

June 18, 2026

## Be One Textiles Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Long-term – Fund based - Term loans	60.00	44.82	[ICRA]BB- (Stable); reaffirmed
Long-term – Fund based - Cash credit	30.00	10.00	[ICRA]BB- (Stable); reaffirmed
Short-term – Non-fund based limits	12.94	12.54	[ICRA]A4; reaffirmed
<b>Total</b>	<b>102.94</b>	<b>67.36</b>	

\*Instrument details are provided in Annexure-II

### Rationale

For arriving at the ratings, ICRA has assessed the standalone credit profile of Be One Textiles Private Limited (Be One) and notched up the standalone ratings, factoring in the implicit support from its parent company, Sri Shanmugavel Mills Private Limited (SSMPL).

The ratings reaffirmation on the bank lines of Be One considers an expected improvement in operational and financial performance over the medium term, supported by long track record and established position of the promoters in the textile industry. Further, the ratings consider the financial flexibility it derives for being a wholly-owned subsidiary of Sri Shanmugavel Mills Private Limited (SSMPL, rated at [ICRA]BB(Stable)/[ICRA]A4). Be One reported revenues of Rs. 116.8 crore in FY2026 (provisional). ICRA notes that Be One has plans of being merged with SSMPL and the transaction is subject to various approvals. ICRA would continue to monitor developments in this regard and take appropriate action, if necessary.

The ratings, however, remain constrained by Be One's lower operating profitability and continued cash losses incurred in FY2026, moderating its financial profile, and erosion in net worth. While the cash losses had reduced to Rs. 0.9 crore in FY2026 compared to Rs. 11.4 crore in FY2025, the entity remains dependent on its holding company towards debt servicing. The ratings remain constrained by its moderate scale of operations, which affects the benefits arising from the economies of scale. The ratings also remain constrained by the commoditised nature of the company's products, which, coupled with the fragmented industry structure, results in limited pricing power and keeps the profitability under check. Further, the ratings factor in the high working capital intensity of Be One's operations due to cotton's seasonal availability and the company's profitability remains vulnerable to volatility in cotton prices.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company is likely to improve its earnings and coverage metrics. Further, the outlook underlines ICRA's expectations that the entity's incremental capex, if any, to further increase the capacity will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing ratings.

### Key rating drivers and their description

#### Credit strengths

**Established track record of promoter Group** – SSMPL and Be One enjoy operational synergies as a part of the larger erstwhile SSM Group. The Group is among the largest textile groups in South India, with sizeable capacities in the spinning and fabric segments. It is the leading supplier in the medium and coarser count hosiery yarn market in Tamil Nadu (which includes the large hosiery hub in Tirupur) and maintains an established presence across other key domestic and export markets. Be One is

a wholly-owned subsidiary of SSMPL, which commenced operations in November 2023. Be One manufactures open-ended yarn and has a capacity of 3,912 rotors.

### Credit challenges

**Lower profitability and weak coverage indicators** – The spinning industry is highly fragmented with a significant share of the unorganised segment. As a result, Be one enjoys limited pricing power, which is likely to keep its profitability under check. Be one reported revenue of Rs. 116.8 crore in FY2026 against Rs. 129.6 crore in FY2025, reflecting a 9.9% decline due to moderate realisation. Due to large debt-funded capex in the past and the project not generating adequate returns, the company has weak debt coverage indicators with Total Debt/OPBDITA of 13.0 times and interest coverage of 1.3 times in FY2026. Going forward, a modest recovery in coverage indicators is expected, supported by various cost-control initiatives taken by the entity. ICRA notes that Be One has plans of being merged with SSMPL and the transaction is subject to various approvals. ICRA would continue to monitor developments in this regard and take appropriate action, if necessary.

**Working capital-intensive operations; susceptible to volatility in cotton and cotton yarn prices** – The company operates in a very competitive and commoditised spinning industry, characterised by minimal product differentiation and fragmentation, restricting pricing flexibility. In addition, the requirement to stock cotton during the harvest season makes operations working capital intensive and exposes its profitability to fluctuations in cotton prices. In the past, pressure on yarn realisations constrained the contribution levels of the spinning entities.

### Liquidity position: Stretched

Be One’s liquidity position is expected to remain Stretched owing to weaker cash generated from operations. Be One has no major capital expenditure plans, and it has debt repayment obligations of Rs. 9.0 crore in FY2027. The average utilisation of its fund-based limits over the last 12 months ending in March 2026 stood at around 3% of its sanctioned limit of Rs. 20 crore. A revival is anticipated from FY2027, and is likely to support the debt repayment obligations to an extent, but the company remains dependent on parent/promoters for debt servicing. The promoters have also indicated that funding support would be extended on need basis towards supporting the debt repayment obligations and working capital requirements of the entity.

### Rating sensitivities

**Positive factors** – The ratings could be upgraded if there is a healthy and sustained increase in profitability with improvement in liquidity profile and debt protection metrics. Specific credit metrics that could lead to ratings upgrade include a debt service coverage ratio of more than 1.3 times on a sustained basis.

**Negative factors** – The ratings could be downgraded if there is sustained pressure on the company’s operating performance or in case of a deterioration in the credit profile of its parent, which would adversely impact the liquidity and debt protection metrics.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Textiles - Spinning</a>
Parent/Group support	Implicit support from SSMPL ([ICRA]BB (Stable)/[ICRA]A4) Be One Textiles Private Limited is a wholly-owned subsidiary of SSMPL and enjoys operational and financial linkages because of their common ownership.
Consolidation/Standalone	Standalone approach, while taking into account parent support.

