April 8, 2026

Garware Technical Fibres Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term fund-based/Non-fund based – Working capital facilities	400.00	400.0	[ICRA]AA+(Stable)/ [ICRA]A1+; reaffirmed
Total	**400.00**	**400.0**	

**Instrument details are provided in Annexure-1*

Rationale

The ratings reaffirmation for Garware Technical Fibres Limited (GTFL or company) reflects its strong business and financial profiles along with a market leadership position across many of the segments for the geographies that it operates in. The company's focus on value-added product offerings and efforts to introduce technologically advanced products continue to aid its business prospects as well as profitability, with GTFL reporting operating profit margins of 16-20% over the past few years. The company remains well diversified across geographies and industry segments. The ratings also continue to factor GTFL's strong conservative capital structure and robust liquidity position along with healthy profitability indicators, supported by an improved product mix, prudent working capital management and strong cash flow generation ICRA expects GTFL's debt metrics to remain strong going forward , supported by strong accruals and moderate capex plans in addition to a stable working capital cycle. GTFL is expected to continue to maintain a net-cash surplus position with the Total Debt/OPBIDTA remaining well below 1.0 times over the medium term.

GTFL registered a healthy 16% YoY revenue growth (consolidated) in FY2025, supported by growth in export volumes (mainly in the aquaculture segment). While revenues from the domestic business reported a moderate 5% YoY decline in FY2025, the geosynthetic division continued to report a robust YoY revenue growth momentum, albeit on a narrow base. GTFL's revenues remained flattish YoY in 9M FY2026, as delay in capex decisions in the North European salmon aquaculture industry as well as increased level of goods in transit inventory to Chile (impacting the mobilisation of domestic stocks to an extent) had an impact on the revenues in Q2 FY2026. With the demand scenario improving for North European salmon aquaculture industry in Q3 FY2026 and billings for the delivered goods to Chilean markets taking place through Q3 FY2026, the company reported YoY revenue expansion in the quarter, and filled up the revenue lag by December 2025. While the revenues are expected to remain flattish in FY2026, GTFL is expected to maintain a moderate YoY revenue growth momentum over the medium term, aided by steady domestic performance and comfortable YoY volume growth envisaged for export sales.

The rating strengths are partially offset by a price-sensitive domestic market, which may impact GTFL's profitability, and competition from the unorganised segment. The relatively sluggish demand for key product segments (especially the premium range of products where GTFL has dominant presence) in the domestic segment in the recent past may restrict revenue growth prospects of the company. Nevertheless, its active efforts to gain market share in the domestic fishery industry are expected to aid in company's domestic business performance in the medium term. The growth prospects and profitability of the company remain exposed to global economic activities and foreign exchange (forex) movements, given the substantial revenue contribution from exports.

ICRA also notes the sizeable quantum of share buybacks / dividend payouts by GTFL over the years. With an expected strong cash flow generation, and limited avenues for capital expenditure (capex), ICRA expects the company to continue buybacks/dividend payouts to the equity shareholders. While ICRA does not anticipate any material influence of share buybacks/dividend payouts on the company's credit profile or liquidity position, going forward, the quantum and frequency of such buybacks would remain the key rating monitorable.

As part of its strategy to enhance focus on value-added ropes segment, GTFL acquired Offshore & Trawl Supply AS (OTS), Norway in H1 FY2026. With this, the company's product portfolio in the premium roping segment is expected to improve. Any further inorganic acquisitions by the company and their impact, if any, on the capital structure, debt metrics and liquidity position of GTFL will be evaluated on a case-to-case basis.

