



Press Release

N R VANDANA TEX INDUSTRIES LIMITED (ERSTWHILE N R DESIGN CENTRE I LIMITED)

August 26, 2025

Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of 'ACUITE BBB'-(read as ACUITE triple B minus)on the Rs. 75 Cr. bank facilities of N R Vandana Tex Industries Limited. The outlook is 'Stable'.

Rationale for rating

The rating takes into cognizance long track record of operations, experienced management, diverse geographical presence in North, East and South India, established wholesaler network, increasing revenues and operating profitability, moderate financial risk profile, adequate liquidity; However, these strengths are partly offset by intensive working capital cycle.

About the Company

West Bengal based, N R Vandana Tex Industries Limited (Erstwhile N R Design Centre Private Limited) is incorporated in the year 1992. The company is engaged in manufacturing cotton sarees(98.32% of the revenue contribution), bedsheets (1.27% of the revenue contribution) and suits (0.40% of the revenue contribution). The company has an installed capacity of 10,60,800 MT per piece per annum for manufacturing sarees and 3,43,200 per piece per annum for manufacturing bedsheets . The manufacturing facilities are located at West Bengal and Jetpur. The directors of the company are Mr. Gyanesh Lohia, Mr. Prabhu Lohia, Mr. Narain Prasad Lohia. The company has been listed on SME NSE segment on 4th June, 2025.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken standalone business and financial risk profile of N R Vandana Tex Industries Limited to arrive at its rating.

Key Rating Drivers

Strengths

Benefits derived from management

The operations of the company are managed by Mr. Gyanesh Lohia, Mr. Prabhu Lohia, Mr. Narain Prasad Lohia. The company has geographical presence in East, North and South India. It also has an established wholesaler network of about 1,397 which helps company to expand its business. Acuite believes that the experienced management and presence across India will help the company going forward.

Revenues and operating profitability

The revenues of the company have increased to Rs. 270.80 Cr. as on March 31, 2025 as compared to Rs. 220.11 Cr. as on March 31, 2024 on account of increase in realisation and number of sarees sold. The operating profitability has increased to 7.12 percent as on March 31, 2025 as compared to 6.30 percent as on March 31, 2024 on account of better absorption of fixed costs. Acuite believes that the scale of operations and operating profitability will improve over the near to medium term.

Moderate financial risk profile

The financial risk profile of the company is moderate marked by improving net worth, moderate gearing and debt

protection metrics. The adjusted tangible net worth of the company stood at Rs. 47.38 Cr. as on March 31, 2025 as compared to Rs. 39.16 Cr. as on March 31, 2024 due to accretion to reserves. Acuite has considered unsecured

loans of Rs. 14.59 Cr. as quasi equity, and the same has been subordinated to bank loans. The adjusted gearing of the company stood at 1.15 times as on March 31, 2025 as compared to 1.39 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 3.19 times as on March 31, 2025 as compared to 3.59 times as on March 31, 2024. The debt protection metrics of the company remain moderate marked by Interest Coverage ratio (ICR) of 2.44 times as on March 31, 2025 and debt service coverage ratio (DSCR) of 1.79 times for March 31, 2025. The net cash accruals to total debt (NCA/TD) stood at 0.16 times as on March 31, 2025 as compared to 0.09 times as on March 31, 2024. Acuité believes that the financial risk profile will remain moderate over the medium term, with steady cash accruals and absence of any debt funded capex plans.

Weaknesses

Intensive Working Capital Cycle

The working capital cycle of the company is intensive as reflected by Gross Current Assets (GCA) of 256 days for March 31, 2025 as compared to 283 days for March 31, 2024. The debtor period stood at 173 days as on March 31, 2025 as compared to 130 days as on March 31, 2024. The debtors days are high on account of higher credit period provided to distributors to strengthen their relationship and push sales at year end. Further, the inventory days of the company stood at 81 days as on March 31, 2025 as compared to 142 days in FY2024. The inventory holding of the company is slightly high on account of stocking diverse range of SKUs to cater to wholesaler's demands. Given the seasonal nature of the business, company anticipate higher inventory levels during peak seasons. The creditors stood at 186 days as on March 31, 2025 as compared to 210 days as on March 31, 2024. Acuité believes that the working capital operations of the company will improve over the medium term.

Rating Sensitivities

Movement in revenues and operating profitability

Working capital cycle

Liquidity Position

Adequate

The company has adequate liquidity marked by net cash accruals of Rs 8.62 Cr. as on FY2025 as against long term debt repayment of Rs. 1.29 Cr. over the same period. The cash and bank balance stood at Rs. 0.59 Cr. as on March 31, 2025 and Rs. 1.77 Cr. as on March 31, 2024. Further, the current ratio of the company stood at 1.27 times as on March 31, 2025 as compared to 1.35 times as on March 31, 2024. The average bank utilization limit for 6 months ended June 2025 is 73.20 percent. Acuité believes that the liquidity of the company is to expected remain adequate over the near to medium term on account of steady cash accruals, moderate reliance on bank borrowings for working capital, moderate current ratio and absence of any debt funded capex plans.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	270.80	220.11
PAT	Rs. Cr.	8.21	4.18
PAT Margin	(%)	3.03	1.90
Total Debt/Tangible Net Worth	Times	1.15	1.39
PBDIT/Interest	Times	2.44	1.78

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

CRISIL, vide its press release dated April 22, 2025 had denoted the rating of N R Vandana Tex Industries Limited as 'CRISIL BB/Stable; REAFFIRMED AND ISSUER NOT CO-OPERATING'

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. 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:Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE BBB- Stable Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB- Stable Assigned

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About Acuité Ratings & Research

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