



Press Release

Fiberweb India Limited

February 20, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term bank Facilities	120.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating reaffirmed	Simple
Short Term bank Facilities	15.00 (enhanced from Rs 10.00 Crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating reaffirmed	Simple
Total	135.00	Rupees One Hundred Thirty-Five Crore Only			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed the long-term rating at IVR BBB-/Stable and short-term rating reaffirmed at IVR A3 for the bank loan facilities of Fiberweb India Limited ("FIL" or "the company")

The rating reaffirmation factors in the continuity of comfortable financials risk profile driven by the consistent improvement in scale of operations with good profitability, comfortable capital structure along with adequate debt protection metrics & liquidity. Further, the ratings continue to derive comfort from the experienced management, reputed client base and long-standing relationship of the company with the customers. The ratings, however, are constrained by the project execution risk and expected moderation in financial risk profile on account of debt funded capex as well as working capital-intensive nature of operations and vulnerability to fluctuations in forex rates.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that FIL will continue to benefit from its established presence in the technical textile business, experienced management and good order book position indicating revenue visibility in the short to medium term.

IVR has principally relied on the standalone audited financial results of FIL up to FY25 (refers to 1 April 2024 to 31 March 2025) & three years projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/clarifications provided by the company's management.



Press Release

Key Rating Sensitivities:

Upward Factors

- Improvement in revenue as projected while maintaining profitability margins leading to higher cash generation.
- On time completion of the project without any cost and time overrun along with successful commissioning of the operations.
- Prudent management of liquidity & working capital resulting in improvement of operating cycle below 90 days.

Downward Factors

- Any major delay in execution of project estimates (time and cost).
- Decline in the scale of operations and profitability resulting in deterioration of liquidity position of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Established track record of operations and experienced management:

FIL commenced operations in 1985 and has built a successful track record of nearly four decades in the polypropylene and textile industry. The company's promoters bring over three decades of experience in the plastic and technical textile sector, supported by a well-qualified and experienced management team. The promoters' long-standing presence in the industry, combined with strong managerial expertise, continues to provide confidence in the company's sustained growth and future expansion.

Improvement in scale of operations & profitability:

The company has registered improved total operating income (TOI) of Rs. 102.92 crore in FY25 against Rs. 86.84 crore in FY24, driven by both volume increase and better price realisation of its key products. The profitability of the company in terms of EBITDA (operating) margin improved from 14.18% in FY24 to 21.76% in FY25 owing to sustained cost control, modest price adjustments and improved capacity utilisation. On the same line profit after tax (PAT) margin also improved from 8.37% in FY24 to 14.57% in FY25. In 9MFY26 (refers to the period April 01, 2025 to December 31, 2025), company has reported TOI of Rs 74.84 crore against Rs 74.53 crore in the same period last year. Profitability in the 9MFY26 remains healthy with EBITDA and PAT margin of 21.40% and 15.41% respectively.



Press Release

Comfortable capital structure & debt protection metrics:

The capital structure of the company continues to remain comfortable supported by overall gearing which stood minimal at 0.05x as on March 31, 2025 (PY: 0.04x) on account of strong net worth of Rs 174.67 crore in FY25 as compared to debt profile which comprises only working capital borrowing of ~Rs 8.43 crore as on March 31, 2025. Further, total indebtedness as reflected by total outside liabilities (TOL)/ tangible net worth (TNW) of 0.09x in FY25 against 0.06x in FY24. Debt protection metrics continue to remain robust, with the debt service coverage ratio (DSCR) and interest service coverage ratio (ISCR) improving significantly to 28.50x (PY: 12.14x) and 31.34x (PY: 12.12x), respectively, as on March 31, 2025. Going forward, some moderation in the capital structure and debt protection metrics is expected, as the company has recently availed a term loan of Rs 115 crore to partly fund the debt-funded capital expenditure for setting up a spunlace fabric manufacturing unit with a capacity of 12,000 MTPA (Metric Tonnes Per Annum) as a brownfield expansion at its existing Daman plant. The extent of moderation will remain a key sensitivity, contingent upon the timely completion and stabilisation of the project and the company's ability to ramp up capacity utilisation as envisaged.

Reputed client base and long-standing customer relationships:

FIL operates as a 100% export-oriented unit. In FY25, the USA accounted for around 62% of the company's total exports, while the balance was contributed by Europe and Australia. The company derives comfort from its established and reputed customer base, comprising large global customers, including Fortune 500 companies such as Walmart and Johnson & Johnson, with whom it has long-standing relationships, as evidenced by repeat orders. Further, following the imposition of an additional 25% tariff by the USA on Indian imports in August 2025, the company proactively diversified its export mix by increasing shipments to Europe. Despite the tariff-related headwinds, the company's performance in Q3 FY26 was not materially impacted, reflecting its ability to mitigate geographic concentration risk through diversification.

