Acuite RATINGS & RESEARCH

Press Release
GRG GLOBAL TEXTILES LIMITED
December 30, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	157.09	ACUITE A- | Stable | Reaffirmed	-
Bank Loan Ratings	27.91	Not Applicable | Withdrawn	-
Bank Loan Ratings	10.35	-	ACUITE A2+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	167.44	-	-
Total Withdrawn Quantum (Rs. Cr)	27.91	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of **'ACUITE A-' (read as ACUITE A minus)** and short-term rating of **'ACUITE A2+' (read as ACUITE A two plus)** on Rs.167.44 Cr. bank facilities of GRG Global Textiles Limited (GGTL). The outlook is **'Stable'.**
Acuite has also withdrawn long-term rating on the Rs.27.91 Cr. bank facilities of GRG Global Textiles Limited (GGTL) without assigning any rating as these are proposed facilities. The withdrawal of ratings is as per the Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the company.

Rationale for rating reaffirmation:
The reaffirmation of rating continues to draw comfort from the steady business risk profile along with the experience of its promoters. Further, the rating also draws comfort from the long-term supply agreement with Welspun Living Limited (WLL) which ensures stable revenue and low demand risk. The rating further considers the efficient working capital management along with moderate financial risk profile and adequate liquidity position. The above-mentioned strengths were partially constrained by the limited operational track record, high customer concentration risk and GGTL's growth linked to WLL's performance in home textile segment. However, this risk is partially mitigated as GGTL is diversifying its customer base, as mutually agreed with WLL to allow sales of more than 10% to third-party clients.

About the Company

GRG Global Textiles Limited (GGTL) was incorporated in October, 2020. GGTL is engaged in manufacturing of Greige fabric for Bed Sheets and two-for-one (TFO) yarn and has established its manufacturing facility in Anjar, Gujarat. Which has installed capacity to produce 13054 MT P.A of TFO yarn and 26.46 million Meters of Fabric. The company directors are Mr. Alok Kumar Tripathi, Mr. Deepak Jain, Mr. Arvind Kumar Tuteja, Mr. Shashi Kant Goenka and Mr. Samta Goenka.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of GGTL to arrive at this rating.

Key Rating Drivers

Strengths

Experienced Promoters albeit limited operational track record

GRG Global Textiles Limited (GGTL) is a part of the GRG group which is incorporated in the year 2020. GRG Group is promoted by Mr. Shashikant Goenka and Mrs. Samta Goenka. The promoters have more than two decades of experience in the textiles industry. Acuité believes that GGTL draws strength from the experience and competence of the experienced management.

Strong Counter Party

Welspun Living Limited (WLL), a flagship textile company of Welspun Group, is presently concentrating in manufacturing of cotton-based products viz. Terry Towels, Bed Sheets, Pillow Covers, Top of the Bed, Bath Rugs etc. With global reach of more than 60 countries, the company is the largest exporter of home textile products from India. The company has excellent relationship with the likes of Wal-Mart, JC Penney, Shopko, Calvin Klein etc. to which it has been a regular supplier. GGTL's performance is directly linked with the product demand for WLL' products as the company has long-term agreement with WLL for purchase of its 90 percent production.

Steady scale of operations and profitability margins

The company witnessed steady scale of operations marked by revenue of Rs. 554.36 Cr. in FY25 as compared to Rs. 521.05 Cr. in FY24. Further, the company booked revenue of Rs. 286.33 Cr. in H1FY26 due to healthy orders from WLL and third-party customers. The operating profit margin stood range bound atbound at 6.32 percent in FY25 as compared to 6.41percent in FY24. Further, the PAT margin stood at 1.12 percent in FY25 as against 1.84 percent in FY24. Acuite expects GGTPL to sustain its performance over the medium term, supported by its supply agreement with Welspun and mutually agreed terms that permit sales to reputed third-party consumers. This flexibility enables GGTPL to diversify its customer base, thereby mitigating dependency risk on WLL.

Efficient working capital operations:

The working capital operations of GGTPL are efficiently managed as evident from the gross current asset (GCA) days of 56 days in FY25 as compared to 78 days in FY24. The company receives batch wise orders from WLL and maintains inventory required for next 30 days. The payment terms customers, especially with WLL was provided for 30 days, which is as per the terms of supply agreement with WLL, resulting less than 30 days debtors. The company has receivable days of 12 days in FY25 as compared to 15 days in FY24. The company does not maintain any fund-based working capital limits and has utilized approximately 80% of its sanctioned non-fund-based limits during the previous month. Acuite expects, the lower receivable period and inventory holding period with stretched payables period will help GGTPL to maintain its working capital operations efficient.

