



Press Release
GENERAL POLYTEX PRIVATE LIMITED
March 11, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	267.60	ACUITE BBB Stable Upgraded	-
Bank Loan Ratings	4.75	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	272.35	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB**' (read as **ACUITE triple Bf**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.267.60 Cr. bank facilities and short-term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.4.75 Cr. bank facilities of General Polytex Private Limited (GPPL). The outlook is '**Stable**'.

Rationale for the rating

The upgrade in the rating factors in the significant improvement marked in the profitability in FY2024 albeit stable revenue. Further, the rating upgrade considers envisaged improvement in the overall operating performance and financial risk profile of the group in the near term on account of completion of the planned capital expenditure in the current fiscal. The rating also favourably factors in the established track record of operations of the group along with the extensive experience of its promoters in the industry. However, the rating is constrained by group's working capital-intensive nature of operations.

Going ahead, the ability of the group to continue improvement in the operating performance and financial risk profile on account the capex undertaken while avoiding any significant elongations in the working capital operations will remain a key monitorable.

About the Company

General Polytex Private Limited (GPPL) established in 2004 is headquartered at Surat (Gujarat). The company is engaged in offering a wide range of textured yarns of polyester filaments and Grey fabrics. The manufacturing unit is located at Surat with an installed capacity of 602 looms, 6 warping machines, and 68 twisting machines. The company owns a windmill of 2.60 MW and 2.4 MW of solar power plant located at Gujarat. Further, the company has set up an Hybrid Power Plant of 4.9 MW which is expected to get completed by March 2025 and expected to get operationalize from April 2025.

About the Group

General Group, since 1995, is engaged in the manufacturing of polyester grey (unprocessed) fabrics which find its use in the textile industry, post converting the same into finished fabrics. The manufacturing facilities are located at Surat (Gujarat). General Polytex Private Limited (GPPL) another company in the group is also based in Surat and established in 2004. The group is engaged in manufacturing polyester greige fabric. General Group has Pan India presence such as Maharashtra, Gujarat, Delhi and Bengaluru with longstanding relationships with customers

and suppliers. General Group currently comprises of 776 Looms including 10 Warping Machines and owns 140 Twisting Machines for High quality Twist Fabrics. The group owns windmill of 2.10 MW and 2.6 MW. The group also owns solar power plant of 2.40 MW and 1.9 MW Located at Gujarat.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the operating and financial risk profile of General Petrochemicals Private Limited (GPL) and General Polytex Private Limited (GPPL) for arriving at the rating. General Polytex Private Limited (GPPL) and General Petrochemicals Private Limited are together referred to as 'General Group'. The consolidated approach is taken on the basis of common management, same product line of manufacturing, common sales & distribution network and other financial synergies.

Key Rating Drivers

Strengths

Experienced management and established presence in the industry

The group is promoted by Mr. Mohmed Umar General and his three sons, Mr. Mohmed Amin General, Mr. Mohmed Juned General and Mr. Mohmed Zaid General. The group has a presence since 1995 and has more than two decades of established track record in the textile industry. The group has longstanding relationships with its customers and suppliers of over two decades. The established track record of operations and experience of the management has helped the group to develop healthy relationships with its customers and suppliers.

Improvement in operating performance

The revenue of the group stood range bound at Rs. 199.77 Cr. in FY2024 as compared to Rs.195.73 Cr. in FY2023. However, the revenue is expected to improve in the near term on account of recent capex undertaken. Further, in 6MFY2025 revenue improved to ~Rs.148.70 Cr. against Rs. 94.13 Cr. in 6MFY2024. The operating profit margin of the group improved to 22.25 percent in FY2024 as compared to 14.54 percent in FY2023. Further, the PAT margin of the group improved to 11.33 percent from 5.75 percent in FY2023. The improvement in the profitability margins of the group is primarily on account of lower material cost during the year. Going ahead, the ability of the group to continuously improve its overall operating performance on the back of capex undertaken over the medium term will remain a key monitorable.

Proximity to raw material and geographical diversification

The manufacturing facilities of General group are located at Surat, a textile hub of India which ensures regular supply of raw materials and easy reach to customers. General Group has PAN India presence and caters to major regions such as Maharashtra, Gujarat, Delhi and Bengaluru with longstanding relationships with customers and suppliers. The group enjoys easy connectivity to road & rail, leading to better lead -time and facilitates delivery of finished products in a timely manner. Further, its presence in the textile manufacturing region offers advantages such as easy availability of raw material at competitive prices, cost effective grey fabric weaving and reduced logistics expenses.

Moderate Financial Risk Profile

The financial risk profile of the group is moderate marked by moderate net worth, gearing and moderate debt protection metrics. The net worth of the group stood at Rs.167.09 Cr. in FY2024 as against Rs.117.04 Cr. in FY2023. The net worth improved on account of accretion of profits into reserves, and classification of USL of Rs.33.79 Cr. as Quasi Equity in FY2024 which was infused by promoters for recent capex and will remain in the business as per the sanction terms. The gearing level of the group stood at 1.34 times as on March 31, 2024 as against 0.74 times as on 31 March 2023. The total debt of the group stood at Rs.224.24 Cr. as on March 31, 2024, comprising Rs.149.67 Cr. of long-term debt, Rs.15.25 Cr. USL, Rs.32.77 Cr. of short-term debt, and Rs.26.54 Cr. of CPLTD. Interest Coverage Ratio of the group stood moderate at 4.51 times in FY2024 as against 4.54 times in FY2023. DSCR stood at 2.27 times in FY2024 as against 1.26 times in FY2023. The Debt/EBITDA levels stood at 5.01 times as of March 31, 2024, as against 3.03 times as of March 31, 2023. Further, the moderation in the gearing, and Debt/EBITDA levels in FY2024 is on account of the recent debt funded capex wherein the group has set up 180 water jet looms with an installed capacity of 194.40 lac meters / year and 120 air jet looms with an installed capacity of 140.40 lac meters/year. Furthermore, the group is also undergoing a capex for setting up of 4.9 MW hybrid power plant which is expected to commence operations from April 2025. However, the financial risk profile of the group is expected to improve on account of envisaged benefits from the capex undertaken and no further debt funded capex plans in near term.

