Ginni Filaments Limited

June 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	86.32 (Reduced from 91.02)	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	15.00 (Reduced from 18.00)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Ginni Filaments Limited (GFL) continue to derive strength from its experienced promoters with long track record of operations in the industry, the company's established market presence with long term association with reputed clientele and suppliers, integrated operations (non-woven and wet wipes among others) and diversified product mix. Ratings also continue to take comfort from GFL's comfortable financial risk profile characterised by growth in scale of operations while maintaining profitability margins, comfortable capital structure and moderate debt coverage indicators

However, ratings strengths continue to remain constrained by volatility in the raw material prices, limited scale of operations, susceptibility to foreign exchange rate fluctuations and intense competition in the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in profitability margins marked by profit before interest, lease rentals, depreciation and taxation (PBILDT) margin exceeding 10% on a sustained basis and revenue from operations beyond ₹400 crores.
- Reduction in working capital cycle days to below 75 days.
- Successful completion of capex towards solar project and sustenance in reduction of operational cost, leading to increasing profitability.

Negative factors

- Deterioration in the PBILDT margin below 5% on a sustained basis.
- Deterioration in the capital structure as marked by overall gearing ratio above 1.00x.
- Higher-than-envisaged debt funded capex undertaken by the company leading to deterioration in the capital structure and liquidity position of the company.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects CARE Ratings Limited (CareEdge Ratings) expectation that GFL will continue to benefit from its resourceful promoters with long track record of operations and reputed client base.

Detailed description of key rating drivers:

Key strengths

Experienced and resourceful promoters with long track record of operations:

GFL has been promoted by Dr. Rajaram Jaipuria and his son, Shishir Jaipuria. Dr. Jaipuria has a Doctorate degree in Economics and has been associated with the textile industry for around six decades. Shishir Jaipuria (B. Com, LLB) has an experience of over three decades in the textile industry. GFL has long track record of operations, as the company has been operational since 1982.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

The company commenced its business with an installed capacity of 26,208 spindles. Promoters are further supported by seasoned professionals in their respective domains to manage the company's day-to-day operations. Besides, promoters are resourceful and has shown ability to infuse funds in the business as and when required.

Comfortable capital structure and debt coverage indicators

The company has comfortable capital structure marked by long-term debt equity ratio and overall gearing of 0.16x (PY: 0.13x) and 0.40x (PY: 0.43x), respectively, as on March 31, 2025. The company's total outside liability to total net worth (TOL/TNW) also improved to 0.62x as on March 31, 2025, from 0.75x as on March 31, 2024. However, the debt-coverage indicators remained moderate as total debt to gross cash accrual (TD/GCA) and interest coverage ratio stood at 3.90x (PY: -1.12x) and 2.52x (1.79x), respectively, in FY25. The company has plans to undertake debt funded capex in near term apart from regular routine capital expenditure of ~₹3 crore to 4 crore, which is to be funded through internal accruals only. The company is going to install a solar plant with 5MW capacity at Gujarat location for its captive consumption to save power cost. The project's total cost is ₹32 crore with debt equity ratio of 75% and 25%. The company has already incurred ₹4 crore from its internal accruals and is in process to tie up debt with bank within next 1-2 months. This plant will become operational within next eight to 10 months. The repayment tenure of new term loan will be around six years including one year of moratorium period. The company will spend ~₹24 crore on solar panels and remaining amount of ₹8 crore will be spent on civil work and other expenses.

Integrated operations (non-woven and wipes) and diversified product mix

GFL's operations are integrated with the company providing a complete range of products to its customers which includes multiple consumer products such as wipes, non-woven and garments. The consumer products segment in which they manufacture products such as wet wipes and the company majorly manufactures wet wipes as a job work for major brands including Johnson and Johnson among others and also under their own brand 'CLEA'. The wipes, non-woven and garments contributed ~31.51%, 48.80% and 19.77% in FY25 against 12.50%, 21.02% and 7.71% in FY24. The company is planning to divest its garment unit in the near term, however, terms for sale is yet to be finalised. The company is expected to increase its wet wipes business through export by ₹80-100 crore in the medium term.

Established relationship with clients and distribution network

Over the years, GFL has established strong relationship with customers. The company used to export yarns, garments, and wet wipes to countries including Korea, Dubai, UK, USA, France and South Africa. Thus, previous client base and experience is also helping the company to secure export orders for its residual business, and they are in securing some good export orders for their consumer products segment. The company has already did tie up with Johnson & Johnson to export wet wipes in Middle East and Africa with order value of ~₹7-8 crore per month which is expected to improve the scale and profitability going forward.

