May 25, 2026

Ginni Filaments Limited: [ICRA]BBB+(Stable)/[ICRA]A2; assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Cash credit	50.0	[ICRA]BBB+ (Stable); assigned
Long-term fund-based – Term loans	12.0	[ICRA]BBB+ (Stable); assigned
Short-term – Non-fund based	20.0	[ICRA]A2; assigned
Total	**82.00**	

**Instrument details are provided in Annexure II*

Rationale

The ratings assigned to the bank facilities of Ginni Filaments Limited (GFL) factor in its diversified product portfolio of spun lace non-woven fabrics and consumer products, its established market position and relationships with key customers, aided by the extensive experience of its promoters in the textile industry. ICRA notes the favourable demand outlook for its products, such as wet wipes, in both domestic and export markets. The ratings also derive comfort from the healthy utilisation of manufacturing capacities and GFL's partially integrated operations, which provide some resilience against the inherent cyclicality in the textile sector.

The ratings also factor in the comfortable credit metrics, aided by a sizeable and sustained reduction in debt levels following the hiving-off of the spinning and garmenting units in FY2024 and FY2026, respectively. Additionally, the company has strengthened its position in other segments, such as wet wipes and non-woven fabrics, which has supported the improvement in its operating performance. This has led to a healthy expansion in operating margins over the past two fiscals and aided healthy cash accruals.

The debt coverage indicators for the entity have improved significantly, with the Interest coverage ratio increasing to 14.9 times in FY2026 from 2.4 times in FY2025, and Total Debt/OPBDITA declining to 0.6 times in FY2026 from 3.0 times in FY2025. While margins are expected to moderate slightly in the current fiscal, owing to a sharp rise in input costs such as polyester and viscose amid the ongoing West Asia conflict, the coverage indicators are likely to remain healthy. Further, the company's liquidity profile remains adequate, supported by cash and fixed deposits of around Rs. 23 crore and cushion in fund-based limits of over Rs. 45 crore as on date.

The ratings remain constrained by GFL's moderate scale of operations, which coupled with a fragmented and competitive industry structure limits its pricing power and keeps profitability under check. Further, the working capital intensity remains moderately high, driven by elevated receivables and inventory levels.

The company is currently undertaking a capital expenditure (capex) programme of Rs. 32 crore towards a solar power plant, to be funded through term debt of Rs. 24 crore, with completion envisaged by Q2 FY2026. In addition, GFL is planning capacity expansions in the non-woven and consumer products segments, with a proposed capex outlay of around Rs. 132 crore (to be incurred largely in FY2028), which is proposed to be funded through a term loan of Rs. 99 crore; the same is expected to be completed in the next fiscal. The timely execution of these capex projects within the envisaged cost and timelines, along with the extent of incremental earnings generated, will remain key monitorables, as these will have a bearing on GFL's cash accruals.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company's credit profile will continue to benefit from its established customer relationships, which support repeat business. The outlook also factors in ICRA's expectation that the entity's incremental capex, aimed at scaling up its operations, will be funded in a prudent manner, enabling it to maintain its debt protection metrics at levels commensurate with the current rating.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in textile industry – The Jaipuria family have experience of more than four decades in this business, which has enabled them to achieve a healthy scale of operations and establish a wide customer base.

Diversified product mix and established relations with clients – The company has a diversified product portfolio of non-woven fabrics and consumer products, including wet wipes. Moreover, the company has an established and diversified client base in both business segments, which provides comfort.

Comfortable capital structure and coverage indicators – Owing to healthy increase in GFL's profitability in FY2026 and reduction in its debt levels, the capital structure remains robust with Total Debt/OPBDITA of 0.6 times and interest coverage ratio of 14.9 times in FY2026. The financial risk profile is expected to remain strong despite the planned capex for the solar power and capacity additions.

Credit challenges

Vulnerability of profitability to fluctuation in raw material prices, intense competition and forex rates – The company sources its raw materials from both domestic and overseas markets. Accordingly, its turnover and profitability remain exposed to fluctuations in the prices of major raw materials. Moreover, the entity remains exposed to competition in both its business segments, which exerts pressure on its pricing power.

Working capital intensive operations – The operations of the entity are working capital intensive as reflected by NWC/OI of 29% in FY2026 owing to GFL's high receivables and inventory requirements. Going forward, the company's ability to efficiently manage its working capital cycle, while pursuing growth will remain a crucial determinant of its credit profile.

