



Press Release
MAF CLOTHING PRIVATE LIMITED
September 05, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	90.40	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	86.60	-	ACUITE A3+ Assigned
Total Outstanding Quantum (Rs. Cr)	177.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the 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 Rs. 177.00 Cr. bank facilities of MAF Clothing Private Limited (MCPL). The outlook is ‘**Stable**’.

Rationale for rating assigned

The rating assigned takes into consideration the established track record of operations along with long-standing experience of the management in the textile industry. The rating also factors the improving scale of operations along with stable operating margins and moderate financial risk profile. Further, the rating takes into account the strong resource mobilisation ability of the company in terms of timely promotor infusion as and when required to support the operations. However, the rating remains constrained on account of moderately intensive working capital operations and doubtful investments. Further, the rating remains susceptible to intense competition, raw material price volatility and global trading policies which shall affect the operations in the industry.

About the Company

Incorporated in November 2008, MAF Clothing Private Limited (MCPL) is engaged in the manufacturing of ready-to-wear apparels, home textiles and medical garments. The company has its registered office in Bangalore and currently has three manufacturing units located at Bangalore, Tumkur and Tiptur with a total installed capacity of 2.01 Cr. pieces per annum (ppa) (increased from 1.84 Cr. ppa in FY24, 1.77 Cr. ppa in FY23). The company has installed captive solar plants with capacities of 500 kVA and 750 kVA which are operational at two of its units. The company is also undergoing capex for establishing another unit at Kadur Taluk, Karnataka with a capacity of 20 lakh pieces per annum, at a cost of Rs. 55 Cr., expected to be fully operational by April 2026. Moreover, the new unit will also consist of solar plant of 750 kVA. The directors of the company are Mrs. Ruksana Jaliwala, Mrs. Tasneem Jaliwala Munavar, Mr. Munavar Yunus Jaliwala and Mr. Faizal Jaliwala.

Unsupported Rating

Not Applicable

Analytical Approach

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

Key Rating Drivers

Long track record of operations along with experienced management

Being in operations for more than 17 years, MCPL has established a significant market presence in the domestic and international markets leading to a healthy relationship with its suppliers and customers. The company operates more than 4,500 machines and specialises in woven and knit apparels for men, women and kids across all age groups along with home and medical garments. The company also exports to countries like United Kingdom, Ireland, UAE, Spain, USA, etc. (61.45% of FY25 revenue, 66.92% of FY24 revenue) and is recognised as a two-star export house and has received multiple domestic certifications. The company's operations are overseen by Mr. Faizal Yunus Jaliwala, who manages the woven division, and Mr. Munavar Yunus Jaliwala, who handles the knit division and fabric sourcing, both bringing nearly three decades of experience in the garment industry.

Improving operating performance supported by continuous increase in the capacity

The company marked an operating revenue of Rs. 662.95 Cr. in FY25 (Prov.) as compared to Rs. 541.41 Cr. in FY24. The growth is primarily attributable to increase in sales realisations along with moderate increase in capacity. The operating margins of the company also grew marginally and stood at 5.87 percent in FY25 (Prov.) (5.60 percent in FY24 and 5.33 percent in FY23) driven majorly by efficiency of operations. However, margins remain moderate owing to high employee costs. Further, in FY26, the company has recorded a revenue of Rs. 231.14 Cr. till July 2025 along with an outstanding order book of ~Rs. 292 Cr. as on August 31, 2025 to be executed in the next 3–4 months.

Acuité believes that with the continued focus on capacity and geographical expansions, the scale of operations is expected improve over the medium term.

Moderate financial risk profile

The financial risk profile of the company stood moderate marked by growing tangible net worth to Rs. 145.20 Cr. as on March 31, 2025 (Prov.) (Rs. 121.83 Cr. as on March 31, 2024), owing to accretion of profits to reserves. The growth in net worth is also attributable to increase in subordinated unsecured loans, from Rs. 11.70 Cr. in FY24 to Rs. 21.46 Cr. in FY25. However, owing to debt driven capex and infusion of unsecured loans by the promoters and group companies in FY25, the total debt of the company stood increased at Rs. 178.13 Cr. in FY25 (Prov.) as against Rs. 127.98 Cr. in FY24 leading to increase in the gearing (debt-equity) to 1.23 times in FY25 (Prov.) (1.05 times in FY24). Nonetheless, the debt protection metrics stood moderate with interest coverage ratio of 2.39 times in FY25 (Prov.) (2.51 times in FY24) and debt service coverage ratio of 1.22 times in FY25 (Prov.) (1.28 times in FY24).