The Stable outlook on GTFL's rating reflects ICRA's opinion that the company will continue to benefit from its established track record in the synthetic fibres industry in the domestic and overseas markets. The company demonstrates healthy revenue visibility on the back of its strong market presence across different product categories in the domestic and overseas markets. Further, the outlook underlines ICRA's expectation that the entity's incremental capex or inorganic acquisition, if any, to further expand the capacity or technical expertise will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Strong market position in domestic synthetic fibres industry; diversified revenue streams with steady and gradual growth in agri-tech, geosynthetic business and coated fabrics – GTFL has over four decades of experience in the cordage industry and commands a dominant share in the organised domestic market. Over the years, the company has established a healthy brand for its fishnets, ropes and twines, among others, catering to multiple business segments including fisheries, aquaculture, agriculture, shipping and industrial sectors. The company also offers project-oriented services through its geosynthetic division, which has witnessed a robust growth momentum in the recent past, with expectations of the same to be maintained, going forward. Such diversified segmental presence provides stability to GTFL's business against any segment-specific slowdown risks while also offering sufficient revenue visibility to the company.

Healthy profitability, strong capital structure, coverage indicators and liquidity position – The company's profitability and return indicators remain strong with OPM of 16-20% and RoCE of more than 20% reported over the past few years, on the back of healthy operating performance and consistent improvement in the product mix towards value-added products. Healthy cash flows from operations and limited outgo for capex requirements have helped GTFL to maintain a healthy capital structure, evident from its gearing and TD/OPBITDA of 0.1 times and 0.6 times, respectively, as on September 30, 2025. Moreover, its liquidity profile remains robust, with cash and liquid investments (including investments in fixed maturity plans) of more than Rs. 650 crore, as on September 30, 2025, and a healthy buffer in the form of unutilised bank lines (Rs. 154 crore, as on December 31, 2025).

Widening portfolio of premium products driven by increased focus on value-added products – The share of GTFL's premium product portfolio has been increasing over the past few years, driven by increased focus on innovation and a customer-centric approach. The share of value-added products improved to 70-75% during the last three to four years from the around 50% seen historically. The increasing share of premium products in the overall revenue ensures better pricing flexibility for the company. The acquisition of OTS by GTFL in H1 FY2026 is expected to boost GTFL's presence in the premium ropes segment, in line with its strategy to enhance its focus on higher value-added product offerings.

Geographically diversified revenue mix – Exports constituted around 60% of GTFL's revenue in FY2025 (54% in 9M FY2026). The company is present in more than 75 countries with healthy positioning in the developed markets of North America and Europe, which contribute to the bulk of its export revenues. Access to overseas markets insulates GTFL's revenue profile from fluctuations in the domestic market and provides higher growth opportunities. The company is gradually making inroads into new geographies, as well as expanding its premium product offerings for the export markets.

Credit challenges

Price-sensitive domestic market results in volatility in operating margins – The company operates in a price sensitive and fragmented domestic market, which is characterised by unorganised players. Further, the upward price movements in end-products (fishnets, twines, ropes) could result in a demand-side pressure from the retail segment. However, supported by an increasing share of value-added content, a premium product portfolio and adequate pricing flexibility, GTFL continues to command healthy operating margins.

Sluggish domestic demand in key product segments restricts revenue growth prospects – Domestic demand for the company's key products (especially in the premium segments where it has a notable presence) has been relatively stagnant over the last few years, due to limited penetration of premium products in the domestic fisheries industry and extreme weather events in various regions. Thus, revenue growth is restricted in the Indian market. However, GTFL is focusing on value-added products (through increasing awareness about the strength and durability and premium product offerings) as well as exports to offset the muted demand in the domestic market. Export sales provide a substantial growth opportunity to the company, because of a larger market size and its competitive cost advantage over other players in the developed economies.

Growth prospects and profitability exposed to global economic environment and forex movements – GTFL derives more than 60% of its revenue share from various export markets and, as a result, it remains exposed to the global economic environment and foreign currency volatility. To mitigate the demand risk from a specific overseas market, the company has been geographically diversifying its revenue base. The forex-related risks are mitigated to some extent by the natural hedge from imports, which coupled with hedging practices of the company, mitigate the foreign currency volatility to an extent. GTFL's profitability is also partially exposed to the volatility in crude oil prices as the prices of its key raw materials—mainly high-density polyethylene (HDPE) and polypropylene (PP)—are linked to crude oil price movements. However, the company is generally able to pass on the raw material price fluctuations to its customers (albeit generally with a lag of one quarter), thus providing some comfort against the said risk to an extent.

