

April 07, 2026

## Vinit Gloves Manufacturing Pvt Ltd: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund-based – Overdraft	(3.00)	(3.00)	[ICRA]BBB (Stable); reaffirmed
Non-fund based – Bank guarantee	(0.50)	(0.50)	[ICRA]BBB (Stable); reaffirmed
Fund-based – Working capital facilities	18.00	18.00	[ICRA]A3+; reaffirmed
Non-fund based – Letter of credit	0.75	0.75	[ICRA]A3+; reaffirmed
Non-fund based – Forward contract limit	3.50	3.50	[ICRA]A3+; reaffirmed
<b>Total</b>	<b>22.25</b>	<b>22.25</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation of the bank facilities of Vinit Gloves Manufacturing Private Limited (VGMPL) factors in the expected sustained improvement in its operational and financial performance over the medium term, supported by the established track record and extensive experience of the promoters in the leather safety wear industry. The ratings continue to favourably consider the company's long-standing relationship with its clients, generating repeat orders and reflecting its product acceptability. VGMPL's scale of operations has grown steadily over the years, with revenues increasing by around 26% year-on-year to Rs. 127.3 crore in FY2025, driven by higher order inflows from key export markets. The ratings also account for its conservative capital structure and strong debt coverage indicators. Further, the ratings positively consider the company's backward integration through its tannery units, which meet around 60% of its finished leather requirements, thereby enhancing cost competitiveness and operational efficiency.

The ratings, however, are constrained by the intense competition in the industry and the company's small scale of operations, despite healthy growth in FY2025, and VGMPL's low bargaining power against its large clients, which keep the margins under check. The ratings also consider its exposure to client concentration risks and modest geographical concentration risks. In FY2025, VGMPL derived around 53% of its operating income from the top five customers and around 75% of its operating income from the top five countries, indicating moderate geographical concentration risk. ICRA notes that the company is vulnerable to foreign exchange (forex) fluctuation risk as its entire sales are derived from the export markets. However, this is mitigated to an extent, with VGMPL hedging 60-70% of its forex exposure through forward covers. It also remains susceptible to adverse changes in export incentives in India and foreign trade policies of importing countries.

The Stable outlook on the long-term rating reflects ICRA's expectation that the revenues and earnings of VGMPL are likely to sustain over the medium term, while maintaining the comfortable debt protection metrics. Further, the outlook underlines ICRA's anticipation that the entity's incremental capital expenditure (capex), if any, 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 presence and healthy relationship with clientele in industrial safety products industry** – VGMPL has been involved in the manufacturing and export of industrial gloves for around two decades. The company derives around 98% of its operating income from industrial leather gloves, exposing it to significantly high product concentration risk. However, VGMPL's established track record of operations, along with the extensive experience of its promoters and established relationships with its clientele across multiple countries, mitigate the operational risks to an extent.

**Conservative capital structure and strong debt coverage indicators** – VGMPL's capital structure has remained conservative over the years, aided by its low reliance on external borrowings and consistent accretion to reserves. The company's TOL/TNW stood around 0.4 times as on March 31, 2025. The coverage indicators also continue to be healthy, as reflected by interest coverage and Total Debt/OPBDITA of 19.0 times and 0.6 times, respectively in FY2025. VGMPL's capital structure and coverage indicators are expected to improve in the current fiscal with the anticipated enhancement in profitability.

**Backward integration of facilities** – Backward integration facilitates seamless operations for VGMPL, leading to reduced production costs. The finished leather manufactured in the tannery is fully utilised in the glove manufacturing facility, fulfilling approximately 60% of the total finished leather requirement, while the remainder is sourced locally from West Bengal.

### Credit challenges

**Stiff competition in the safety wear industry, coupled with customer concentration risk, exerts pressure on margins** – VGMPL faces intense competition from many organised and unorganised players in the safety wear manufacturing business. The company's pricing power is constrained by the limited value-added nature of its products and restricted bargaining power with large overseas clientele as well as by its small scale of operations. While the entity has a wide geographical presence with its products shipped to over 20 countries in FY2025, it remains exposed to customer concentration risk with the top five customers generating around 53% of revenues in FY2025.

**Vulnerability to adverse changes in export incentives and international trade policies** – Being a 100% export-oriented entity, VGMPL's profitability is supported by the export incentives from the Government of India (GoI). Any adverse change in the rate of export incentives or the trade policies of importing nations may hamper the cost competitiveness of the company's products.

