260 days as of March 31, 2025, down from 343 days as of March 31, 2024. Additionally, liquidity remains stretched, with high dependence on bank borrowings and negative cash accruals.

About the Company

OCSLLP, formerly Orient Craft Sweaters Private Limited, was incorporated in July 2016 and is part of Orient Craft Group. The firm is engaged in the manufacturing of various types of knit wear products including sweaters, cardigans, throws and blankets in the kids wear segment with its manufacturing facility located in the industrial hub of Manesar. The designated partners of the LLP are Mr. Sudhir Dhingra and Mr. Sahil Dhingra.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of O C Sweaters LLP to arrive at the rating.

Key Rating Drivers

Strengths

Experienced promoters and management

Mr. Sudhir Dhingra who is the promoter of Orient Craft Group, has over 46 years of experience in the business of textile manufacturing and exports. He is ably assisted by his daughter Ms. Shilpa Dhingra who is heading the design department of OC Sweaters LLP and son Mr. Sahil Dhingra who are partners in this firm. The management team has rich experience in the garment industry. Acuite believes that the firm would be able to increase its scale of operations due to healthy relationships established with its customers and suppliers over the medium term.

Improving scale of operations

The firm recorded revenues of Rs. 115.95 crore in FY2025, reflecting a significant growth from Rs. 62.21 crore in FY2024. The increase in revenues was attributed to a successful execution of its order book and entry into the domestic market. Following the US tariff regime, the firm also explored markets in Europe and Australia. The firm has achieved Rs. 59.22 crore till October 2025 and has an order book of Rs. 66.12 crore till December 2025, which is to be completed by March-September 2026, with expected additional orders over the same period. The operating margin increased to 2.90% in FY2025, from (16.41)% in FY2024. This improvement was driven by increased operations, which translated into a better absorption of fixed costs, as the orders had good margins and the cost of operations did not increase proportionally with the turnover. The firm's Profit After Tax (PAT) margin rose to (1.56)% in FY2025, compared to (23.37)% in FY2024. The firm's Return on Capital Employed (ROCE) stood at 6.57% in FY2025, against (40.61)% in FY2024.

Weaknesses

Weak financial risk profile

The firm's financial risk profile is weak marked by negative net worth, negative gearing and negative debt protection metrics. The tangible net worth has stood at Rs. (28.63) Cr. as on March 31, FY2025 as compared to Rs. (26.82) Cr. as on March 31, FY2024. The gearing of the firm stood below unity at (2.76) times in FY2025 as against (2.64) times in FY2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at (4.15) times as on FY2025 as against (3.51) times as on FY2024. The debt protection metrics of the firm is weak by marked by Interest coverage ratio (ICR) of 0.91 times and debt service coverage ratio (DSCR) of 0.91 times for FY2025. The net cash accruals stood at Rs.(0.34)Cr. in FY2025 against nil debt repayment obligations.

Working Capital Intensive nature of operations

The working capital management of the firm is intensive in nature marked by improving but high Gross Current Assets (GCA) of 260 days as on March 31, 2025, as against 343 days as on March 31, 2024. This is due to the extended credit period provided to the buyer of the products. The debtor days stood at 129 days in FY2025, up from 107 days in FY2024. The inventory days stood at 55 days in FY2025 from 106 days in FY2024. The creditor days stood at 103 days as on March 31, 2025, as against 202 days as on March 31, 2024. The credit terms in an average are ~45-60 days. Acuite believes that the working capital cycle of firm will continue to remain intensive due to the prolonged collection mechanism.

Rating Sensitivities

- Improvement in financial risk profile
- Improvement in scale of operations and profitability.
- Working capital Cycle

Liquidity Position
Stretched

The firm has a stretched liquidity marked by negative net cash accruals stood at Rs (0.34) Cr. in FY2025 against nil debt repayment obligations. The cash and bank balances stood at Rs. 5.04 Cr. for FY 2025. Further, the current ratio of the stood at 1.17 times in FY2025. The bank limit utilization for fund based is 99.52~ percent and non-fund based is 45.51 ~ percent over the last six months ended in October 2025. Acuité believes that the liquidity of the firm is likely to remain stretched over the medium term backed by steady accruals albeit nil long term debt repayments high utilization of short-term borrowings and low current ratio.

Outlook: Stable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	115.95	62.21
PAT	Rs. Cr.	(1.81)	(14.54)
PAT Margin	(%)	(1.56)	(23.37)
Total Debt/Tangible Net Worth	Times	(2.76)	(2.64)
PBDIT/Interest	Times	0.91	(3.78)

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, Acuite 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Oct 2024	Letter of Credit	Short Term	10.00	ACUITE A4 (Upgraded from ACUITE D)
	Cash Credit	Long Term	15.00	ACUITE B- Stable (Upgraded from ACUITE D)
	Proposed Long Term Loan	Long Term	17.00	ACUITE B- Stable (Upgraded from ACUITE C)
24 Oct 2024	Proposed Long Term Loan	Long Term	17.00	ACUITE C (Downgraded from ACUITE B+ Stable)
	Cash Credit	Long Term	15.00	ACUITE D (Downgraded from ACUITE B+ Stable)
	Letter of Credit	Short Term	10.00	ACUITE D (Downgraded from ACUITE A4)
03 Aug 2023	Letter of Credit	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Proposed Long Term Loan	Long Term	17.00	ACUITE B+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE B+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
INDUSIND BANK LIMITED	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4 Reaffirmed
INDUSIND BANK LIMITED	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A4 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE B Stable Upgraded (from ACUITE B-)

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About Acuité Ratings & Research

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