Winsome Textile Industries Limited

July 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	161.99 (Reduced from 173.26)	CARE BBB+; Stable	Reaffirmed
Short Term Bank Facilities	282.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Winsome Textile Industries Limited (WTIL) continues to derive strength from experienced promoters coupled with established track record of operations, reputed customer-base and diversified product profile. Further, the ratings also factor in company's stable operational performance in FY26 (refers to period from April 01st, 2025 to March 31st, 2026), supported by improved volumes in both yarn and fabric segments, with no disruptions to export activities. Additionally, geopolitical developments did not adversely impact the company’s operations; rather, export volumes exhibited a positive trend during the period with export volumes showing a positive trend. However, operating margins remained largely flat on account of the impact of imposition of U.S. tariffs Q3 onwards, however, the pressure was primarily seen in Q3–Q4 and has since moderated in subsequent periods. These rating strengths are however partially offset by moderate financial risk profile with leveraged capital structure, along with susceptibility of profitability margins to volatility in cotton prices and government regulations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in scale of operations thereby leading to operating margins beyond 12.50% on a sustained basis
- Sustained improvement in financial risk profile thereby leading to overall gearing ratio of below 1.00x and Total debt to GCA of below 2.50x on a sustained basis.

Negative factors

- Inability to improve debt coverage metrics with total debt/PBILDT above 4.00x on a sustained basis.
- Deterioration in capital structure with overall gearing above 1.50x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) expects company to have stable operational performance. CARE Ratings also believes that the WTIL shall be able to improve its financial risk profile over the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record and reputed clientele

WTIL was incorporated in 1980 by Mr. S.C. Bagrodia. Currently, his son Mr. Ashish Bagrodia (Chairman and Managing Director) is looking after the overall operations of the company and has nearly two decades of experience in the textile industry. He is

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

assisted by a team of professionals who are experienced in their respective domains. The company has been in this line of business for nearly four decades now and has created established relations with its suppliers and buyers (both domestic and overseas). The company supplies yarn to many well-known domestic companies which in turn supply the finished product to reputed global brands like GAP, H&M, Marks & Spencer, Tommy Hilfiger etc.

Diversified and value-added product portfolio

The company is one of the largest manufacturers of melange yarn and dyed yarn in India (39,647 MTPA for yarn spinning and knitting capacity of 2,535 MTPA). WTIL is engaged in spinning of large variety of value-added fibre, silk, wool, linen, nylon, PVA, etc. in different blends and specialty products like slub yarn, mélange yarn, gassed mercerized yarns, etc. The company's product (yarn) profile comprises almost 100% of value-added yarns. WTIL is also engaged in the manufacturing of knitted fabric of various blends. The company's product portfolio, being value added niche products, faces relatively lesser competition in domestic and global market which results in higher profitability margins as compared to grey yarn.

Stable operational performance

The company's total operating income (TOI) reported a modest growth of approximately 4% in FY26 over the previous year (FY25: ₹865.23 crore). Operational performance remained stable during the year, supported by improved volumes in both yarn and fabric segments, with no disruptions to export activities. Additionally, geopolitical developments did not adversely impact the company's operations; rather, export volumes exhibited a positive trend during the period. Though, the PBILDT margin remained almost stagnant at 11.71% in FY26 (PY: 11.67%) however lower than company's expectation of 12.5%. During FY26, the profitability has been impacted due to the imposition of U.S. tariffs, the effect of which began in Q3 and persisted through Q4 of the year. To remain competitive, the company had to extend discounts. Additionally, there has been a shift toward lower value-added melange products, which inherently carry lower profitability, thereby affecting overall margins. This transition was primarily driven by weaker demand from domestic garment manufacturers catering to the U.S. market, as tariffs dampened their offtake. Although the company does not directly export to the U.S., the indirect impact via reduced domestic demand for higher value-added products led to lower-than-expected sales in this segment.

Key weaknesses

Moderate financial risk profile

The overall gearing ratio of the company stood stagnant at 1.30x as on March 31, 2026 (PY: 1.30x). The debt levels of the company stood elevated owing to higher utilization of working capital borrowings. Moreover, though there was repayment of term loan to the tune of Rs.41.54 crore however the same was offset by addition of Rs.38.02 crore on the back of ongoing capex. The debt coverage indicators of the company also stood moderate whereby PBILDT/Interest stood stagnant at 2.17x as on March 31, 2026 (PY: 2.17x). However, the total debt to GCA moderated and stood at 8.19x (PY: 7.76x) owing to increase in debt.

Susceptibility of profitability margins to volatility in cotton prices and government regulations

The domestic prices of cotton, the key input for spinners like WTIL, are governed by various factors like international prices, government regulations, the effect of monsoon, etc. The raw material costs accounted for a significant portion of the total income (~55-60% of TOI) and any adverse fluctuations in the raw material prices can severely impact the profitability of WTIL. The sector is also susceptible to government interventions like fixing the minimum support price for cotton, imposing export ban on the yarn export, withdrawal s of duties etc, which has a direct bearing on the profitability margins of WTIL.

Project Implementation risk

The company is planning to undertake capex of ~Rs.168 crore which would be carried out in a phased manner from **FY27 and FY28**. The same is on account of dye house expansion and automation in spinning unit whereby the dying capacity would increase from current 33 tonnes to ~44 tonnes and automation in spinning unit would involve replacement of 25,000 spindles. The same would be funded by proposed term loan of Rs.124 crore and remaining through internal accruals. The project is currently in the proposal stage and is undergoing a Techno-Economic Viability (TEV) study, with execution yet to commence.

