



**Press Release**  
**GOODWILL FABRICS PRIVATE LIMITED**  
**September 15, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE BBB   Stable   Assigned	-
Bank Loan Ratings	2.76	ACUITE BBB   Stable   Reaffirmed	-
Bank Loan Ratings	14.00	-	ACUITE A3+   Assigned
Bank Loan Ratings	47.24	-	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Total Withdrawn Quantum (Rs.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 Ba) and short-term rating of 'ACUITE A3+' (read as ACUITE A three plus) on the Rs. 50.00 Cr. bank facilities of Goodwill Fabrics Private Limited (GFPL). The outlook is 'Stable'.

Acuite has assigned its long-term rating of 'ACUITE BBB' (read as ACUITE triple Ba) and short-term rating of 'ACUITE A3+' (read as ACUITE A three plus) on the Rs. 20.00 Cr. bank facilities of Goodwill Fabrics Private Limited (GFPL). The outlook is 'Stable'.

**Rationale for the rating**

The rating reaffirmation considers the steady business risk profile marked by steady improvement in scale of operations. The rating also derives comfort from the experienced management, healthy financial risk profile and adequate liquidity position of the company. The rating however remains constrained by the working capital-intensive nature of operations and vulnerability of the company's profitability to volatility in raw material prices and fluctuations in the forex rates.

**About the Company**

Incorporated in 1995 in Bhilwara, Rajasthan, Goodwill Fabrics Private Limited (GFPL) is the manufacturer and exporter of all kinds of knitted/woven readymade garments for men and women with a status of One Star Export House. The current directors of the company are Mr. Radhey Shyam Baheria and Mr. Rajendra Baheria.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

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

**Key Rating Drivers**

**Strengths**

**Long track record of operations and experienced management**

The company has a long operational track record of over three decades. Further, the promoters have extensive experience in the garments manufacturing industry that has enabled the promoters to establish a strong clientele base in USA, Europe and Australia. Acuite believes that long track record of operations and extensive experience

of the management shall support the business risk profile to an extent.

### **Steady business risk profile**

The revenues of the company have increased to Rs. 172.39 crore in FY2025 (Prov.) as against Rs. 160.30 crore in FY2024, thereby registering the growth of ~7.54 per cent on account of favourable export market conditions. Furthermore, the company has achieved a revenue of Rs.58.44 Cr. in 4MFY2026. The operating margin of the company decreased to 7.76 per cent in FY2025 (Prov.) as against 8.58 per cent in FY2024 majorly due to increase in employee cost. The PAT margin stood at 3.98 per cent in FY2025 (Prov.) as compared to 4.77 per cent in FY2024. Given that approximately 25–28% of the company's exports are directed to the USA, the continuity of orders from this region amid evolving tariff dynamics remains a critical factor to monitor. Additionally, the company's ability to sustain its operating margins while scaling up operations will be a key area of focus going forward.

### **Healthy financial risk profile**

The company's financial risk profile is healthy marked by comfortable net worth base, low gearing and comfortable debt protection metrics. The tangible net worth of the company increased to Rs. 60.58 Cr. as on March 31, 2025 (Prov.) from Rs. 53.71 Cr. as on March 31, 2024, due to accretion of profits to reserves. Total debt stood at Rs. 39.81 Cr as on March 31, 2025 (Prov.) consisting of long-term debt of Rs. 3.76 Cr, USL of Rs. 0.07 Cr. and short-term debt of Rs. 36.64 Cr. Gearing stood below unity at 0.66 times as on March 31, 2025 (Prov.) as against 0.77 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.86 times as on March 31, 2025 (Prov.) as compared to 0.99 times as on March 31, 2024. Moreover, the comfortable debt protection metrics is marked by Interest Coverage Ratio of 5.57 times as on March 31, 2025 (Prov.) as against 7.07 times as on March 31, 2024; and Debt Service Coverage Ratio at 3.38 times as on March 31, 2025 (Prov.) as against 4.02 times as on March 31, 2024. The Net Cash Accruals/Total Debt (NCA/TD) stood same at 0.22 times as on March 31, 2025 (Prov.) and March 31, 2024. Acuite believes that going forward the financial risk profile of the company is likely to be sustained despite of a small debt funded capex plans and due to steady accruals.

### **Weaknesses**

#### **Working capital intensive nature of operations**

The company has a working capital-intensive nature of operations marked by high GCA days of 170 days in FY2025 (Prov.) as against 169 days in FY2024 on account of high debtor collection period and high other current assets. The debtor days stood at 69 days in FY2025 (Prov.) as compared to 83 days in FY2024. Further, the inventory days stood at 50 days in FY2025 (Prov.) as compared to 49 days in FY2024. The fund-based limits utilization stood at 81.78 percent four months ended July 2025. Acuite believes that the working capital requirement is likely to remain at similar levels in the near to medium term considering the moderate level of inventories and high level of debtors.

#### **Exposed to volatility in raw material prices, demand trends in key export markets and forex rates**

Similar to other apparel exporters, GFPL's profitability is vulnerable to volatility in raw material prices such as cotton, which have historically accounted for ~40 per cent of the cost of goods sold. Further, GFPL's profitability is exposed to the volatility in foreign currency exchange rates as most of its revenue is dominated by exports, though partly mitigated by the hedging practice through forward contracts.

### **Rating Sensitivities**

Sustained improvement in operating income and profitability margins  
Further elongation of working capital cycle  
Deterioration in financial risk profile

### **Liquidity Position**

#### **Adequate**

The company has an adequate liquidity position marked by net cash accruals of Rs. 8.66 Cr. in as against long term debt repayment of Rs. 0.87 Cr. in FY25 (Prov.). Further, the company is expected to generate sufficient net cash accruals to repay its debt obligation in near to medium term. Further, the fund-based limits utilization stood at 81.78 percent four months ended July 2025. The current ratio stood at 1.64 times as on March 31, 2025(Prov.). The cash and bank balances of the company stood at Rs. 5.76 Cr. as on March 31, 2025(Prov.). However, the working capital-intensive nature of operations of the company is marked by improved but high GCA days of 170 days in FY2025 (Prov.) as against 169 days in FY2024. Acuite believes that going forward the company is likely to maintain adequate liquidity position on account of steady accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	172.39	160.30
PAT	Rs. Cr.	6.87	7.65
PAT Margin	(%)	3.98	4.77
Total Debt/Tangible Net Worth	Times	0.66	0.77
PBDIT/Interest	Times	5.57	7.07

**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. 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Mar 2025	Packing Credit	Short Term	42.00	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	3.87	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	4.13	ACUITE BBB   Stable (Reaffirmed)
07 Dec 2023	Letter of Credit	Short Term	1.00	ACUITE A3+ (Assigned)
	Packing Credit	Short Term	39.00	ACUITE A3+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	3.89	ACUITE A3+ (Assigned)
	Term Loan	Long Term	6.11	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
Bank of Baroda	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.00	Simple	ACUITE A3+   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Packing Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	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.	0.24	Simple	ACUITE A3+   Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2030	2.76	Simple	ACUITE BBB   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

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