

July 01, 2026

Garware Hi-Tech Films Limited: [ICRA]AA(Stable)/[ICRA]A1+; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based - Working capital facilities	80.00	[ICRA]AA(Stable); assigned
Short-term - Non-fund based facilities	120.00	[ICRA]A1+; assigned
Total	200.00	

*Instrument details are provided in Annexure-II

Rationale

Incorporated in 1957, Garware Hi-Tech Films Limited (GHFL) is engaged in manufacturing polyester films through its two business verticals – Consumer Product Division (CPD) and Industrial Product Division (IPD). The company offers a wide array of products such as sun control films, paint protection films, plain films and thermal laminations. The ratings assigned to GHFL factor in its experienced management, having around seven decades of experience operating in the polyester films industry and its established track record in the specialty polyester films domain. This has supported the company’s operational profile through robust ramp up in the scale of operations (with revenues having grown with a healthy CAGR of 15% between the period FY2020-FY2026), with notable presence in domestic as well as overseas markets. Moreover, GHFL’s status as one of the leading manufacturers of specialty polyester films globally has enabled the company to expand its portfolio of value-added product offerings over the years, thereby supporting its margin profile over the years. Improving mix of value-added products coupled with strong distribution footprint through expanding network of Garware Application Studios (GAS) and Garware Home Solutions (GHS) are expected to aid in business expansion over the medium term. Intellectual property (IP)-backed product portfolio results in premium pricing for the company while also providing it with a technological edge over peers. Moreover, fully-integrated manufacturing facilities and innovation-driven business operations (with the company owning IP rights and patents related to manufacturing process) provide incremental support to GHFL’s business model. Supported by a robust net worth position and healthy accruals generation, GHFL demonstrates a debt-free balance sheet and healthy capital structure and coverage metrics. ICRA expects the company’s debt metrics to remain healthy over the medium, aided by the company’s limited dependence over external borrowings for meeting its financing requirements, as healthy accruals generation is expected to meet its capex outlay. The liquidity position remains robust, supported by healthy cash and liquid investment balance and substantial buffer available in the form of undrawn working capital lines. ICRA also takes note of the healthy demand prospects for specialized products such as sun control films (SCF) and paint protection films (PPF) in the automotive and architecture industries amidst global warming concerns, which provides promising business growth opportunities to GHFL over the medium to long term.

The rating strengths are partially offset by GHFL’s exposure to the US and domestic markets (which together contributed to around 70% of its revenues in FY2026), with any market-specific slowdown or regulatory risks (such as increased US trade tariffs during FY2026, or permeability-related regulations for SCFs, for instance) likely to have a material impact on the business profile of the entity. GHFL’s global presence with its marketing network spread across more than 90 countries across the world and re-exports from the US to regions like Europe and Middle East Asia, however, provide some comfort against the said risk. Further, the company’s margin profile remains susceptible to fluctuations in the raw material prices as well as forex movement. While the price pass-on arrangement coupled with hedging practices undertaken by the company to partially cover its net forex exposure mitigate the said risks to an extent, any extreme volatility in the raw material prices and/or forex movement may impact the company’s profitability. ICRA also notes the exposure of GHFL’s automotive-related product portfolio (mainly SCF and PPF) to the inherent cyclical nature associated with the automotive industry. Similarly, architectural film products are exposed to the cyclical nature associated with the real estate sector. The company’s strong presence in the aftermarket segment, however, provides some comfort against the slowdown risks associated with these sectors. Moreover, diversified segmental

presence of the company in other segments such as fast-moving consumer goods (FMCG), agriculture, flexible packaging, etc. provides some mitigation against the said risk.

The Stable outlook on GHFL's rating reflects ICRA's expectation that the company will sustain its operating metrics even as its revenues may remain susceptible to geopolitical uncertainties. 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

Experienced management, established track record in specialty polyester film manufacturing segment – With its operational track record spanning around seven decades, GHFL has established a distinguished brand presence in the specialty polyester film manufacturing segment. Backed by technical expertise developed over the years, the company has developed a wide product portfolio across CPD and IPD businesses. Its focus on increasing the revenue share from value-added products (such as SCFs and PPFs) has supported a robust growth momentum in its business operations in the past 10-12 years. Such established track record coupled with technical expertise has aided GHFL in acquiring new clients as well as increasing its geographical footprint.

Increasing share of value-added products supporting margin profile; strong distribution network – GHFL earlier operated as a manufacturer of commoditised polyester films. However, the company eventually ventured into value-added product segments, with its focus on increasing the revenue share from these high-margin, IP-backed products. With this approach, the company has seen a steady improvement in its profitability over the years, with operating profit margin (OPM) for FY2026 being at 21.4%. GHFL's business operations benefit from its vast network of dealers and distributors in India, as well as in Europe and US through its overseas subsidiaries. Moreover, with the rollout of GAS and GHS centres, the company aims to further strengthen its field presence, going forward.

Healthy capital structure aided by debt-free balance sheet; robust net worth position with strong accruals position – GHFL has remained debt-free over the past three years, with its strong cash flows supporting its funding requirements for working capital as well as capital expenditure. With a gearing and TD/OPBITDA both being nil as on March 31, 2026, the company demonstrates a healthy capital structure. ICRA expects these financial ratios to remain below 0.5 times over the medium term, aided by the company's limited dependence over external borrowings for meeting its financing requirements, as healthy accruals generation is expected to meet its capex outlay funding requirements over the near to medium term.