Weaknesses

Moderately intensive working capital operations

The working capital operations of the company remains moderately intensive marked by gross current assets (GCA) of 145 days in FY25 (Prov.) (150 days in FY24) that are majorly driven by higher debtor and inventory levels. The inventory levels stood at 67 days in FY25 (Prov.) (76 days in FY24) with a product conversion cycle of 60-75 days. The average debtor days remain in the range of 50-55 days over the past two years. Further, GCA also includes other current assets stood at Rs. 42.78 Cr. in FY25 (Prov.) (Rs. 39.16 Cr. in FY24) consisting majorly of advances to suppliers and balances with statutory authorities. Also, the average fund-based bank limit utilisation stood moderately high at ~84.85 percent for the last six months ended July' 2025.

Acuité expects the working capital cycle to remain on similar lines on account of the nature of business operations.

Intense competition in the textile industry

The company operates in a highly competitive textile industry, characterised by minimal product differentiation and fragmented nature, which restricts pricing flexibility. Also, Indian textile products face stiff competition due to the products from other countries like Bangladesh, China, Vietnam, etc. in the domestic and export market. Furthermore, the company derived nearly 60 percent of its revenue in FY25 from exports which remains susceptible to any major change in the global trade policies.

Susceptibility to volatility in raw material pricing and forex risks

Since raw material prices and employee costs account for bulk of the production costs, any abnormal increase in the prices may impact profitability. Further, the company needs to continuously invest in increasing production capacity and bring innovation in their products to maintain its market position. Also, as an export-oriented company, its profit margins are susceptible to fluctuations in foreign exchange rates; however, this risk is partially mitigated through the company's hedging policy through forward contracts.

Rating Sensitivities

- Continued growth in scale of operations with sustainable margins
- Susceptibility to changes in global trade policies
- Significant increase in debt levels impacting the financial risk profile

- Any further elongation in the working capital operations affecting liquidity

Liquidity Position

Adequate

The company's liquidity position is adequate marked by net cash accruals of Rs. 19.61 Cr. in FY25 (Prov.) as against maturing debt repayment obligations of Rs. 13.09 Cr. for the same period. Going forward, the company is expected to generate net cash accruals in the range of Rs. 21-25 Cr. for FY26 & FY27 as against maturing debt obligations in the range of Rs. 6-8 Cr. for the same period. The average bank limit utilisation based for the fund-based limits utilisation stood moderately high at ~84.85 per cent for last six months ended July' 2025 with no utilisation of the non-fund-based limits. Further, the current ratio stood moderate at 1.31 times as on March 31, 2025 (Prov.) and the cash and bank balances of the company stood at Rs. 3.49 Cr. as on March 31, 2025. Additionally, in 2016, the company invested Rs. 13.40 Cr. in M/s Blu Inc UK Ltd to expand into UK retail, however, due to Blu Inc's insolvency, recovery remains uncertain which shall remain a key rating monitorable.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	662.95	541.41
PAT	Rs. Cr.	13.61	11.55
PAT Margin	(%)	2.05	2.13
Total Debt/Tangible Net Worth	Times	1.23	1.05
PBDIT/Interest	Times	2.39	2.51

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

None

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.

Rating History :

Not Applicable

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.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.50	Simple	ACUITE BBB Stable Assigned
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	0.59	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	0.66	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	1.13	Simple	ACUITE BBB Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	2.70	Simple	ACUITE BBB Stable Assigned
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	0.64	Simple	ACUITE BBB Stable Assigned
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	2.47	Simple	ACUITE BBB Stable Assigned
Kotak Mahindra Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	0.54	Simple	ACUITE BBB Stable Assigned
State Bank of India	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.60	Simple	ACUITE A3+ Assigned
Punjab National Bank	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A3+ Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A3+ Assigned
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A3+ Assigned
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.00	Simple	ACUITE A3+ Assigned
Punjab National Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.50	Simple	ACUITE A3+ Assigned
Kotak Mahindra Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A3+ Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.17	Simple	ACUITE BBB Stable Assigned
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB Stable Assigned

HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2034	41.00	Simple	ACUITE BBB Stable Assigned
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Contacts

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About Acuité Ratings & Research

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