Weaknesses

Working capital intensive nature of operations

The group is having intensive working capital operations as evident from Gross Current Asset (GCA) of 263 days in FY2024 as compared to 167 days in FY2023. The inventory days stood at 137 days in FY2024 as against 72 days in FY2023. The debtor days stood at 102 days in FY2024 as against 92 days in FY2023. The creditor days stood at 209 days in FY2024 against 48 days in FY2023. The creditor days in FY2024 increased as it includes creditors for capex of around Rs.50-55 Cr which were fully paid in Q1FY2025. The average bank limit utilization of the group for fund-based limits stood moderate at ~79.47% and for non-fund-based limit it stood at ~82.39% for the past 6 months ending December 2024.

Going ahead, any further elongation in the working capital operations of the group will remain a key monitorable.

Rating Sensitivities

- Ability to improve its overall operating performance without any deterioration in the financial risk profile.
- Elongation in working capital cycle.

Liquidity Position Adequate

The liquidity position continues to remain adequate marked by sufficient net cash accruals against its maturing debt obligations. The group generated cash accruals of Rs.32.95 Cr. in FY2024 against its maturing debt obligations of Rs.8.99 Cr. The current ratio stood at 1.14 times as on 31st March 2024. The reliance on fund-based limits stood moderate at ~79% and for non-fund-based limit stood at ~82% for the past 6 months ending December 2024.

Going ahead, liquidity position of the group is expected to remain adequate on account of envisaged improvement in net cash accruals and buffer available from the unutilised working capital limits.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	199.77	195.73
PAT	Rs. Cr.	22.63	11.26
PAT Margin	(%)	11.33	5.75
Total Debt/Tangible Net Worth	Times	1.34	0.74
PBDIT/Interest	Times	4.51	4.54

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
05 Jul 2024	Bank Guarantee (BLR)	Short Term	4.75	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	14.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.54	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.67	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	23.95	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.83	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.74	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.78	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.61	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	2.98	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	50.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.88	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	14.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	6.90	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	3.08	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.14	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	24.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	11.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	4.75	ACUITE A3 (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.94	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Covid Emergency Line.	Long Term	2.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.78	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	23.95	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)

07 Apr 2023	Term Loan	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	1.21	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	0.83	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	7.72	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	12.28	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	1.45	ACUITE BBB- Stable (Assigned)
	Covid Emergency Line.	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	50.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	50.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	5.05	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	14.00	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Term Loan	Long Term	8.19	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Covid Emergency Line.	Long Term	3.08	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	0.12	ACUITE BBB- Stable (Downgraded from ACUITE BBB Stable)
04 Mar 2022	Bank Guarantee/Letter of Guarantee	Short Term	1.85	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.67	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.64	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	10.57	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.31	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	9.96	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Central Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.75	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Covid Emergency Line.	31 Mar 2021	Not avl. / Not appl.	01 Mar 2025	0.61	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Covid Emergency Line.	16 Mar 2022	Not avl. / Not appl.	01 Apr 2027	2.98	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Covid Emergency Line.	28 Mar 2023	Not avl. / Not appl.	01 Jul 2025	1.54	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
South Indian Bank	Not avl. / Not appl.	Covid Emergency Line.	16 Apr 2022	Not avl. / Not appl.	01 Mar 2027	3.08	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Covid Emergency Line.	28 Mar 2023	Not avl. / Not appl.	01 Jul 2025	0.74	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Covid Emergency Line.	28 Mar 2023	Not avl. / Not appl.	01 Jul 2025	0.78	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.64	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2033	20.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Canara Bank	Not avl. / Not appl.	Term Loan	14 Aug 2024	Not avl. / Not appl.	01 Mar 2034	29.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
South Indian Bank	Not avl. / Not appl.	Term Loan	22 Nov 2019	Not avl. / Not appl.	01 Dec 2029	6.90	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Term Loan	03 Aug 2023	Not avl. / Not appl.	01 Mar 2032	23.95	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Term Loan	28 Apr 2023	Not avl. / Not appl.	01 Apr 2031	4.83	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Central Bank of India	Not avl. / Not appl.	Term Loan	06 May 2023	Not avl. / Not appl.	01 Mar 2032	50.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

Union Bank of India	Not avl. / Not appl.	Term Loan	03 Aug 2023	Not avl. / Not appl.	01 Mar 2032	50.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Union Bank of India	Not avl. / Not appl.	Term Loan	24 Mar 2023	Not avl. / Not appl.	01 Apr 2031	4.88	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
UCO Bank	Not avl. / Not appl.	Working Capital Term Loan	22 Apr 2022	Not avl. / Not appl.	01 Jul 2025	1.67	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

S. No.	Company Name
1	General Polytex Private Limited
2	General Petrochemicals Private Limited

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