

Garware Hi-Tech Films Limited

July 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	80.00	CARE AA; Stable	LT rating upgraded from CARE AA-; Stable and ST rating reaffirmed
Short-term bank facilities	120.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Upgrade in ratings assigned to bank facilities of Garware Hi-Tech Films Limited (GHFL) factors in the company's robust financial risk profile and healthy liquidity position with net debt free position, supported by sustained operating performance and healthy profitability despite a challenging operating environment marked by the US tariff-related uncertainties and global supply chain disruptions. The upgrade also reflects the company's improving market position globally, increasing contribution from value-added products, which strengthened its business profile and supported healthy operating margins. The company reported a profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of 21.39% in FY26 (PY: 21.62%) while maintaining a stable topline of ₹2,139.44 crore despite global headwinds. GHFL continues to benefit from its established position in the specialty films industry, well-diversified product portfolio across the consumer products division (CPD) and industrial products division (IPD), strong global export presence, extensive distribution network, and vertically integrated manufacturing facilities, which provide operational flexibility and cost efficiencies. The company's net debt-free balance sheet, robust debt metrics, healthy cash accruals, strong liquidity, and ability to fund ongoing capital expenditure through internal accruals are expected to continue supporting its credit profile.

Ratings continue to remain constrained by the company's exposure to volatility in crude-linked raw material prices, foreign exchange fluctuations arising from its significant export dependence, and geography-specific regulatory risks, particularly in the Sun Control Films segment. The company's increasing contribution from value-added products, better pricing flexibility, ongoing backward integration through the thermoplastic polyurethane (TPU) project, planned capacity additions, expanding product portfolio and continued geographical diversification are expected to support further growth in its scale of operations while sustaining healthy profitability and its strong financial risk profile in the medium term.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Demonstrating strong growth in its scale of operations while maintaining PBILDT margins above 20% on a sustained basis, along with healthy cash generation.

Negative factors

- Weak operating performance resulting in operating profit margins below 15% on a sustained basis.
- Net Debt/PBILDT above 1x on a sustained basis.

Analytical approach:

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view on GHFL and its subsidiaries for arriving at ratings as the entities are under a common management, and there are strong financial and operational linkages. Entities considered are listed under Annexure-6.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that the company will continue to maintain its healthy business risk profile and sustained profitability. Its financial risk profile is expected to remain robust, supported by a net debt-free position, healthy cash accruals and substantial cash and bank balances, supporting its strong liquidity position.

Detailed description of key rating drivers:

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Experienced promoters and well-established track record of operations

Promoted by the Late Padmabhushan Dr Bhalchandra (Abasaheb) Garware and Dr SB Garware, GHFL has an established track record of over six decades in the specialty films industry. Leveraging promoters' extensive industry experience, the company progressively diversified its product portfolio from commodity polyester films to high-margin specialty and value-added films. Chairman Dr SB Garware and the next generation of promoters continue to play an active role in strategic decision-making and product development, supported by an experienced management team and a dedicated R&D function. The management's strategic transition towards value-added products such as Sun Control Films (SCF), Paint Protection Films (PPF), safety films and other specialty films has significantly strengthened the company's business profile and profitability.

Stable operational performance in FY26

Despite challenges arising from US tariff-related uncertainties and supply chain disruptions in certain export markets, GHFL reported stable operating performance in FY26. Total operating income increased marginally by 0.5% to ₹2,139.44 crore (PY: ₹2,128.97 crore), while the PBILDT margin remained healthy at 21.39% (PY: 21.62%). The company witnessed healthy growth in the CPD, with SCF sales volumes increasing to 3,031 lakh sqft (LSF) in FY26 (PY: 2,865 LSF). However, this was partly offset by normalisation in PPF utilisation following commissioning of the new production line and moderation in volumes of certain IPD products. Export sales continued to account for ~74% of consolidated revenue, supporting the company's diversified business profile.

Constant scale-up in margin accretive value-added segment

Over the years, GHFL strategically transformed from a commoditised polyester film manufacturer focused on industrial applications to a value-driven specialty films company. This transformation is reflected in the contribution of value-added products (VAP), which increased from 48% of overall revenue in FY17 to ~87% in FY26. The CPD, comprising high-margin products such as automotive and architectural SCF, PPF and safety films, accounted for ~71% of total sales in FY26, compared to 49% in FY23. The increasing share of value-added products continues to support healthy profitability and reduces the company's exposure to volatility in commodity film margins and raw material prices.