Environmental and Social Risks

Environmental considerations: GTFL operates in the synthetic fibres space, which is characterised by processes and products with environmental implications and is, therefore, exposed to the risk of tightening regulations related to environmental norms, and potential penalties in case of non-compliance. Further, as some of its products are used in connection with natural resources (for example, fisheries), any restrictions on the use or on its customers in this space can have implications on the company's business.

Social considerations: The company's exposure to social risks mainly pertains to safe operations and remaining compliant with various regulations to ensure the safety of its employees and the community in the vicinity of its manufacturing units. Additionally, retention of skilled employees remains important from a business continuity point of view.

Liquidity position: Strong

The company's liquidity profile is strong, supported by unencumbered cash and liquid investments of over Rs. 650 crore as on September 30, 2025, along with unutilised bank lines of Rs. 154 crore, as on December 31, 2025. Average working capital utilisation for CY2025 remained moderate, at 32%. Given healthy accruals and the absence of any large capex or long-term debt exposure at present, the company is likely to generate free cash flows that further support its liquidity profile. While the company has been undertaking share buybacks / dividend payouts as means of capital redistribution, the overall liquidity profile remains fairly comfortable even with these cash outflows. That said, the quantum of share buybacks and/or dividend payouts / acquisitions by GTFL and its impact, if any, on the company's liquidity profile will be monitored.

Rating sensitivities

Positive factor – Significant improvement in the scale of operations, on a sustained basis, and strengthening of the business profile through increased product diversification, while maintaining comfortable profitability and capital structure, may lead to a rating upgrade.

Negative factor – A rating downgrade could be triggered by a sustained slowdown in key end-user industries and markets, exerting pressure on liquidity, profitability or coverage indicators. A deterioration in coverage indicators, i.e., total debt/OPBIDTA above 1.0 times on a sustained basis, might also lead to a downward rating. Any large debt-funded capex or inorganic investments, weakening the credit profile or liquidity position, on a sustained basis, might also lead to a downward rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of GTFL. As on December 31, 2025, the company had six subsidiaries, which are enlisted in Annexure-2.

About the company

Established in 1976, GTFL is a leading player in technical textiles, specialising in providing customised solutions to the cordage and infrastructure industry globally. Its products find application across fisheries, aquaculture, shipping, sports, agriculture, coated fabrics and geo-synthetics. GTFL has two manufacturing facilities at Pune and Wai (Satara district) in Maharashtra. It has an established presence in the export market with about 60% of its sales in FY2025 being generated from exports. The company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Key financial indicators

GTFL (consolidated)	FY2024 Audited	FY2025 Audited	9M FY2026 Unaudited
Operating Income (Rs. crore)	1,325.6	1,540.1	1,102.4
PAT (Rs. crore)	210.3	231.5	141.3
OPBDIT/OI (%)	20.0%	19.8%	17.0%
PAT/OI (%)	15.9%	15.0%	12.8%
Total Outside Liabilities/Tangible Net Worth (times)	0.4	0.4	NA
Total Debt/OPBDIT (times)	0.5	0.2	NA
Interest Coverage (times)	15.4	15.3	18.0

PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation
Source: GTFL, ICRA Research

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					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Apr 8, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based / Non-Fund Based, Working Capital Facilities	Long-term/ Short-term	400.00	**[ICRA]AA+(Stable)/ [ICRA]A1+**	Apr 7, 2025	[ICRA]AA+(Stable)/ [ICRA]A1+	-	-	Mar 27, 2024	[ICRA]AA+ (Stable)/ [ICRA] A1+