Industry Outlook

India's cotton yarn sector is poised for substantial revenue growth, with forecasting around 10% increase in FY26 driven by 3-4% volume growth and balance through higher sales realization. This projection is underpinned by a rebound in exports, particularly to China, which accounts for 14% of the industry's export revenue, evolution of global apparel and home-textile consumption and stability in cotton prices.

Liquidity: Adequate

The liquidity position of the company is adequate as reflected by projected gross cash accruals of ~Rs.65 crore in FY27 against scheduled term loan repayments of Rs.30.31 crore. Further, average month end utilization of working capital borrowings stood 54% for the trailing 12 months ending March 31, 2026. The company had free cash and bank balance of Rs.3.21 crore as on March 31, 2026. WTIL has outlined a capital expenditure plan of ~₹168 crore spanning **FY27 and FY28**. The proposed investment will be primarily financed through a proposed ₹124 crore term loan, with the remaining balance funded from internal accruals. Further, cash flow from operations remained healthy at Rs.72.19 crore in FY26 (PY: Rs. 86.03 crore) with incremental working capital gap being funded by credit from suppliers.

The company maintains a relatively high inventory level—equivalent to approximately 4 to 5 months—due to its involvement in the production of dyed and mélange yarns. These products require longer processing times owing to additional stages such as dyeing, color matching and blending, batch processing in smaller lots, extended drying and conditioning, and more stringent quality control and testing procedures. The company supplies yarn to several prominent domestic manufacturers, who in turn cater to renowned global brands such as GAP, H&M, Marks & Spencer, and Tommy Hilfiger. The average collection period increased to 55 days in FY26 (previous year: 52 days), while raw materials are primarily sourced from domestic suppliers, with average creditor days rising to 92 days in FY25 (previous year: 89 days). Consequently, the company’s operating cycle extended to 122 days in FY26, compared to 120 days in the previous year, reflecting the inherently working capital-intensive nature of its operations. To support its liquidity needs, the company has availed non-fund-based limits amounting to ₹162 crore, with an average utilization of approximately 98.16% over the trailing 12 months ended April 2026.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Cotton Textile

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Winsome Textile Industries Limited (WTIL) was incorporated as a Public Limited Company in 1980. WTIL operates from its manufacturing facility in Baddi, Himachal Pradesh. WTIL is engaged in the manufacturing of 100% cotton yarn and cotton yarn blended with viscose/ polyester/ acrylic/ linen/ wool and value-added yarns like melange and solid dyed. The company is also engaged in the manufacturing of knitted fabric of various blends. As on March 31, 2026, the company has an installed capacity of 39,647 MTPA for yarn and knitting capacity of 2,535 MTPA which is a forward integration into knitted fabrics from the mélange yarn. The company also operates a hydro power plant of 3.5 MW **and roof top solar plant of 2.89 MW** to meet a part of its power requirements. Apart from catering to the domestic market, the company also exports its products with the export income constituting ~56% of the total income in FY26 (~54% in FY25).

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	865.23	895.75
PBILDT*	100.97	104.87
Profit after tax (PAT)	28.07	26.59
Overall gearing (x)	1.30	1.30
Interest coverage (x)	2.17	2.17

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: NA

Any other information: NA

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		-	-	-	24.32	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	September, 2029	120.99	CARE BBB+; Stable
Fund-based - LT-Working Capital Demand loan		-	-	-	16.68	CARE BBB+; Stable
Fund-based - ST-EPC/PSC		-	-	-	55.00	CARE A3+
Fund-based - ST-PC/Bill Discounting		-	-	-	65.00	CARE A3+
Non-fund-based - ST-BG/LC		-	-	-	162.00	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	24.32	CARE BBB+; Stable	-	1)CARE BBB+; Stable (02-Jul-25)	1)CARE BBB; Stable (13-Jun-24)	1)CARE BBB; Stable (01-Jun-23)
2	Fund-based - ST-EPC/PSC	ST	55.00	CARE A3+	-	1)CARE A3+ (02-Jul-25)	1)CARE A3 (13-Jun-24)	1)CARE A3 (01-Jun-23)
3	Non-fund-based - ST-BG/LC	ST	162.00	CARE A3+	-	1)CARE A3+	1)CARE A3	1)CARE A3

						(02-Jul-25)	(13-Jun-24)	(01-Jun-23)
4	Fund-based - LT-Term Loan	LT	120.99	CARE BBB+; Stable	-	1)CARE BBB+; Stable (02-Jul-25)	1)CARE BBB; Stable (13-Jun-24)	1)CARE BBB; Stable (01-Jun-23)
5	Fund-based - LT-Working Capital Demand loan	LT	16.68	CARE BBB+; Stable	-	1)CARE BBB+; Stable (02-Jul-25)	1)CARE BBB; Stable (13-Jun-24)	1)CARE BBB; Stable (01-Jun-23)
6	Fund-based - ST-PC/Bill Discounting	ST	65.00	CARE A3+	-	1)CARE A3+ (02-Jul-25)	1)CARE A3 (13-Jun-24)	1)CARE A3 (01-Jun-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

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	Fund-based - LT-Working Capital Demand loan	Simple
4	Fund-based - ST-EPC/PSC	Simple
5	Fund-based - ST-PC/Bill Discounting	Simple
6	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Puneet Kansal Director **CARE Ratings Limited** Phone: 120-4452018 E-mail: puneet.kansal@careedge.in Sachin Mathur Director **CARE Ratings Limited** Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in Akanksha Dutta Assistant Director **CARE Ratings Limited** E-mail: Akanksha.dutta@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com