Key Rating Weaknesses

Project execution risk & expected moderation in financial risk profile on account of debt funded capex:

The company is setting up a spunlace fabric manufacturing unit with an installed capacity of 12,000 MTPA as a brownfield expansion at its existing Daman plant. The total envisaged project cost is Rs 168.52 crore proposed to be funded through a term loan of Rs 115 crore and balance through internal accrual/equity of Rs 53.52 crore, translating into a debt-equity mix of 2.15:1. The revised proposed commercial operations date (COD) for the project is October 1, 2026; however, as per management, the COD is likely to be extended to February 2027 due to delays in sanctioning of the term loan. Accordingly, the company is exposed to inherent project execution risks, including the risk of time and cost overruns. Timely completion of the project within the envisaged cost and schedule, along with the successful stabilisation



Press Release

of operations, will remain key monitorable. During FY27-FY28, credit metrics are expected to moderate slightly, due to the company's ongoing debt-funded capex. While the financial risk profile may moderate, it is expected to stay at a comfortable level. A key factor to watch will be the company's ability to scale up operations at the new facility following the successful completion of the project. During FY27-FY28, the company's credit metrics are expected to moderate due to the ongoing debt-funded capex. Nonetheless, despite the anticipated moderation, the financial risk profile is expected to remain comfortable, supported by the company's strong net worth and healthy cash accruals. A key sensitivity will be the company's ability to ramp up capacity utilisation and achieve the envisaged operating performance at the new facility post commissioning.

Working capital intensive nature of operations:

FIL's operations continue to remain working capital intensive, with an elongated operating cycle of 143 days in FY25 (PY: 131 days). The higher cycle is primarily due to inventory holding of around 106 days (PY: 113 days), as the company stocks polypropylene (PP), a key raw material and by-product of crude oil, during periods of favourable or declining crude prices. However, debtors and creditors days remain at manageable levels, with receivables of 53 days and payables of 16 days in FY25 (PY: 44 days and 27 days, respectively), reflecting steady collection and supplier credit practices. Further, average utilisation of sanctioned bank limits remained moderate at ~60% over the twelve months ended December 31, 2025, providing adequate liquidity headroom to manage working capital requirements.

Vulnerability to fluctuations in forex rates & geographical concentration risk:

FIL derives a majority of its revenue from exports, making it exposed to fluctuations in foreign exchange rates, which can impact price realizations and cash flows. Additionally, the company's revenue concentration in specific geographies, particularly in USA, exposes it to risks arising from geopolitical developments, trade policy changes, or import tariffs in these markets. The company's ability to pass on price increases and proactively manage its geographic mix helps partially mitigate the risks associated with currency volatility and market concentration.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)
[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)
[Criteria for assigning Rating outlook.](#)
[Policy on Default Recognition](#)
[Complexity Level of Rated Instruments/Facilities](#)



Press Release

Liquidity – Adequate

The liquidity position of the company continues to remain adequate reflected in gross cash accruals of Rs. 19.65 crore in FY25 against nil current debt repayment obligations. Its expected net cash accrual is in the range of Rs 20-48 crore which will be sufficient to cover the debt repayment obligations of ~Rs. 8-20 crore during FY27-FY28. The bank limit remained utilised at ~60% during the last twelve months ended December 31, 2025. Cash and cash equivalent of the company stands at Rs. 3.27 crore as on November 30, 2025. The current ratio of the company remains comfortable at 3.83x as on March 31, 2025 (PY: 5.23x) and company has generated positive cash flow from operations of Rs 12.07 crore in FY25 (PY: Rs 0.63 crore).

About the Company:

Fiberweb India Limited is a public company incorporated in October 1985. The company is engaged in the manufacturing and exports of spun-bond and melt-blown non-woven fabrics from polypropylene which is used in healthcare, hygiene, medical, agriculture and various other industrial segments. Its manufacturing plant is located in Nani, Daman with combined installed capacity of 8000 MTPA (Spun-bond: 5000 MTPA, Melt-Blown: 3000 MTPA). The company is listed on both NSE and BSE. It is an 100% export-oriented unit (EOU) with ~75% of its products exported to countries like U.S.A., U.K., Europe, Australia, New Zealand, South Africa and Gulf countries.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	86.84	102.92
EBITDA	12.32	22.39
PAT	7.27	15.00
Total Debt	6.87	8.43
Tangible Net Worth	159.83	174.67
EBITDA Margin (%)	14.18	21.76
PAT Margin (%)	8.37	14.57
Overall Gearing Ratio (x)	0.04	0.05
Interest Coverage (x)	12.12	31.34

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable



Press Release

Rating History for last three years:

Sr. No.	Name of Security /Facilities	Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25 (Dec 02, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Fund based bank facilities	Long Term	120.00	IVR BBB-/Stable	IVR BBB-/ Stable	-	-
2.	Fund based bank facilities	Short Term	14.00	IVR A3	IVR A3		
3.	Non fund based bank Facilities	Short Term	1.00	IVR A3	IVR A3	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



Press Release

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	-	115.00	IVR BBB-/Stable
Cash Credit	-	-	-	-	5.00	IVR BBB-/Stable
Bill Discounting (FBP/FBD)	-	-	-	-	14.00	IVR A3
Bank Guarantee	-	-	-	-	1.00	IVR A3

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Fiberweb20_Feb26_44f47f4bb1.pdf



Press Release

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

