

March 31, 2026

Gulabdas International Trading LLP: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term Fund-based limits	87.74	84.00	[ICRA]A3; reaffirmed
Short-term - Proposed Fund-based limits	-	21.00	[ICRA]A3; reaffirmed and assigned for enhanced amount
Total	87.74	105.00	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation of Gulabdas International Trading LLP (GITL) continues to derive comfort from the established operational track record and extensive experience of its promoters in the textile trading business. ICRA considers GITL's established relationships with customers, healthy sales volume growth of around 33% YoY in 9M FY2026, led by healthy demand from the African region and the United Arab Emirates (UAE) market. The financial profile of the firm also remains comfortable, with debt profile mainly comprising working capital limits and interest free unsecured loans from the partners.

The rating, however, remains constrained by the intense competition prevailing in the textile processing business, which, coupled with the trading nature of operations, results in low and fluctuating profit margins and leads to modest internal accrual generation, as seen over the last 3-4 years. The rating also factors in the firm's high client and geographical concentration towards African countries and vulnerability to geo-political risks associated with this region. As the firm generates almost the entire revenues from exports, the firm remains exposed to adverse movements in foreign exchange rates. However, the group hedges around 80% of such forex exposure, which mitigates this risk to some extent. ICRA also notes the capital withdrawals by the partners over the past years, nonetheless the overall leverage levels remain comfortable.

Key rating drivers and their description

Credit strengths

Established operational track record of the firm and extensive experience of the promoters in the textile industry – The entity has been operating in the textile processing segment since 1961, primarily catering to African markets and, more recently, the UAE. Its long operating track record has helped it establish strong relationships with customers. Its operations are managed by Mr. Sanjay Bhagat and Mr. Prithvi Bhagat, who together have over two decades of experience in the textile industry. Their experience has supported customer additions, leading to steady sales growth and improved revenue visibility.

Established relationships with customers – GITL exports fabrics primarily to various African countries and the UAE. The company has an established presence across multiple African markets and operates through agents/distributors, which support regular order inflows. Its volumes declined by 16% in FY2025, however, the management indicated an improvement in the same in FY2026, supported by increased demand from the African region. This is reflected in a 33% YoY revenue growth in 9M FY2026 compared to 9M FY2025.

Comfortable debt protections metrics – The firm's debt profile largely comprises working capital borrowings and interest-free unsecured loans from partners. Its total debt increased to Rs. 96.8 crore in FY2025 from Rs. 84.4 crore in FY2024 due to higher utilisation of working capital limits. However, debt coverage indicators remained satisfactory, with an interest coverage of 4.0

times and DSCR of 2.8 times in FY2025. Its capital structure remained strong, with a gearing of 1.6 times and TOL/TNW of 2.5 times as on March 31, 2025.

Credit challenges

Thin profit margins given the trading nature of operations; revenues susceptible to foreign exchange fluctuations and cyclicity inherent in the textile industry – The firm operates in the highly competitive textile trading industry, characterised by a fragmented market structure and low entry barriers. It faces competition from both organised and unorganised domestic players, as well as overseas competitors from countries such as Bangladesh, Pakistan and China. Limited value addition in operations has constrained profitability, resulting in relatively lower operating margins. The operating profit margin (OPM) declined to 4.4% in FY2025 from 4.8% in FY2024 due to lower realisations. Given that a majority of its revenues is derived from overseas markets, margins remain exposed to foreign currency fluctuations. However, around 80% of the exposure is hedged through forward contracts, which mitigates the risk to some extent.

High geographical and client concentration risks expose the firm's business to geo-political risks – The entity exports fabrics primarily to Senegal, The Gambia, Burkina Faso, Togo and the UAE, exposing it to geopolitical risks in these regions. Additionally, client concentration remains high, with the top five customers contributing around 60-66% to total revenues over the past two years. Nonetheless, the promoters' extensive experience and long relationships with customers mitigate these risks to some extent.

Exposed to risks inherent in partnership; large withdrawal by partners in FY2024 and FY2025 moderated the net worth – The firm is exposed to the risk of capital withdrawals by the partners, which could impact its capital structure and liquidity. There have been instances of capital withdrawals in the past, amounting to Rs. 18.6 crore in FY2024 and Rs. 30.0 crore in FY2025, which resulted in a decline in net worth from Rs. 82.4 crore in FY2023 to Rs. 60.2 crore in FY2025. However, the partners have partly supported the business through infusions in the form of unsecured loans. Going forward, any significant capital withdrawal by the partners could affect the firm's capital structure and liquidity position and will remain a monitorable.

Liquidity position: Adequate

The liquidity profile of the firm is Adequate, supported by sufficient buffer in its working capital facilities, average utilisation of which stood at around 87% for the 12 months ended in December 2025. Owing to the absence of any significant capital expenditure (capex) plans, its modest debt service obligations are expected to be met comfortably with the cash generation from the business and the available liquidity. The company is expecting enhancement in its working capital limits, which will support the additional working capital requirement, if any.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a sustained improvement in sales and earnings, resulting in strengthening of the debt protection metrics and liquidity profile.

Negative factors – The rating could be downgraded if there is any significant decline in sales and profitability along with weakening of the liquidity profile on a sustained basis. Any significant capital withdrawal impacting the credit profile and weakening of net worth could also lead to 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

Established in 2014 by Late Vinod Bhagat, GITL is a part of the Gulabdas Group, which exports designed and dyed fabrics to the African markets. The firm does not have its own manufacturing facility and procures greige cloth and outsources the processing work (mercerising, bleaching, dyeing, printing, embroidery, etc.) to job workers in Maharashtra and Gujarat.

Key financial indicators (audited)

Standalone	FY2024	FY2025	9MFY2026*
Operating income	578.0	499.7	463.6
PAT	14.0	10.9	19.1
OPBDIT/OI	4.8%	4.4%	6.2%
PAT/OI	2.4%	2.2%	4.1%
Total outside liabilities/Tangible net worth (times)	2.0	2.5	3.1
Total debt/OPBDIT (times)	3.1	4.4	3.2
Interest coverage (times)	3.8	4.0	7.0

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 amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Mar 31, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
FDB/FBE/BRD	Short term	84.00	[ICRA]A3	-	-	Jan 03, 2025	[ICRA]A3	Nov 27, 2023	[ICRA]A3	Dec 29, 2022	[ICRA]A4+
Proposed fund based limits	Short term	21.00	[ICRA]A3	-	-	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short-term fund-based-FDB/FBE/BRD	Simple
Short-term - Proposed 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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	FDB/FBE/BRD	NA	NA	NA	84.00	[ICRA]A3
NA	Proposed fund based limits	NA	NA	NA	21.00	[ICRA]A3

Source: Gulabdas International Trading LLP

[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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