



Press Release
GUJARAT CRAFT INDUSTRIES LIMITED
November 19, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	36.90	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	18.10	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 55.00 crore bank facilities of Gujarat Craft Industries Limited (GCIL). The outlook is '**Stable**'.

Further, Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 15.00 crore bank facilities of Gujarat Craft Industries Limited (GCIL). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation reflects GCIL's steady scale of operations supported by favourable market conditions, along with adequate liquidity and a moderate financial risk profile. The rating also draws comfort from long operational track record and experienced management. The rating is however constrained by the working capital-intensive nature of operations and exposure to raw material price fluctuations and forex risk in a competitive industry.

About the Company

Gujarat Craft Industries Limited (GCIL) was incorporated in 1984 as a Public Limited Company listed on the Bombay Stock Exchange (BSE). GCIL is a vertically integrated, manufacturer and exporter of PP/HDPE-coated woven products. The company is an ISO 9001:2015 certified entity. Company's diverse product line includes Flexible Intermediate Bulk Containers (FIBCs)/ Bulk bags [Big Bags], PP/HDPE Woven Fabrics, Woven Sacks, BOPP Bags, PE Tarpaulins, Plastic Sheeting, HDPE Geo-membranes, Vermicomposting beds and Fumigation covers. The directors include Mr. Hitendra Kumar Kewalchand Chopra, Mr. Rishab Ashok Chhajjer, Mr. Parth Bharatbhai Thakkar and Mr. Anal Ruchir Desai.

Unsupported Rating
Not Applicable

Acuité has considered the standalone business and financial risk profiles of Gujarat Craft Industries Limited to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

GCIL has an established track record of operations dating back almost four decades, along with experienced management. The company is currently managed by Mr. Rishab Chhajer. The promoter and management of the company have experience of over four decades in the industry which reflected in the growing scale of operations. The experience of the promoters have helped the company to maintain a longstanding relationship with its customers and suppliers. Acuité believes that the long operational track record coupled with the experience of the management will continue to benefit GCIL going forward, resulting in steady growth in the scale of operations.

Steady improvement in Revenue and Profitability

The revenue of the company has improved in FY25 and stood at Rs. 202.90 Cr. as compared to Rs. 175.58 Cr. in FY24 due to increased business from existing customers. Further, there are high demands, and favourable market conditions that are contributing factors to this growth. The company reported revenue of Rs. 92.03 Cr. in H1FY26 as against Rs. 86.78 Cr. in H1FY25.

In FY25, EBITDA margin stood at 6.26 per cent as compared to 6.32 per cent in FY24. The slight drop in EBITDA margins was due to increase in employee cost and other manufacturing cost. The company done advancement in flexible intermediate bulk containers during FY25 that required intensive labour work. The profit after tax (PAT) for FY25 stood at Rs. 2.69 Cr. as against Rs. 3.03 Cr. in FY24. The decline in PAT is due to increase in interest cost and depreciation costs. Acuite believes, the operating performance of the company would remain steady over the medium term.

Moderate Financial Risk Profile

The company has a moderate financial risk profile marked by moderate net worth, moderate gearing and average debt protection metrics. The net worth increased to Rs. 41.73 Cr. in FY25 as against Rs. 39.57 Cr. in FY24. The company's total debt increased to Rs. 59.78 Cr. as on March 31, 2025, as against Rs. 49.87 Cr. as on March 31, 2024. The debt profile comprises of Rs. 11.95 Cr. of long-term debt, Rs. 11.30 Cr of USL, Rs. 33.55 Cr. of short-term debt and Rs. 2.98 Cr. of CPLTD. The overall gearing declined to 1.43 times as on March 31, 2025, as against 1.26 times as on March 31, 2024, majorly due to increase in total debt. The TOL/TNW stood at 2.27 times as on March 31, 2025, as against 1.99 times as on March 31, 2024. The interest coverage ratio (ICR) stood at 2.63 times in FY25 as against 3.08 times in FY24. Further debt service coverage ratio (DSCR) stood at 1.69 times in FY25 as compared to 1.81 times in FY24. The NCA/TD stood at 0.12 times in FY25 as against 0.13 times in FY24. Acuite believes, the financial risk profile is expected to remain moderate on the back of steady accruals.