Strong distribution network with integrated operations

GHFL exports its products to over 90 countries through a global network of over 5,000 tinters. In India, the company has established a strong distribution network comprising over 850 OEM dealerships and over 250 Garware Application Studios (GAS) across 150+ cities. It has also trained over 1,000 applicators to ensure consistent product installation and service quality. The company operates sales offices in India, the US, the UK and Dubai, supported by two vertically integrated manufacturing facilities at Waluj and Chhatrapati Sambhaji Nagar (Aurangabad). The facilities cover complete production chain from polyester chips to specialised films, enabling better quality control, operational flexibility and lower dependence on external suppliers. The company also approved an additional SCF production line with a capacity of 1,200 LSF per annum, expected to be commissioned by June 2028, while the ongoing 360 LSF TPU extrusion project is expected to strengthen backward integration in the PPF business.

Robust financial risk profile

The company continues to maintain a net debt-free position. As on March 31, 2026, total debt stood at ₹28.29 crore, comprising primarily lease liabilities and acceptances, resulting in a negligible overall gearing of 0.01x (PY: 0.01x). The total debt/PBILDT ratio remained comfortable at 0.06x in FY26, supported by healthy operating performance and strong cash generation. In the absence of long-term borrowings and with the ongoing capital expenditure proposed to be funded through internal accruals, the company's financial risk profile is expected to remain strong over the medium term.

Liquidity: Strong

The company maintained a strong liquidity position as on March 31, 2026, with cash and bank balances and liquid investments amounting to ₹744.72 crore. Fund-based working capital utilisation remained nil, while non-fund-based utilisation stood at 59%, providing additional financial flexibility. In FY26, the company generated gross cash accruals of ₹388.66 crore, further supporting its liquidity profile. Despite the ongoing capital expenditure towards the TPU extrusion plant and the proposed SCF expansion, liquidity is expected to remain comfortable, supported by healthy internal accruals.

Key weaknesses

Profitability margins susceptible to raw material price volatility and foreign exchange fluctuations

GHFL's profitability remains susceptible to fluctuations in crude-linked raw material prices, primarily PTA and MEG used in SCF, and TPU, a key raw material for PPF. As these inputs are derived from petrochemical feedstocks, sustained increase in crude oil prices results in higher raw material costs and exert pressure on profitability. Brent crude oil prices witnessed a sharp increase in Q1FY27 due to geopolitical tensions in the Middle East before moderating recently. While the company indicated that its operations and profitability remained largely unaffected in the quarter owing to cost optimisation initiatives and its ability to pass on a significant portion of cost increases, prolonged volatility in crude oil prices could impact margins if the increase cannot be fully

passed on to customers. The company's increasing share of value-added products and pricing flexibility in the SCF and PPF segments provide some cushion against such margin volatility.

The company is also exposed to foreign exchange fluctuations, with exports accounting for ~74% of its consolidated revenue in FY26. While depreciation of the Indian Rupee generally benefits the company by enhancing export realisations, appreciation of the Rupee could affect export competitiveness. To mitigate this risk, GHFL follows a prudent foreign exchange risk management policy through natural hedges, forward contracts and periodic alignment of product pricing with prevailing foreign exchange movements.

Sensitivity of operations to government regulations and geography-specific risks

GHFL operates in a regulation-sensitive industry, where evolving environmental regulations and region-specific compliance requirements influence product specifications, market access and demand. In India, the company is required to comply with Visible Light Transmission (VLT) norms for automotive SCF, which permit a minimum VLT of 70% for the front and rear windshields and 50% for the side windows. Similarly, overseas markets have their own regulatory standards; for instance, Australia generally permits a VLT of ~35% for the side windows of light vehicles. Tightening of such regulations or changes in environmental norms governing the use of plastic-based products could affect demand for certain product categories.

The company is also exposed to changes in global trade policies, including tariffs on exports to the US and other key markets. In addition, geopolitical developments and global supply chain disruptions may result in volatility in raw material availability, freight costs and logistics expenses. GHFL mitigates these risks through its vertically integrated manufacturing operations in India, diversified supplier base and broad export presence across over 90 countries. The company's continued focus on expanding its presence across Europe, South America, the Middle East and other international markets further enhance its resilience against geography-specific regulatory and trade-related risks.

