

August 14, 2025

Elixrr Industries Private Limited: [ICRA]BBB- (Stable)/ [ICRA]A3 assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term –Fund-based –Term loans	622.50	[ICRA]BBB- (Stable); Assigned
Short-term -Non-fund based limits	70.00	[ICRA]A3; Assigned
Long-term –Unallocated limits	7.50	[ICRA]BBB- (Stable); Assigned
Total	700.00	

*Instrument details are provided in Annexure I

Rationale

The ratings assigned to Elixrr Industries Private Limited (EIPL) factors in the experience of the promoters in the technical textiles industry. EIPL is promoted by the Goel and Jain families, who have more than three decades of experience in the technical textiles industry and close to two decades of experience in non-woven fabric manufacturing. EIPL has set up a non-woven fabric manufacturing unit with an installed capacity of 15,000 MTPA in Gujarat, which commenced operations in December 2023. While the plant is yet to breakeven at the operating profits level, ICRA notes that the promoters have infused funds in the form of compulsorily convertible debentures (CCD: Rs. 416.0 crore o/s as of March 2025) and financed the working capital requirements and principal/interest repayments of the company till date. ICRA derives comfort from the strong financial flexibility of EIPL's promoters and their track record of infusion of funds, whenever needed.

The ratings, however, remain constrained by the modest scale of operations and stretched debt protection metrics as operations are yet to achieve operating breakeven. This is majorly due to delay in ramp-up of the non-woven unit on account of long validation cycle (3-6 months) of export customers, resulting in low capacity utilisation of 21% in FY2025. However, the company is expected to receive substantial export orders from Q3 FY2026. ICRA expects the operating income (OI) to improve to Rs. 130.0-140.0 crore in FY2026 (Rs. 43.9 crore in FY2025). While the management expects EIPL to achieve operating breakeven in FY2026, the coverage indicators are likely to remain stretched in the medium term, thereby necessitating timely funding support from the sponsors in the interim. The ratings also consider the execution risk and post implementation ramp-up risk associated with the debt-funded capex for medium density fibreboard (MDF) unit of 3.0 lakh cubic metres (CBM), being set up in Madhya Pradesh. The total capex outlay is Rs. 772.0 crore, which is to be funded in a debt to equity ratio of 2.33:1 (debt fully tied up and 62% of equity has been infused as of June 2025) and around 82% of the budgeted total project cost is yet to be incurred as of June 2025, against the DCCO of December 2026.

ICRA notes the dependence of EIPL on exports (USA in particular) for the sale of non-woven products and the uncertainty related to tariffs on exports to USA. Any adverse development related to the tariffs impacting the company operations will be a key rating monitorable.

The Stable outlook on EIPL's ratings reflects ICRA's opinion that the company will improve its capacity utilisation leading to an improvement in revenues and operating margins while maintaining adequate liquidity.

Key rating drivers and their description

Credit strengths

Experienced promoters in technical textiles industry – EIPL is promoted by Goel and Jain families, who have more than three decades of experience in the technical textiles industry and close to two decades of experience in non-woven fabric manufacturing. Tufropes Private Limited was founded by the promoters in 1992, which is a leading global manufacturer of high-performance synthetic fibre ropes and netting solutions for the aquaculture and maritime sectors, as well as diversified industrial end markets. The promoters divested their stakes in Tufropes to a private equity firm in FY2023, and a portion of sale proceed will be deployed towards funding commitment in EIPL's non-woven and MDF unit. The Goel family is operating a partnership firm (Ultra Nonwoven) since 2006, which manufactures and trades non-woven fabrics and products, used across industries. EIPL has set up a non-woven fabric manufacturing unit in Gujarat, which commenced operations in December 2023. The unit has an installed capacity of 15,000 MTPA.

Strong financial flexibility – The company's promoters lend strong financial flexibility and there is a demonstrated track record of infusion of funds into EIPL, whenever needed. While EIPL is yet to reach breakeven at the operating profits level, the promoters have infused funds in the form of compulsorily convertible debentures (CCD: Rs. 416.0 crore o/s as of March 2025) and financed the working capital requirements and principal/interest repayments of the company till date.

Credit challenges

Modest scale of operations and stretched debt coverage indicators – The company has modest scale of operations with EIPL generating an OI of Rs. 43.9 crore and operating losses in FY2025, leading to stretched debt protection metrics. This is majorly due to delay in ramp up of the non-woven unit on account of long validation cycle (3-6 months) of export customers, resulting in low capacity utilisation of 21% in FY2025. However, the management is expecting substantial export orders from Q3 FY2026. ICRA expects the OI to improve to Rs. 130.0-140.0 crore in FY2026 (Rs. 43.9 crore in FY2025). While the management expects EIPL to achieve operating breakeven in FY2026, the coverage indicators are likely to remain stretched in the medium term, thereby necessitating timely funding support from the sponsors in the interim.

Debt-funded capex; exposure to project execution risks – The company faces execution risk and post implementation ramp-up risk associated with the debt-funded capex for MDF unit of 3.0 lakh CBM, being set up in Madhya Pradesh. The total capex outlay is Rs. 772.0 crore, which is to be funded in a debt to equity ratio of 2.33:1 (debt fully tied up and 62% of equity has been infused as of June 2025) and around 82% of the budgeted total project cost is yet to be incurred as of June 2025, against the DCCO of December 2026.