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term / Short-term, fund based/non-fund based – Working capital facilities	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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Working Capital Facilities	NA	NA	NA	400.0	[ICRA]AA+(Stable)/ [ICRA]A1+

Source: *Company*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis

Company Name	GTFL Ownership	Consolidation Approach
Garware Technical Fibres USA Inc.	100.00%	Full Consolidation
Garware Technical Fibres Chile SpA	100.00%	Full Consolidation
Garware Technical Fibres AS, Norway	100.00%	Full Consolidation
Garware Technical Fibres UK Pvt Ltd	100.00%	Full Consolidation
Garware Environmental Services Private Limited	100.00%	Full Consolidation
Garware Technical Textile Private Limited	100.00%	Full Consolidation

Source: GTFL financial results Q3 FY2026

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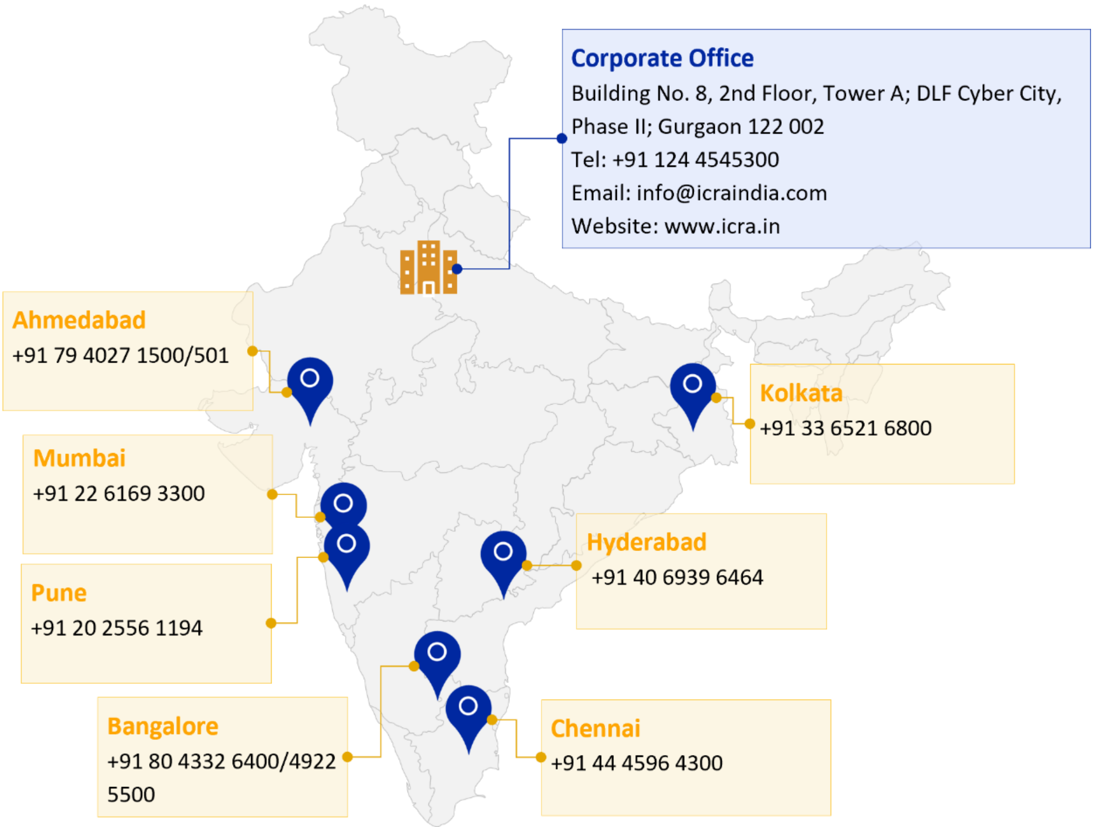

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