



Press Release

Shiva Texfabs Limited

July 16, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long-Term Bank Facilities- Cash Credit	7.00	IVR D (IVR D)	IVR B-/ Stable (IVR Single B Minus with Stable Outlook)	Downgraded	Simple
Total	7.00	(Rupees Seven crore only)			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale:

Infomerics Ratings has downgraded the ratings of bank facilities of Shiva Texfabs Limited (STL) to 'IVR D'. The rating downgrade reflects delay in debt servicing by the company towards the debt not rated by Infomerics Ratings.

Key Rating Sensitivities:

Upward Factors

- Continuous timely servicing of debt obligation for at least 90 days.

Downward Factors: Not Applicable

List of Key Rating Drivers with Detailed Description

Key Rating Weaknesses

Ongoing delays and defaults in debt servicing

There have been on-going delays in the debt service by the company as confirmed by the lender.



Press Release

Intense market competition and exposure to fluctuations in raw material prices

STL operates in a highly competitive and fragmented textile industry with several organised and unorganised players which leads to intense competition. Further, the volatility in the raw material prices and time lag of passing the movement in the prices to its customers may impact the profitability of the group adversely.

Key Rating Strengths

Experienced promoters & Qualified management team

STL was incorporated in 1993, promoted by Mr. Akhil Malhotra with more than two decades of experience in textile business. Mr. Manoj Kumar is one of the directors of the company, with over 20 years of experience in business.

Fully integrated nature of operations

STL manufactures fibres through recycling of p-cPET (post-consumer Polyethylene terephthalate) bottles. These are further used for manufacturing of yarn and finally fabric which is sold to garment manufacturers. Dyeing is also undertaken in-house. The operations of the company are therefore fully integrated. Further, STL manufactures fibres by recycling of p cPET bottles - captively used to manufacture yarn and finally fabric. This business model leads to a better competitive position for the company as well as low raw material costs.

Moderate improvement in profitability albeit scale of operations remained almost at similar level.

Despite scale of operation marked by Total operating income (TOI) remained low at Rs. 413.43 crore in FY'25 and Rs. 410.33 crore in FY'24 in against of TOI of Rs. 504.44 crore in FY'23, the company have reported improvement in operating margins marked by absolute EBITDA of Rs. 18.51 crore (4.51%) and Rs. 33.87 crore (8.19%) respectively in FY'24 (A) and FY'25 (Prov.).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing companies.](#)



Press Release

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings](#)

Liquidity – Poor

The liquidity remains poor as reflected by the on-going delays in fulfilling its long-term debt repayment obligations. Further, the NCA stands low at Rs. ~43 crore in FY'25 (Prov.) as against its outstanding short-term debt repayment obligation of Rs. 85.30 crore as on March 31, 2025.

About the Company

The company was initially incorporated in 1993 as 'Shiva Fabricators Pvt. Ltd.' and subsequently renamed Shiva Textfabs Limited (STL). Shiva Textfabs Limited is a Public Limited company (unlisted) incorporated in 1993 under the provisions of the Companies Act, 1956 and the commercial operations of the company commenced in 1995. Late B.K. Malhotra was the founder of the Shiva group, and his son is Managing Director of the group. Now Mr. Akhil Malhotra is the Chairman of the Shiva group. The company is engaged in manufacturing of recycling of p-c PET containers and bottles to manufacture synthetic fibres, yarns, and fabrics. STL operates from its two manufacturing units, both located in Ludhiana, having a total installed capacity of around 100,000.

Financials (Standalone)

	(Rs. crore)	
For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Provisional)
Total Operating Income	410.33	413.43



Press Release

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Provisional)
EBITDA	18.51	33.87
PAT	495.90	29.03
Total Debt	174.40	94.99
Adjusted Tangible Net Worth	45.26	213.08
Ratios		
EBITDA Margin (%)	4.51	8.19
PAT Margin (%)	118.07	6.83
Overall Gearing Ratio(x)	3.85	0.45
Interest Coverage (x)	5.81	15.83

*As per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		Date(s) & Rating(s) assigned in 2022-23
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	
					(May 08, 2024)	-	(March 17, 2023)
1	Cash Credit	Long-Term	7.00	IVR D	IVR B-/Stable	-	IVR B-/Stable



Press Release

Name and Contact Details of the Analytical department:

Name: Mithun Vyas

Tel: (079) 40393043

Email: mithun.vyas@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



Press Release

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	7.00	IVR D

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-ShivaTexfabs-jul25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.