Liquidity position: Adequate

The company's liquidity is adequate with unencumbered cash and cash equivalents of Rs. 19.0 crore as of June 2025 and undrawn fund-based working capital limits with an average cushion of ~Rs. 9.0 crore for the 12 months ending May 2025. The debt repayment obligations of Rs. 29.9 crore in FY2026 are expected to be met from available liquidity and fund infusion from promoters. It has pending capex of ~Rs. 630.0 crore as of June 2025, which will be funded through a sanctioned debt of Rs. 540.0 crore and the balance through pending equity commitments from promoters.

Rating sensitivities

Positive factors – ICRA could upgrade EIPL's rating if there is a timely ramp up of operations resulting in significant improvement in revenues and profitability leading to an enhancement in EIPL's debt leverage and coverage metrics, while maintaining adequate liquidity position on a sustained basis.

Negative factors – Any delay in ramp up of operations leading to lower-than-expected revenues and profitability resulting in any deterioration in debt leverage and coverage indicators would be a credit negative. Additionally, pressure on the liquidity due to delay in ramp up of operations and/or any delay in timely funding support from the promoters will be a trigger for a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

EIPL is promoted by Goel and Jain families with both families holding equal share in the company. EIPL operates a non-woven manufacturing unit in Gujarat, which has the capability and technology to manufacture non-woven fabrics from wood pulp. The non-woven unit has an installed capacity of 15,000 MTPA and commenced operations in December 2023. The company is setting up a 3.0 lakh CBM MDF capacity in Gwalior, Madhya Pradesh, with a total capex outlay of Rs. 772.0 crore with DCCO of December 2026. The MDF unit capex is funded by Rs. 540.0 crore of debt and the balance through fund infusion from promoters.

Key financial indicators (audited)

	FY2024#	FY2025*
Operating income	3.0	43.9
PAT	-14.6	-33.7
OPBDIT/OI	-336.3%	-57.6%
PAT/OI	-485.0%	-76.7%
Total outside liabilities/Tangible net worth (times)	-68.8	-13.0
Total debt/OPBDIT (times)	-35.2	-20.1
Interest coverage (times)	-2.0	-2.5

Source: Company, ICRA Research; #operations started in December 2023; * 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 amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Aug 14, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	622.50	[ICRA]BBB- (Stable)	-	-	-	-	-	-
Non-fund based limits	Short term	70.00	[ICRA]A3	-	-	-	-	-	-
Unallocated Limits	Long term	7.50	[ICRA]BBB- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple
Short-term -Non-fund based limits	Very Simple
Long-term –Unallocated limits	Not Applicable

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	FY2022-FY2025	NA	FY2028-FY2036	622.50	[ICRA]BBB- (Stable)
NA	Non-fund based limits	NA	NA	NA	70.00	[ICRA]A3
NA	Unallocated Limits	NA	NA	NA	7.50	[ICRA]BBB- (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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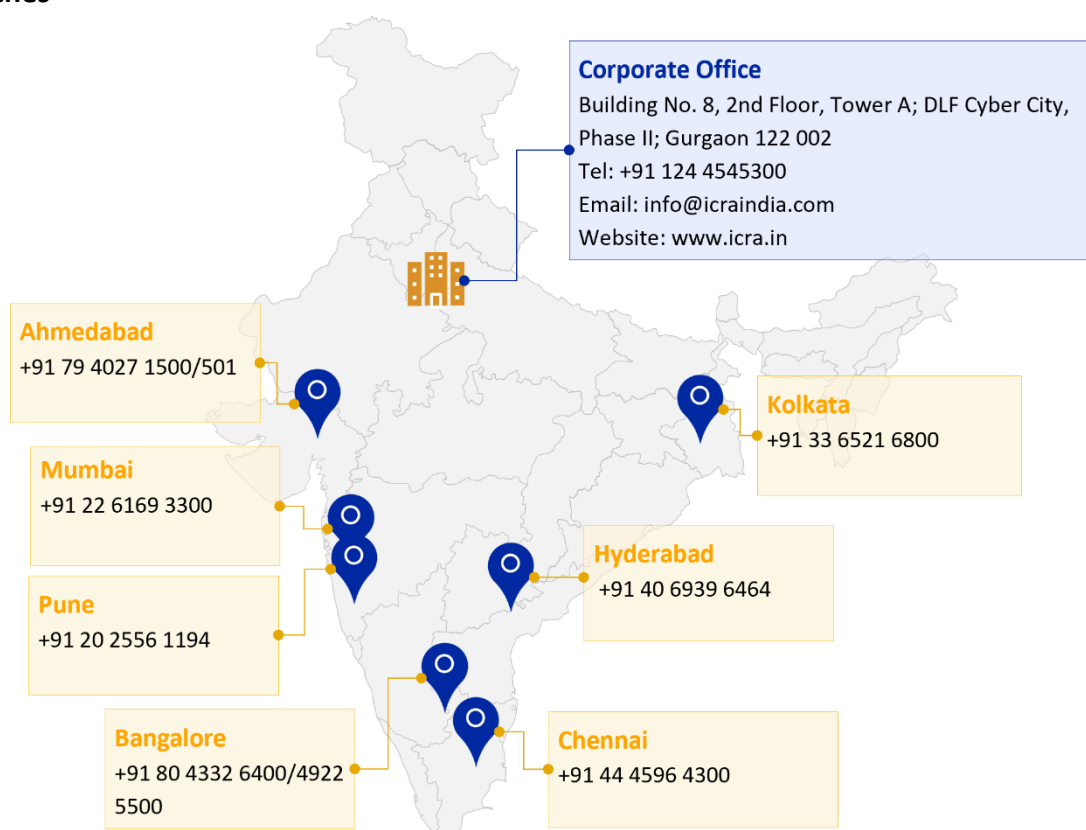
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