Environment, social, and governance (ESG) risks

Particulars	Risk Factors
Environmental	GHFL continued to strengthen its environmental sustainability initiatives in FY26. The company is a GreenPro Certified manufacturer, reflecting its commitment to sustainable manufacturing practices. The company continues to recycle processed water through effluent treatment plants followed by Reverse Osmosis (RO) treatment, while sewage treatment plants enable reuse of 100% of domestic effluent for gardening purposes. Rainwater harvesting systems are used to improve groundwater recharge and reduce freshwater consumption, and treated water from the RO plant is reused as fresh process water. GHFL also continues to focus on energy conservation through replacement of conventional lighting with LED lamps and installation of energy-efficient motors. In FY26, the company further strengthened its sustainability-focused product portfolio through the development of TPU-based sustainable films and continued investment in automation and manufacturing efficiencies.
Social	GHFL continued to prioritise employee safety, training and skill development in FY26 through structured technical training programmes and comprehensive training initiatives for applicators and tinters. The company reported no major labour unrest in the year and continued to maintain high standards of workplace safety. GHFL also continued its community development initiatives by supporting centres that host educational, cultural, social and sports activities across age groups. In addition, the company continued its association with the National Bal Bhavan through the 'Build the India of Your Dreams with Values' initiative, encouraging children at Garware Bal Bhavan to participate in nation-building and awareness programmes.
Governance	The company emphasizes fair, transparent, and ethical governance practices as essential for sustainable growth. It has a strong legacy of adhering to laws, regulations, and best practices to enhance long-term economic value for stakeholders. GHFL established a code of conduct, policies for the prevention of insider trading, and ensures fair disclosures to regulatory authorities. Its governance framework aims to uphold independence, accountability, and integrity in all business dealings. The Board of Directors comprises 11 members, of whom six are independent directors.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Plastic products - industrial

Incorporated in 1957, GHFL manufactures a wide range of specialty polyester films through its CPD and IPD. The CPD portfolio comprises VAP such as Automotive and Architectural SCF, PPF, Safety Glazing Films, and Privacy-on-Demand (PDLC) Films. The IPD segment includes VAP such as Thermal Lamination Films, Plain Films, Packaging & Lidding Films, and other specialty films, and commodity products including Shrink Films, Electrical/Electronic Insulation Films, and Release Liners. The company operates two manufacturing facilities at Waluj and Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra, with an installed capacity of 42,000 MTPA for BOPET films, 3,600 MTPA for Thermal Lamination Films, 4,200 LSF for SCF and 600 LSF for PPF.

Brief Consolidated Financials (₹ crore)	FY25 (A)	FY26 (Abridged)
Total operating income	2,128.97	2,139.44
PBILDT	460.33	457.68
PAT	331.22	338.23
Overall gearing (times)	0.01	0.01
Interest coverage (times)	52.43	55.81

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	70.00	CARE AA; Stable
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE AA; Stable
Non-fund-based - ST-BG/LC		-	-	-	120.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (04-Jul-24)	1)CARE A+; Stable (04-Jul-23)
2	Non-fund-based - ST-BG/LC	ST	120.00	CARE A1+	-	1)CARE A1+ (07-Jul-25)	1)CARE A1+ (04-Jul-24)	1)CARE A1+ (04-Jul-23)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (04-Jul-24)	1)CARE A+; Stable (04-Jul-23)
4	Fund-based - LT-Cash Credit	LT	70.00	CARE AA; Stable	-	1)CARE AA-; Stable (07-Jul-25)	1)CARE AA-; Stable (04-Jul-24)	1)CARE A+; Stable (04-Jul-23)
5	Fund-based - LT-Cash Credit	LT	10.00	CARE AA; Stable	-	1)CARE AA-; Stable (07-Jul-25)	1)CARE AA-; Stable (04-Jul-24)	1)CARE A+; Stable (04-Jul-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Garware Hi-Tech Films International Limited	Full	Wholly owned subsidiary
2	Global Hi-Tech Films Inc.	Full	Step Down Subsidiary
3	Garware Hi Tech Global Trading FZCO	Full	Wholly owned subsidiary

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
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 @

* 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), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

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

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.

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

Note: For facilities / 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.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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