Weaknesses

Moderate financial risk profile

GGTPL's financial risk profile is moderate, marked by moderate net worth, moderate gearing and above average debt protection metrics. The company's net worth stood at Rs. 86.08 Cr as on March 31, 2025, against Rs. 79.66 Cr. as on March 31, 2024 due to accretion of profits to reserves during the period. The gearing (debt to equity) and total outside liabilities to tangible net worth (TOL/TNW) stood at 1.95 times and 2.54 times as on March 31, 2025 respectively, against 2.38 times and 3.59 times respectively as on March 31, 2024. The improvement in leverage indicators is due to reduction in total debt levels to Rs. 167.64 Cr as on March 31, 2025 from Rs. 189.69 Cr as on March 31, 2024. The debt protection metrics stood above average with debt service coverage ratio (DSCR) and interest coverage ratio (ICR) of 1.22 times and 5.70 times respectively as on March 31, 2025. Debt to EBITDA improved to 4.67 times as on March 31, 2025 from 5.56 times as on March 31, 2024. Acuite believes that the financial risk profile of the company will improve over the medium term due to no major debt funded capex.

High customer concentration risk

GGTL's growth linked to the performance of WLL, GGTL will remain exposed to the high customer concentration risk in its revenue profile as majority of the revenue will be from WLL through the off-take agreement signed. GGTL has signed an off-take agreement for 90 percent of its production to WLL for their captive consumption. GGTL is entitled to sell 10 percent of its production to any third party. In the event, WLL does not place the order or place short order and if GGTL fails to sell it in the open market within 15 days, then WLL will be liable to pay for such unsold quantity of Products at the prevailing Market Price plus 12 percent simple interest for the period of delay. Acuité believes that GGTL will remain exposed to high customer concentration risk over the long run post SCOD as any uncertain event/lower demand in WLL's end products might result in direct impact on GGTL's scale and profitability. Howbeit, this risk is to the extent offset by factors such as products being general in nature, offtake agreement of GGTL stating open sale to other customers in case WLL not to procure the committed offtake and WLL being a healthy cash profit generating company and is a market leader in home textile, exhibiting low demand risk.

GGTL's growth remains closely linked to WLL's performance in the home textile segment, exposing it to high customer concentration risk as the company has signed an off-take agreement for 90 percent of its production with WLL. GGTL can sell 10% of its output to third parties, and in case WLL fails to procure the committed quantity, it is liable to pay for unsold products at market price plus 12% simple interest for the delay. Acuité believes this risk persists over the long term post-SCOD, as any uncertainty or lower demand for WLL's end products could directly impact GGTL's scale and profitability.

However, this risk is partially mitigated by factors such as the general nature of GGTL's products, WLL's strong market position and healthy cash flows, and the flexibility to sell in the open market if WLL does not procure. Additionally, amid lower US demand following tariff hikes, WLL's procurement has declined, prompting GGTL to diversify its customer base by securing orders from reputed third-party clients like Alok Industries, Arvind Limited, and Indo Count Industries. As mutually agreed with WLL, GGTL can now sell more than 10% of its production to external customers, providing greater flexibility and reducing dependency risk.

Rating Sensitivities

Sustain improvement in revenue and profitability margins
Any deterioration in the financial risk profile
Changes in Working capital management

Liquidity Position

Adequate

GGTPL's liquidity position is adequate as reflected in sufficient net cash accruals against the repayment obligations. The company registered NCA's of Rs.28.37 Cr as on March 31, 2025, against the debt obligation of Rs.22.20 Cr. for the same period. However, presence of DSRA reserve equivalent to one quarter's principal & interest obligations will provide comfort towards liquidity. Additionally, the efficient working capital operations along with unencumbered cash and bank balances of Rs.1.96 Cr. as on March 31, 2025 which will further support the liquidity position of the company. The current ratio stood at 1.30 times as on March 31, 2025. Acuite believes that the liquidity position of the company will remain adequate over the medium term on account of sufficient cash accruals against repayment obligations and efficient working capital operations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	554.36	521.05
PAT	Rs. Cr.	6.23	9.58
PAT Margin	(%)	1.12	1.84
Total Debt/Tangible Net Worth	Times	1.95	2.38
PBDIT/Interest	Times	5.70	47.64

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, Acuité 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
01 Oct 2024	Term Loan	Long Term	207.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	22.00	ACUITE A- (Reaffirmed & Withdrawn)
	Bank Guarantee (BLR)	Short Term	10.35	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE Not Applicable (Withdrawn)
	Letter of Credit	Short Term	10.00	ACUITE Not Applicable (Withdrawn)
05 Jul 2023	Term Loan	Long Term	207.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- | Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	10.35	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A2+ (Assigned)
18 May 2023	Term Loan	Long Term	207.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A- | Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	5.00	ACUITE A- | Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.35	ACUITE A2+ (Reaffirmed)
17 Feb 2022	Term Loan	Long Term	207.00	ACUITE A- | Stable (Upgraded from ACUITE BBB+ | Stable)
	Proposed Cash Credit	Long Term	30.00	ACUITE A- | Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	10.35	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.35	Simple	ACUITE A2+ | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.91	Simple	ACUITE Not Applicable | Withdrawn
Indian Bank	Not avl. / Not appl.	Term Loan	27 May 2021	Not avl. / Not appl.	30 Jun 2032	157.09	Simple	ACUITE A- | Stable | Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations Nidhi Gala Associate Analyst-Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research
Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.