Key weaknesses

Modest scale of operations and sustained PBILDT margins

The company reported modest scale of operations though slightly improved in FY25. The company reported total income of ₹374.49 crore in FY25 against ₹350.87 crore in FY24. The scale of operations remained modest owing to closure of its loss making spinning units in February 2024. The sold division accounted for total operating of ₹580.72 crore in FY23 and ₹500.14 crore in FY24. The company's PBILDT margins remained sustained and slightly improved in FY25 to 6.71% from 6.35% in FY24 owing to increase in revenue generation.

Volatility in raw material prices

GFL's residual business of technical textile is manufactured from key raw material polyester and viscose among others which is primarily manufactured from crude oil. The price of raw materials remains highly volatile throughout the year as it depends on multiple external factors such as government policies and macro-economic factors among others. The ability to transfer the volatility in raw material prices are limited considering the companies' low bargaining power with its suppliers and its customers, as the prices of raw materials and finished goods depend on the market conditions. The company's ability to mitigate the fluctuation risk pertaining to raw materials by keeping lowest possible inventory and ability to pass on fluctuations to their buyers will be a key monitorable.

Susceptibility to foreign exchange rate fluctuations

As substantial portion of GFL's income is generated through the export market, the company is exposed to foreign exchange fluctuation risk. Although, the company hedges the risk through forward contracts despite which some proportion of forex exposure remains unhedged leading to currency fluctuation risk.

Highly fragmented, competitive and cyclical industry

The Indian textile industry consists of large and organised players who contribute to 75% of the total installed capacity and the remaining 25% is contributed by unorganised segment. The intense competition in the highly fragmented textile industry also restricts its ability to completely pass on the volatility in input cost to its customers. Considering the commoditised product with limited product differentiation, the competitive intensity is high with minimal pricing power.

Liquidity: Adequate

The company projects GCA of ~₹26 crore in FY26 against scheduled repayment obligations of ₹5.06 crore annually. The current and quick ratio remains at moderate level of 1.71x and 1.14x, as on March 31, 2025. The company's liquidity position is adequate supported by free cash and bank balance of ~₹4.36 crore as on March 31, 2025. The average monthly fund-based working capital utilisation for the last 12 months stood at 26.21% against the fund based working capital limit of ₹69 crore and for non-fund based facility same stands at ~60-70%. With a gearing of 0.40x as on March 31, 2025, GFL has sufficient gearing headroom, to raise additional debt for its requirements in the near-to-medium term.

Applicable criteria

Policy on Default Recognition
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Manufacturing Companies
Financial Ratios – Non financial Sector
Rating of Short Term Instruments
Cotton Textile

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles and apparels	Other textile products

Incorporated in 1982 as an Export Oriented Unit (EOU), Ginni Filaments Limited (GFL) is an integrated textile player offering comprehensive range of technical textiles and consumer products like wet wipes. GFL was promoted by Dr. Rajaram Jaipuria and subsequently taken over by his son Shishir Jaipuria who has an overall experience of 34 years in textile industry.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	350.87	374.49
PBILDT	22.27	25.12
PAT	-84.49	4.20
Overall gearing (times)	0.43	0.40
Interest coverage (times)	1.79	2.52

A: Audited Note: these are latest available financial results

*All the numbers as at March 31,2024, were of continued operations of technical textile segment whereas PAT includes losses from discontinued operations as well of ₹58.24 crore for FY24.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	69.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	December 2028	17.32	CARE BBB-; Stable
Non-fund-based - ST-BG/LC		-	-	-	15.00	CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	69.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Jul-24) 2)CARE BBB-; Stable (29-May-24) 3)CARE BBB-; Stable (30-Apr-24)	1)CARE BB+; Stable (05-Feb-24) 2)CARE BBB-; Negative (23-Aug-23) 3)CARE BBB-; Stable (28-Jun-23)	1)CARE BBB; Negative (21-Feb-23) 2)CARE BBB; Stable (28-Jun-22)
2	Non-fund-based - ST-BG/LC	ST	15.00	CARE A3	-	1)CARE A3 (01-Jul-24) 2)CARE A3 (29-May-24) 3)CARE A3 (30-Apr-24)	1)CARE A4+ (05-Feb-24) 2)CARE A3 (23-Aug-23) 3)CARE A3 (28-Jun-23)	1)CARE A3+ (21-Feb-23) 2)CARE A3+ (28-Jun-22)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
3	Fund-based - LT-Term Loan	LT	17.32	CARE BBB-; Stable	-	1)CARE BBB-; Stable (01-Jul-24) 2)CARE BBB-; Stable (29-May-24) 3)CARE BBB-; Stable (30-Apr-24)	1)CARE BB+; Stable (05-Feb-24) 2)CARE BBB-; Negative (23-Aug-23) 3)CARE BBB-; Stable (28-Jun-23)	1)CARE BBB; Negative (21-Feb-23) 2)CARE BBB; Stable (28-Jun-22)

LT: Long term; & ST: Short term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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