Weaknesses

Moderately intensive working capital operations

The operations of the company remained moderately working capital intensive marked by gross current assets (GCA) of 163 days in FY25 as against 162 days in FY24. The company maintains inventory levels of around 102 days in FY25 as against 99 days for FY24. The inventory is managed as per the orders received from the clients as it is rotating in nature. The Debtor days stood at 52 days in FY25 as against 55 days for FY24. Furthermore, the creditor days stood at 65 days in FY25 as against 54 days in FY24. Credit period to customers have lengthened, especially in the US and Europe, impacting on the working capital cycle and increasing working capital funding requirements. The working capital gap is funded by working capital borrowings from bank. GCIL has high reliance on the bank limit utilisation as the average utilization stood at ~90 per cent for six months ending October 2025. Acuite believes,

the operations of the company would remain moderately intensive in the medium term due to high inventory levels and elongated debtors days.

Susceptibility of margins to raw material price fluctuations and foreign exchange fluctuation risk

As GCIL is engaged in the manufacturing of FIBC bags, the major raw materials required to manufacture such products are polypropylene granules and low-density polyethylene, which are derivatives of crude oil, and the prices of crude oil are directly affected by various macroeconomic factors. Similarly, the prices of such raw materials are also volatile in nature and are imported to extend of ~30 per cent which is hedged and such fluctuations in the major raw material prices may impact the operating profit margin of the company. Furthermore, the company also deals in exports to various countries across the globe, which contribute around 40-50 per cent to the total revenues in FY2025. As a result, the company's business is exposed to fluctuations in foreign exchange rates. However, such risks are mitigated to some extent due to natural hedging and the forward contracts entered by the company for managing the forex risk.

Rating Sensitivities

- Significant increase in the scale of operation along with operating profitability.
- Further elongation of working capital cycle.
- Changes in financial risk profile

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by sufficient net cash accruals against the maturing debt obligations. The company has generated net cash accruals in of Rs 7.27 Cr. in FY2025 against its maturing repayment obligations of Rs. 2.26 Cr. in the same tenure. Further, the company is expected to generate sufficient cash accruals to repay its debt obligation in near to medium term. However, the working capital management of the company is intensive marked by GCA of 163 days in FY2025 as against 162 days in FY2024. Further, GCIL has high reliance on the bank limit utilisation as the average utilization stood at ~90 per cent for six months ending October 2025. The current ratio stands at 1.37 times as on March 31, 2025, as against 1.47 times as on March 31, 2024. The cash and bank balance of the company stood at Rs. 0.08 Cr. in FY25.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	202.90	175.58
PAT	Rs. Cr.	2.69	3.03
PAT Margin	(%)	1.32	1.72
Total Debt/Tangible Net Worth	Times	1.43	1.26
PBDIT/Interest	Times	2.63	3.08

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Aug 2024	Letter of Credit	Short Term	14.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.10	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Reaffirmed)
	Packing Credit	Long Term	16.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.55	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.08	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.27	ACUITE BBB- Stable (Reaffirmed)
05 Jun 2024	Packing Credit	Long Term	16.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	14.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.10	ACUITE A3+ (Reaffirmed)
	Working Capital Term Loan	Long Term	2.55	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.08	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.27	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Reaffirmed)
04 Mar 2024	Letter of Credit	Short Term	14.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	1.50	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.10	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Reaffirmed)
		Long		ACUITE BBB- Stable

	Packing Credit	Term	16.00	(Reaffirmed)
	Working Capital Term Loan	Long Term	2.55	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.08	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.27	ACUITE BBB- Stable (Reaffirmed)
29 Jan 2024	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Assigned)
	Packing Credit	Long Term	16.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	2.55	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	1.08	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.27	ACUITE BBB- Stable (Assigned)
	Secured Overdraft	Long Term	7.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	18.10	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2025	1.08	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE A3+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE A3+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.10	Simple	ACUITE A3+ Reaffirmed
HSBC	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Nov 2024	1.27	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Dec 2026	2.55	Simple	ACUITE BBB- Stable Reaffirmed

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