## About the company

Incorporated on June 16, 2022, Be One is a wholly owned subsidiary of SSMPL. The entity manufactures OE yarn and has a capacity of 3,912 rotors and commenced operations w.e.f. November 09, 2023.

SSMPL was set up in 1980 and manufactures cotton yarn and knitted fabric. The spinning division of SSMPL produces counts ranging from 28s to 50s (with average counts of 30s+ being produced). A bulk portion of the yarn manufactured by the company finds its application in the knitting fabric segment. Following the business restructuring process within the SSM Group and the acquisition of a spinning unit in FY2023, the company has 1,36,000 spindles, 1,464 rotors, 200 knitting machines and windmills of 25.7 MW.

### Key financial indicators (audited)

Be One (Standalone)	FY2025	FY2026*
Operating income	129.6	116.8
PAT	-17.8	-13.7
OPBDIT/OI	3.4%	7.2%
PAT/OI	-13.7%	-11.7%
Total outside liabilities/Tangible net worth (times)	-11.1	-6.0
Total debt/OPBDIT (times)	27.7	13.0
Interest coverage (times)	0.3	1.3

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortization

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Current rating (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	Jun 18, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Term loan</b>	Long term	44.82	[ICRA]BB-(Stable)	May 12, 2025	[ICRA]BB-(Stable)	Apr 01, 2024	[ICRA]BB-(Stable)	-	-
<b>Unallocated limits</b>	Long term/ Short term	0.00	-	May 12, 2025	-	Apr 01, 2024	[ICRA]BB-(Stable)/[ICRA]A4	-	-
<b>Cash credit</b>	Long term	10.00	[ICRA]BB-(Stable)	May 12, 2025	[ICRA]BB-(Stable)	-	-	-	-
<b>Non fund based</b>	Short term	12.54	[ICRA]A4	May 12, 2025	[ICRA]A4	-	-	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

## Complexity level of the rated instrument

Instrument	Complexity indicator
Long term – Fund Based - Term loans	Simple
Long term - Fund-based - Cash credit	Simple
Short term – Non fund-based limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

## Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2023	NA	FY2030	44.82	[ICRA]BB-(Stable)
NA	Cash credit	NA	NA	NA	10.00	[ICRA]BB-(Stable)
NA	Non - fund based limits	NA	NA	NA	12.54	[ICRA]A4

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure III: List of entities considered for consolidated analysis: Not Applicable

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar K**

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**G S Ramakrishnan**

+91 44 4596 4300

[g.ramakrishnan@icraindia.com](mailto:g.ramakrishnan@icraindia.com)

**Ashwini M**

+91 44 4596 4326

[ashwini.m@icraindia.com](mailto:ashwini.m@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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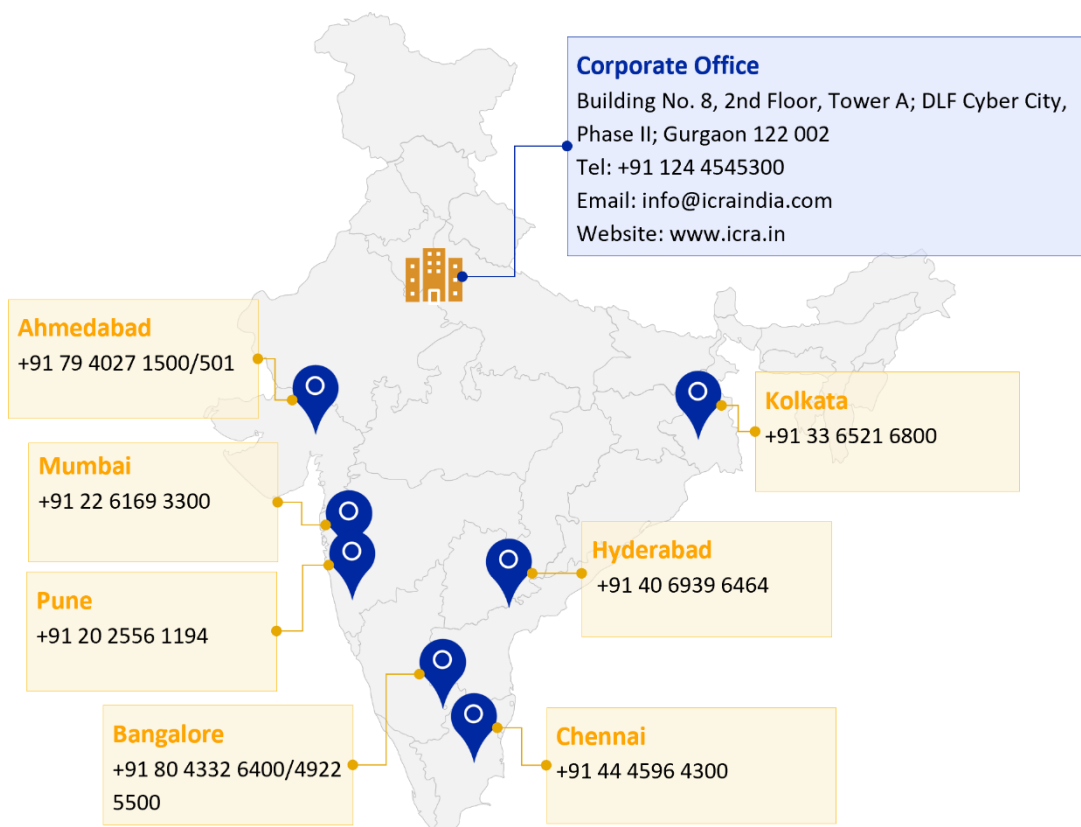


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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