



Press Release
WAMPUM SYNTEX PRIVATE LIMITED (ERSTWHILE WAMPUM SYNTEX
September 12, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.15	ACUITE BB Stable Reaffirmed	-
Bank Loan Ratings	0.35	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	18.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE BB**’ (read as **ACUITE double B**) and short-term rating of ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) on the Rs.18.50 Cr. bank facilities of Wampur Syntex Private Limited (erstwhile Wampur Syntex) (WSPL). The outlook is ‘**Stable**’.

Rationale for rating reaffirmation

The rating reaffirmation factors in the moderate improvement in the operating income of the company over the years. The rating further draws comfort from the experienced management, efficient working capital operations along with adequate liquidity position. However, it remains constrained by the moderate financial risk profile and susceptibility of margins to raw material price fluctuations. Going forward, the company’s ability to increase its scale operations and profitability, while maintaining its moderate financial risk profile along with the planned debt funded capex will remain key monitorable.

About the Company

Incorporated as partnership firm in 2017 and later converted to a private limited company in 2021, Gujarat based, Wampur Syntex Private Limited (WSPL) is engaged in manufacturing of polyester and nylon dyed yarn. The manufacturing unit is located in Surat, with an installed capacity of 8,400 MTPA (increased from 7,200 MTPA in FY2024). Further, in FY2025, the company commissioned a 1.3 MW solar power plant along with a auto-dyed dispenser R&D facility. The current directors of the company are Mr. Bhagalam Bijaniya, Mr. Jugalkishor Bijaniya, Mr. Lokeshkumar Babal, Mr. Sandeep Parasmal Ostwal, Mr. Munni Mehla, Mr. Bhanwararam Bijaniya, Mr. Vikaschand Bhawarlal Bhandari and Mr. Sathyaraj Abraham.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of WSPL to arrive at the rating.

Key Rating Drivers

Experienced management

WSPL is promoted by Mr. Sandeep Ostawal, Mr. Lokeshkumar Babal, Mr. Bhanwararam Bijaniya, Mr. Jugalkishore Bijaniya and Ms. Munni Bijaniya under the leadership of Mr. Bhagalram Bijaniya who is also the chairman of the company. The current promoters have over two decades of experience in the said line of business. The extensive experience of the promoters has enabled the company to forge healthy and long-term relationships with their customers and suppliers. Further, the manufacturing location of Surat, which is one of the leading textile hubs of country also provides advantage to the company.

Improving scale of operations with continued focus on capacity expansions

The company witnessed significant improvement in its scale of operations in FY2024 to Rs 161.40 Cr. from Rs 136.75 Cr. in FY2023 primarily due to increase in capacity from 7,200 to 8,400 MT. Also, the revenues improved moderately in FY2025 (Est.) to Rs. 186.94 Cr. supported by increase in demand and improved realizations. However, the operating profit margin of the company declined to 5.64% in FY2025(Est.) from 5.99% in FY2024 due to increase in labour and job charges from group company. For Q1FY2026, the company has booked revenue of ~ Rs. 43.09 Cr. Going forward, with the renewable power sources and auto-dyed dispenser R&D facility the operating profitability is expected to improve. Further, WSPL has outlined plans to expand its production capacity to ~9,000– 10,000 MT in FY2027, at an estimated cost of ~ Rs.15 Cr, implementation of which shall be a key rating monitorable.

Efficient working capital operations

The working capital management of the company is efficient in nature, marked by gross current assets (GCA) of 60 days in FY2025(Est.) (67 days as on March 31,2024). The company in general maintains an inventory of Rs 10-12 Cr. at any time. Further, debtor days remain in the range of 30-40 days.

Weaknesses

Moderate financial risk profile

The networth of the company stood low at Rs 16.34 Cr. as on FY2024, estimated to have increased in FY2025 primarily due to equity infusion of Rs ~5.18 Cr. and profit accretions. The debt levels have also increased in FY2025 owing to solar & auto-dyed dispenser R&D facility capex and increase in working capital requirements. However, the debt protection metrics stood comfortable with interest coverage and debt service coverage ratio at 4.67 times and 1.71 times respectively as on March 31, 2025 (Est.).

Going forward, owing to the increase in debt towards the capacity upside the financial risk profile is expected to remain at moderate levels.

Highly competitive industry

WSPL operates in a highly competitive industry characterized by a large number of established and small players affecting its margins and bargaining power with its customers.

Rating Sensitivities

- Continued growth in scale of operations while maintaining profitability margins.
- Elongation in the working capital cycle leading to stretch in the liquidity position.
- Significant increase in debt levels affecting the financial risk profile.

Liquidity Position

Adequate

The company's liquidity position is adequate marked by generation of sufficient net cash accruals of Rs. 7.15 Cr. in FY2025 (Est.) as against repayment obligations of Rs. 3.24 Cr. during the same tenure. In addition, it is expected to generate cash accrual in the range of Rs. 8.0 – Rs. 9.0 Cr. as against maturing repayment obligations in the range of Rs. 2.96 Cr - Rs. 4.17 Cr. over the medium term. The unencumbered cash and bank balances of the company stood low at Rs. 0.86 Cr. as on March 31, 2025(Est.). The current ratio stood at 1.00 times as on March 31, 2025 (Est.). However, the reliance on working capital limits remained high with average utilisation of fund-based limits at ~ 92.39% over the last seven months ending July 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	161.40	136.75
PAT	Rs. Cr.	3.69	2.07
PAT Margin	(%)	2.28	1.51
Total Debt/Tangible Net Worth	Times	1.33	1.75
PBDIT/Interest	Times	4.45	3.32

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	
14 Jun 2024	Letter of Credit	Short Term	0.35	ACUITE A4+ (Reaffirmed)	
	Cash Credit	Long Term	9.25	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	0.84	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	4.42	ACUITE BB	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.71	ACUITE BB	Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.17	ACUITE BB	Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.76	ACUITE BB	Stable (Reaffirmed)
17 Mar 2023	Letter of Credit	Short Term	0.35	ACUITE A4+ (Reaffirmed)	
	Cash Credit	Long Term	9.25	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	0.98	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	7.92	ACUITE BB	Stable (Reaffirmed)
10 Jan 2022	Letter of Credit	Short Term	0.35	ACUITE A4+ (Reaffirmed)	
	Cash Credit	Long Term	8.00	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	0.98	ACUITE BB	Stable (Reaffirmed)
	Term Loan	Long Term	9.17	ACUITE BB	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
Indian Overseas Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.35	Simple	ACUITE A4+ Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.25	Simple	ACUITE BB Stable Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Covid Emergency Line.	11 Nov 2021	Not avl. / Not appl.	31 Oct 2026	1.01	Simple	ACUITE BB 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.	1.43	Simple	ACUITE BB Stable Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	06 Sep 2024	Not avl. / Not appl.	06 Sep 2030	3.90	Simple	ACUITE BB Stable Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	30 Mar 2021	Not avl. / Not appl.	29 Mar 2028	0.57	Simple	ACUITE BB Stable Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	30 Mar 2021	Not avl. / Not appl.	31 May 2026	1.99	Simple	ACUITE BB Stable Reaffirmed

Contacts

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

About Acuité Ratings & Research

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