

Wires and Fabriks (S.A) Limited

August 06, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 123.83 Crore (Reduced from Rs. 137.11 Crore)	Regulator[^]
Long Term Rating	IVR BBB/ Stable (Rating Reaffirmed)	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

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB with stable outlook and short-term facilities to IVR A3+ of Wires and Fabriks (S.A) Limited (WFL).

The rating has been reaffirmed on account of stable scale of operations and profitability coupled with improvement in capital structure and interest coverage indicators in FY2026 albeit a modest DSCR. The rating also draws comfort from stable demand of products of the company along with in house R&D facilities. In addition to that, rating continues to factor in the company's presence in niche segment with strong association with paper manufacturers along with the long track record of operations and established relationship with customers and suppliers. However, these rating strengths are partially offset by exposure to foreign exchange fluctuation risk and competition from domestic as well as international players. The rating also factors in the requirement of continuous technological upgradation leading to a compression in margins.

Outlook: Stable

The 'Stable' outlook reflects Infomerics Ratings' expectation of growing scale of operations and improvement in profitability. Infomerics believes that the company will continue to benefit from its operational track record in the business resulting in increased scale of operations.

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

- **Stable scale of operations and profitability**

The total operating income of the company improved with CAGR of 2.15% for the last 3 years ending on March 31, 2026, further on y-o-y basis the TOI improved by 5.89% and stood at Rs. 115.45 crore during FY26 (PY: Rs 109.02 crore), the company witnessed an increase in turnover on account of increase in sales volume and improvement in average sales realisations. EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of the company improved to Rs. 22.80 crore in FY26 from Rs. 17.62 crore in FY25, primarily on account of lower raw material consumption costs and reduced operating expenses, including power & fuel and employee costs. Consequently, the EBITDA margin improved by 358 bps, increasing from 16.17% in FY25 to 19.75% in FY26. However, the company's net profit declined to Rs. 0.26 crore in FY26 from Rs. 1.50 crore in FY25, mainly due to higher depreciation expenses and an increase in interest and finance charges following the additional term loans availed for capacity expansion and modernization. The term loans were primarily utilized for the procurement of advanced weaving looms, involving a capital expenditure of approximately Rs. 40.00 crore. As a result, the PAT margin moderated to 0.23% in FY26 from 1.36% in FY25. Despite the decline in net profitability, Gross Cash Accruals (GCA) improved to Rs. 14.31 crore in FY26 from Rs. 10.83 crore in FY25, supported by the stronger operating performance and higher cash earnings during the year.

- **Improvement in capital structure and interest coverage indicators in FY2026, albeit a modest DSCR**

The capital structure of the company stood comfortable as on March 31, 2026, as it improved from 2.57x as on March 31, 2025, to 2.14x as on March 31, 2026, on account of reduction in working capital borrowings and also on account of scheduled repayment of term loans. Total outside liabilities/Adjusted TNW of the company also improved as on March 31, 2026, and stood at 2.73x as compared to 3.20x as on March 31, 2025, the same improved on account of decline in creditors during FY26.

The debt coverage metrics of the company remained comfortable as on March 31, 2026, with the Interest Coverage Ratio (ICR) improving to 2.63x from 2.38x as on March 31, 2025, though it remained below 3.01x as on March 31, 2024. The moderation in FY25 was primarily on account of higher interest and finance charges following the availing of a term loan. However, the ratio improved in FY26 despite a further increase in interest and finance charges (as the repayment of the said term loan commenced in September 2025, resulting in a higher portion of the interest cost being charged to the profit and loss account, compared with the project implementation phase when a part of the interest was capitalised), the same improved on account of improvement in operating profit of the company during FY26. The company's debt coverage indicators remained constrained despite improvement in operating profitability. The Debt Service Coverage Ratio (DSCR) continued to remain weak at around unity, at 1.06x in both FY25 and FY26, compared to 1.70x in FY24, primarily due to higher debt servicing obligations associated with the term loans availed for capacity expansion and modernization.

- **Stable demand of the products of the company along with in house R&D facilities**

WFL caters to the paper industry by manufacturing technical textile products, primarily synthetic yarn and dryer felts, which are consumables and require periodic replacement, resulting in steady demand. The company has an established customer base across domestic and export markets. Further, its in-house R&D capabilities enable continuous product development and customization, helping it meet the customer requirements and maintain its competitive position in the industry.

- **Presence in the niche segment with strong association with leading paper manufacturers**

WFL operates in the niche technical textiles segment, manufacturing forming fabrics, which are critical consumables used in the paper manufacturing process. The established market presence and replacement-driven nature of its products support steady demand, although the company's growth remains linked to the performance and capacity expansion of the paper industry.

- **Long Track record of operations and established relationship with customers and suppliers**

The company has established track record of more than five decades in manufacturing forming fabric which finds application in filtration and drying process in paper manufacturing. Incorporated in 1957, it started its commercial operations at the manufacturing facility located at Jhotwara, Jaipur in 1963. Long standing presence in the industry has helped the Company establish relationship with customers and suppliers. The consistent drive to build the brand all these years has helped the company create a unique place in the market.

Weaknesses

- **Exposure to foreign exchange fluctuation risk**

The company remains exposed to foreign exchange risk owing to the import of certain raw materials and exports to overseas markets. Adverse movements in foreign currency exchange rates could impact its raw material procurement costs, profitability, and cash flows. Although the company undertakes natural hedging to an extent through its export revenues, any significant volatility in exchange rates could continue to affect its financial performance.