**Exposed to forex rate fluctuation risk** – VGMPL derives 100% of its operating income from export markets, which exposes the entity to forex fluctuation risk. However, it normally hedges 60-70% of its forex exposure through forward covers. In addition, the import of some raw materials provides a partial natural hedge. These factors mitigate the forex rate fluctuation risk to a large extent.

### Liquidity position: Adequate

VGMPL's liquidity profile is expected to remain adequate, supported by the improvement in net cash accruals and a buffer in the form of undrawn working capital limits of around Rs. 10.0 crore as on December 31, 2025. The average utilisation of the sanctioned working capital limit stood at around 37% of Rs. 18.0-crore limit during the last 12 months ending in December 2025. The company is likely to incur a capex of Rs. 6-7 crore in FY2026, funded through internal accruals. ICRA notes that it does not have any major debt-funded capex plan and minimal repayment obligation which is expected to keep VGMPL's liquidity adequate over the medium term.

### Rating sensitivities

**Positive factors** – ICRA could upgrade VGMPL's ratings in case there is a significant increase in revenue and earnings, leading to strengthening of its net worth while maintaining comfortable debt coverage metrics and liquidity on a sustained basis.

**Negative factors** – Pressure on VGMPPL’s ratings could arise if there is a decline in earnings, adversely impacting its liquidity or debt protection metrics.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of VGMPPL.

## About the company

Incorporated in 2001, VGMPPL manufactures leather gloves for industrial usage and has a tannery unit with almost its entire leather production being consumed captively. The glove manufacturing unit is located at Udayan Industrial Estate, West Bengal, while the tannery unit is at the Kolkata Leather Complex. VGMPPL is a 100% export-oriented unit. The company’s major export destinations in FY2024 were France, Germany, USA, Japan and Switzerland.

## Key financial indicators (audited)

VGMPPL (standalone)	FY2024	FY2025	9MFY2026*
Operating income (OI)	100.8	127.3	81.0
PAT	7.2	9.5	8.3
OPBDIT/OI	10.3%	11.6%	11.8%
PAT/OI	7.1%	7.5%	10.3%
Total outside liabilities/Tangible net worth (times)	0.4	0.4	0.4
Total debt/OPBDIT (times)	0.9	0.6	0.6
Interest coverage (times)	15.6	19.0	19.1

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amounts in Rs. crore; \*provisional number

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

Current (FY2027)				Chronology of rating history for the past 3 years						
FY2027				FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Overdraft	Long term	(3.00)	Apr 07, 2026	[ICRA]BBB (Stable)	-	-	Mar 11, 2025	[ICRA]BBB (Stable)	Feb 29, 2024	[ICRA]BBB (Stable)
Bank guarantee	Long term	(0.50)	Apr 07, 2026	[ICRA]BBB (Stable)	-	-	Mar 11, 2025	[ICRA]BBB (Stable)	Feb 29, 2024	[ICRA]BBB (Stable)
Working capital facilities	Short term	18.00	Apr 07, 2026	[ICRA]A3+	-	-	Mar 11, 2025	[ICRA]A3+	Feb 29, 2024	[ICRA]A3+
Letter of credit	Short term	0.75	Apr 07, 2026	[ICRA]A3+	-	-	Mar 11, 2025	[ICRA]A3+	Feb 29, 2024	[ICRA]A3+
Forward contract limit	Short term	3.50	Apr 07, 2026	[ICRA]A3+	-	-	Mar 11, 2025	[ICRA]A3+	Feb 29, 2024	[ICRA]A3+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Overdraft	Simple
Bank guarantee	Simple
Working capital facilities	Simple
Letter of credit	Simple
Forward contract limit	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	Overdraft	NA	NA	NA	(3.00)	[ICRA]BBB (Stable)
NA	Bank guarantee	NA	NA	NA	(0.50)	[ICRA]BBB (Stable)
NA	Working capital facilities	NA	NA	NA	18.00	[ICRA]A3+
NA	Letter of credit	NA	NA	NA	0.75	[ICRA]A3+
NA	Forward contract limit	NA	NA	NA	3.50	[ICRA]A3+

Source: Company

### Annexure II: List of entities considered for consolidated analysis – Not applicable

## ANALYST CONTACTS

**Jitin Makkar**

+91 124-4545368

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

**Uday Kumar**

+91 1244545867

[uday.kumar@icraindia.com](mailto:uday.kumar@icraindia.com)

**Lakhan Kumar Agarwal**

+91 124-4545879

[lakhan.agarwal@icraindia.com](mailto:lakhan.agarwal@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)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.