

Fiberweb India Limited

May 22, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 135.00 Crore	Regulator [^]
Long Term Rating	IVR BBB-/Negative (Rating Reaffirmed; Outlook revised to 'Negative' from 'Stable')	RBI
Short Term Rating	IVR A3 (Rating reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The rating of Fiberweb India Limited (FIL) has been reaffirmed with Outlook revised to 'Negative' from 'Stable'. The rating reaffirmation factors in the continuity, 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 moderation in scale of operations and profitability and project execution risk and expected moderation in financial risk profile on account of debt funded capex. The rating is also constrained by working capital-intensive nature of operations and vulnerability to fluctuations in forex rates & geographical concentration risk.

Outlook: Negative

The Negative Outlook reflects the deterioration in the company's financial performance during Q4FY26 owing to sharp volatility in crude oil prices and geopolitical disruptions, which have adversely impacted demand, margins, and overall business stability. IVR will continue to monitor the financial performance of the company.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

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.

Comfortable capital structure & debt protection metrics

The capital structure of the company continues to remain comfortable supported by overall gearing which stood minimal at 0.06x as on March 31, 2026 (PY: 0.05x) on account of strong net worth of Rs 185.23 crore in FY26 as compared to debt profile which comprises only working capital borrowing of ~Rs 12.02 crore as on March 31, 2026. Further, total indebtedness as reflected by total outside liabilities (TOL)/ tangible net worth (TNW) of 0.10x in FY26 against 0.09x in FY25. Debt protection metrics moderated in FY26 due to muted Q4FY26 performance, however the key indicators continue to at comfortable level, having debt service coverage ratio (DSCR) and interest service coverage ratio (ISCR) stood at 15.11x (PY: 28.50x) and 16.38x (PY: 29.06x), respectively, as on March 31, 2026.

Reputed client base and long-standing customer relationships

FIL operates as a export-oriented unit. USA accounted for approximately 60–65% of total exports, with the remaining exports distributed across Europe and Australia, resulting in a degree of geographical concentration risk. However, 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.

Weaknesses

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

The company was 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 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. The latest update regarding the project status is yet to be confirmed.

Moderation in scale of operations & profitability

The company has registered deterioration in total operating income (TOI) of Rs. 86.13 crore in FY26 against Rs. 102.99 crore in FY25, on account of deterioration in the company's financial performance during Q4FY26 due to sharp escalation in crude oil prices arising from the geopolitical tensions in Middle East. Absolute EBITDA & PAT of the company declined from Rs 20.77 crore and Rs 15.00 crore in FY25 to Rs 17.25 & Rs 10.01 respectively in FY26. However, profitability margins of the company in terms of EBITDA (operating) margin remained stable at 20.40% in FY26 from 20.50% in FY25. Profit after tax (PAT) margin stood at 11.63% in FY26 against 14.57% in FY25, decline is mainly due to IT provision in taxation.

Working capital intensive nature of operations

FIL's operations continue to remain working capital intensive, with an elongated operating cycle of 156 days in FY26 (PY: 143 days). The higher cycle is primarily due to inventory holding of around 127 days in FY26 (PY: 106 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 50 days and payables of 23 days in FY26 (PY: 53 days and 16 days, respectively), reflecting steady collection and supplier credit practices.

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. The company's ability to pass on price increases and proactively manage its geographic mix will be key monitorable in short to medium term.

Liquidity – Adequate

The liquidity position of the company continues to remain adequate reflected in gross cash accruals of Rs. 14.85 crore in FY26 and company has generated positive cash flow from operations of Rs 17.27 crore in FY26 (PY: Rs 12.07 crore) 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 3.08x as on March 31, 2026 (PY: 3.83x)

Rating Sensitivities**Upward Factors**

- Sustained improvement in revenue while maintaining profitability margins leading to higher cash generation.
- Prudent management of liquidity & working capital resulting in improvement of operating cycle below 90 days.

Downward Factors

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

About the Company

FIL is a publicly listed 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, Daman and Diu 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.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	101.29	84.56
EBITDA	20.77	17.25
PAT	15.00	10.01
Total Debt	8.43	12.02
Tangible Net Worth (TNW)	174.67	185.23
EBITDA Margin (%)	20.50	20.40
PAT Margin (%)	14.57	11.64
Overall Gearing (times)	0.05	0.06
Interest Coverage (times)	29.06	16.38

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)



Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years

Sr. No.	Instrument s/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Feb 20, 2026	Dec 02, 2024	-
1.	Fund based facilities	LT	120.00	IVR BBB-/Negative	IVR BBB-/Stable	IVR BBB-/Stable	-
2.	Fund based facilities	ST	14.00	IVR A3	IVR A3	IVR A3	-
3.	Non-Fund based facilities	ST	1.00	IVR A3	IVR A3	IVR A3	-

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISI N	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Comple xity Indicat or
Term Loan	-	-	-	March 2030	115.00	IVR BBB-/Negative	Not Applicable	RBI	Simple
Cash Credit	-	-	-	-	5.00	IVR BBB-/Negative	Not Applicable	RBI	Simple
Bill Discounting	-	-	-	-	14.00	IVR A3	Not Applicable	RBI	Simple
Bank Guarantee	-	-	-	-	1.00	IVR A3	Not Applicable	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details (Hyperlink to be added)

https://infomericsstorage.blob.core.windows.net/uploads/Len Fiberweb India 22may26_fef77c0603.pdf

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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included

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