Material capex plans expose the company to execution and project stabilisation risks – The entity is planning to undertake capex of Rs. 32 crore in FY2027 and Rs. 132 crore in the next fiscal towards a solar power plant and new capacities across its product divisions. Given that both projects are in nascent stages, GFL remains exposed to execution and stablisation risks.

Environmental and Social Risks

Environmental considerations: Synthetic materials made from petrochemical-based raw materials are not readily biodegradable, resulting in long-term environmental pollution. This induces higher compliance costs for non-woven fabric manufacturers like GFL. Besides, environmental risk for non-woven fabric manufacturers arises from extensive use of water resources and other manufacturing processes. The company remains exposed to tightening environmental regulations relating to breach of water and pollution norms, which can lead to an increase in operating cost and new equipment / capacity installation cost.

Social considerations: The social risk profile for non-woven fabric manufacturers emanates from labour-intensive nature of manufacturing operations, despite increasing mechanisation. The sector is exposed to risks related to labour relations and protest / social issues with local communities. Entities in the non-woven fabric space are also exposed to risks of disruptions due to inability to properly manage human capital in terms of their safety and overall well-being. Further, shifting customer and regulatory preferences towards more sustainable and environment-friendly alternatives could pose long-term demand-side risks for manufacturers of conventional synthetic nonwoven products.

Liquidity position: Adequate

The entity's liquidity position is expected to remain adequate, supported by steady cash flow from operations (Rs. 25-30 crore/annum), cash and liquid investments of Rs. 23 crore as on March 31, 2026, and buffer in working capital limits. The average utilisation of fund-based limits stood at 43% of the sanctioned limit over the last 15 months ending in March 2026. The entity is expected to incur capex of around Rs. 32 crore in FY2027, to be funded through bank debt of Rs. 28 crore and internal accruals. Against these sources of cash, the company has repayment obligations of Rs. 5.3 crore in FY2027.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the company achieves a meaningful growth in earnings, by way of securing recurring business from its customers, aiding it in maintaining healthy credit metrics. Moreover, the rating upgrade shall also be contingent on the stabilisation of the entity's proposed capex programme.

Negative factors – Pressure on the ratings may emerge, if there is sustained pressure on the company's operating performance or higher than envisaged debt-funded capex, which adversely impacts its liquidity and debt protection metrics. Specific metric that could trigger a rating downgrade includes Total Debt/OPBDITA remaining above 2.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	None
Consolidation/Standalone	Standalone

About the company

Ginni Filaments Limited, incorporated on July 28, 1982, is engaged in manufacturing non-woven fabrics and consumer products. The company is currently promoted by Shri Shishir Jaipuria and Shri Saket Jaipuria. GFL was originally promoted by Dr. Rajaram Jaipuria, along with Shri Shishir Jaipuria.

GFL commenced operations by establishing a 100% export-oriented spinning unit in 1990 at Chhata, Mathura (Uttar Pradesh), with an installed capacity of 26,208 spindles for manufacturing 100% cotton yarn. Over the years, the company has expanded and diversified across the textile value chain, with presence in spinning, knitting, processing, and garmenting. As on date, the company operates across the technical textiles segment, with an integrated presence spanning non-woven fabrics and downstream consumer products.

Key financial indicators (audited)

Standalone	FY2025	FY2025^	FY2026*
Operating income	373.8	299.9	368.7
PAT	4.2	4.2	37.0
OPBDIT/OI	6.5%	11.1%	18.2%
PAT/OI	1.1%	1.4%	10.0%
Total outside liabilities/Tangible net worth (times)	0.7	0.7	0.4

Total debt/OPBDIT (times)	3.0	2.2	0.6
Interest coverage (times)	2.4	4.4	14.9

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; *Limited review ^restated numbers after removing garmenting business*

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							
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	25-May-2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	50.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-	-	-
Fund-based-term loans	Long Term	12.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-	-	-
Non Fund based	Short term	20.00	[ICRA]A2								

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 regulatory purview of various Financial Sector Regulators (FSR) 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 regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal 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 Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term-Fund based-Cash credit	Simple
Short term-non fund based	Simple
Long term-Fund based term loans	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	**Fund-based-Cash credit**	NA	NA	NA	50.00	[ICRA]BBB+ (Stable)
NA	**Fund-based-term loans**	NA	NA	FY2029	12.00	[ICRA]BBB+ (Stable)
NA	**Non fund based**	NA	NA	NA	20.00	[ICRA]A2

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

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