- **Competition from domestic as well as international players**

The company operates in a competitive industry, facing competition from both domestic manufacturers and established international players, particularly imports from global technical textile manufacturers. Competitive pressures may limit its pricing flexibility and exert pressure on operating margins. Nevertheless, the company's long-standing customer relationships, product customization capabilities, and in-house R&D facilities partially mitigate the impact of competition. Sustaining its market position will depend on its ability to continuously innovate and maintain product quality while offering competitive pricing.

- **Requirement of continuous technological upgradation leading to a compression in margins**

The technical textiles industry is technology-intensive, requiring continuous investments in research & development, process improvements, and modernization of manufacturing facilities to meet evolving customer requirements. Regular technological upgradation is essential to maintain product quality, operational efficiency, and competitiveness against global players. Such ongoing capital expenditure may exert pressure on profitability and cash accruals, particularly during periods of subdued demand or lower capacity utilization. The company's ability to generate adequate internal accruals to fund these investments remains a key monitorable.

Liquidity – Adequate

The liquidity position of the company is adequate, marked by its sufficient cash accruals as against its repayment obligations. The company's average fund based working capital limit utilization stood at 63.73% for the last 12 months ended June 2026. Further, the company had free cash and cash equivalents to the tune of Rs. 0.24 crore as on March 31, 2026. The current ratio of the company stood at 1.26x as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Sustained and significant increase in scale of operations of the company leading to increase in profitability and cash accruals of the company.
- Sustained improvement in debt coverage indicators of the company, wherein, the specific credit metric will be DSCR remaining above 1.3x on a sustained basis.

Downward Factors

- Sizeable decline in the scale of operations resulting in moderation of profitability indicators & and non-achievability of projections by sizeable gap.
- Any significant rise in working capital intensity or unplanned capex/outflow leading to deterioration in the capital structure & liquidity position of the company.

About the Company

WFL was incorporated in 1957 as a private limited company by Mr. B. K. Khaitan, Mr. K. K. Khaitan and Mr. M. K. Khaitan. Following the retirement of Mr. B. K. Khaitan in August 2014, the operations of the company are managed by Mr. M. K. Khaitan and Mr. K. K. Khaitan.

WFL is primarily engaged in the manufacture of paper machine clothing (PMC), a specialised category of technical textiles used in the paper manufacturing industry. The company's product portfolio includes a comprehensive range of forming fabrics, woven dryer screens and spiral link dryer screens, which are integral components of paper-making machines and facilitate the formation, dewatering and drying of paper during the manufacturing process. The company is also engaged in the manufacture of paper-making chemicals used across various stages of the paper production process.

Additionally, WFL has a presence in the renewable energy segment through five windmills with an aggregate installed capacity of 3.85 MW, located in Jaisalmer, Rajasthan. The power generated from these windmills is supplied to the respective distribution companies (DISCOMs) of the Government of Rajasthan under existing Power Purchase Agreements (PPAs).

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	109.02	115.45
EBITDA	17.62	22.80
PAT	1.50	0.26
Total Debt	126.34	105.43
Tangible Net Worth (TNW)	49.24	49.32
EBITDA Margin (%)	16.17	19.75
PAT Margin (%)	1.36	0.23
Overall Gearing (times)	2.57	2.14
Interest Coverage (times)	2.38	2.63

*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.	Instruments/ 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 in 2023-24	
					May 16, 2025	April 16, 2024	Jan 12, 2024	May 22, 2023
1.	Fund based facilities	LT	120.93	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB/ Stable
2.	Non-fund based facilities	ST	2.90	IVR A3+	IVR A3+	IVR A3+	IVR A3+	IVR A3+

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	Listing Status	Regulator [^]	Complexity Indicator
Term Loan	-	-	-	June 2031	20.00	IVR BBB/ Stable	Not Applicable	RBI	Simple
Term Loan	-	-	-	May 2029	11.56	IVR BBB/ Stable	Not Applicable	RBI	Simple
GECL	-	-	-	Jan 2027	0.25	IVR BBB/ Stable	Not Applicable	RBI	Simple
Term Loan	-	-	-	June 2031	30.00	IVR BBB/ Stable	Not Applicable	RBI	Simple
Term Loan	-	-	-	June 2028	10.58	IVR BBB/ Stable	Not Applicable	RBI	Simple
GECL	-	-	-	Jan 2027	0.42	IVR BBB/ Stable	Not Applicable	RBI	Simple
Term Loan	-	-	-	Nov 2028	12.54	IVR BBB/ Stable	Not Applicable	RBI	Simple
GECL	-	-	-	Feb 2027	0.24	IVR BBB/ Stable	Not Applicable	RBI	Simple
Cash Credit	-	-	-	-	14.74	IVR BBB/ Stable	Not Applicable	RBI	Simple
Cash Credit	-	-	-	-	14.10	IVR BBB/ Stable	Not Applicable	RBI	Simple
Cash Credit	-	-	-	-	6.50	IVR BBB/ Stable	Not Applicable	RBI	Simple
Bank Guarantee	-	-	-	-	0.40	IVR A3+	Not Applicable	RBI	Simple
Bank Guarantee	-	-	-	-	0.40	IVR A3+	Not Applicable	RBI	Simple
Letter of Credit	-	-	-	-	0.80	IVR A3+	Not Applicable	RBI	Simple
Letter of Credit	-	-	-	-	0.80	IVR A3+	Not Applicable	RBI	Simple
Letter of Credit	-	-	-	-	0.50	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:

<https://infomericstorage.blob.core.windows.net/uploads/Len Wires and Fabriks06 Aug 26 24e3e8d10c.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.

Note: 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.

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