Business profile supported by healthy demand prospects for sun control films and paint protection films – Premium product offerings by GHFL in its SCF and PPF segments have seen a robust demand in the recent past, with demand prospects for these products expected to remain healthy over the foreseeable future amidst rising global warming concerns. Premium, value-added architectural films (AF) is a relatively newer product segment introduced by the company under its SCF portfolio, and has seen healthy demand from retail as well as institutional clients in domestic as well as overseas markets. Such healthy demand prospects for its premium products are expected to support the revenue growth momentum for GHFL over the medium term.

Credit challenges

Operations exposed to revenue concentration from US and India markets; presence across multiple countries globally provides some comfort – With US and India collectively contributing to around 70% of its revenues in FY2026, GHFL's operations remain exposed to revenue concentration from these two major markets. In this context, any market-specific slowdown risk or regulatory intervention may have a significant bearing on the company's operations in that market. That said, GHFL's global presence with its marketing network spread across over 90 countries across the world mitigates the said risk to

an extent. Moreover, a part of the company's exports to the US is re-exported to other geographies like Europe and Middle East Asia, which reduces the company's net business exposure to the US to an extent.

Margin profile susceptible to raw material price fluctuations and forex volatilities – GHFL's margin profile remains susceptible to volatilities in the raw material prices as well as forex movements. While the company has in place an effective price pass-on arrangement as well as hedging mechanism to safeguard its margins against raw material price volatility and forex volatility respectively, any extreme volatility in raw material costs or forex movement may have a near-term impact on its profitability. It is to be noted that sizeable imports provide a natural hedge against the significant exports undertaken by GHFL, with the company partially hedging the net unhedged exposure.

Demand for products with automotive and architectural applications remains contingent upon inherent cyclicality associated with these industries, strong aftermarket presence provides some comfort – Products offered by GHFL under its SCF and PPF segments find their usage mainly in the automotive and architectural applications. These products are therefore exposed to the inherent cyclicality associated with the automotive and real estate sectors. However, its strong aftermarket presence in automotive and architectural space, as well as presence of clients from other sectors such as FMCG, flexible packaging, agriculture, electrical and electronics, etc. provide some comfort against the said risk.

Environmental and Social Risks

Environmental considerations: GHFL operates in the polyester films industry, 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.

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: Superior

GHFL's liquidity position remains **superior**, as reflected in a healthy cash and liquid investments balance of Rs. 850+ crore and a buffer in the form of undrawn working capital lines which stood at around Rs. 100 crore (i.e. entire sanctioned amount) as on March 31, 2026. The average fund-based working capital utilisation has remained nil for the 12-month period ended April 2026, which coupled with presence of no long-term borrowings highlights the company's limited dependence over external borrowings. Cash flows from operations are expected to remain healthy, at Rs. 300-350 crore over the next 2-3 years. Against this, the company's capex outlay for the next 2-3 years remains Rs. 225-300 crore per annum, which is expected to be funded through internal accruals.

Rating sensitivities

Positive factors – The rating could be upgraded if the company demonstrates sustained and significant growth in its revenues and achieves higher geographic diversification while maintaining healthy margin profile and credit metrics.

Negative factors – A rating downgrade could be triggered by a sustained slowdown in key end-user industries (such as automotive and architecture) and markets (such as US and India), or any large debt-funded capex or inorganic acquisition exerting pressure on liquidity, profitability or coverage indicators. A specific credit metric that could lead to a ratings downgrade would be total debt/ OPBITDA exceeding 1.2 times on a sustained basis.

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 GHFL. As on March 31, 2026, the company had two subsidiaries, which are enlisted in Annexure III.

About the company

Established in 1957, Garware Hi-Tech Films Limited (GHFL) (erstwhile Garware Polyester Limited) is engaged in manufacturing polyester films through its two business verticals – Consumer Product Division (CPD) and Industrial Product Division (IPD). Under CPD business, it manufactures value-added products such as sun control films (SCF) mainly used in automotive and architectural applications, and paint protection films (PPF) primarily used in automotive applications. Under its IPD business, it manufactures plain and thermal films (a mix of commoditised and value-added product offerings). The entity's manufacturing plants are situated in Waluj and Chikhalthana (Maharashtra), with an installed capacity of 4,800 lakh square feet per annum for CPD business and 45,600 MTPA for IPD business. The entity is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Key financial indicators

GHFL (Consolidated)	FY2025	FY2026
Operating Income (Rs. crore)	2,129.3	2,143.6
PAT (Rs. crore)	331.1	338.2
OPBDIT/OI (%)	21.7%	21.4%
PAT/OI (%)	15.6%	15.8%
Total Outside Liabilities/Tangible Net Worth (times)	0.1	0.1
Total Debt/OPBDIT (times)	0.0	0.0
Interest Coverage (times)	52.5	55.9

Source: GHFL, ICRA Research; 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 ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 01, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Working capital facilities	Long term	80.00	[ICRA]AA(Stable)	-	-	-	-	-	-
Non-fund based facilities	Short term	120.00	[ICRA]A1+	-	-	-	-	-	-

Source: Company

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 FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual 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 FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Working capital facilities	Simple
Short-term - Non-fund based 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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Working capital facilities	NA	NA	NA	80.0	[ICRA]AA(Stable)
NA	Non-fund-based facilities	NA	NA	NA	120.0	[ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	GHFL Ownership	Consolidation Approach
Garware Hi-Tech Films International Limited	100.00%	Full Consolidation
Global Hi-Tech Films, Inc.	100.00%	Full Consolidation

Source: GHFL financial results Q4 FY2026

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