

June 10, 2025

Indo Count Industries Limited: Update on Material Event

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term - Fund-based – Term Loans	246.06	246.06	[ICRA]AA- (Stable)
Long-term - Fund based – Cash Credit	1,260.00	1,260.00	[ICRA]AA- (Stable)
Short-term - Non-fund-based limits	137.00	137.00	[ICRA]A1+
Long term/ Short-term – Unallocated Limits	120.30	120.30	[ICRA]AA- (Stable)/ [ICRA]A1+
Total	1,763.36	1,763.36	

*Instrument details are provided in Annexure-I

Rationale

Material Event

Indo Count Industries Limited (ICIL), which manufactures bed linens, pillows and quilts, announced its financial results of Q4 FY2025 and FY2025 on May 30, 2025. In Q4 FY2025, ICIL's consolidated operating income (OI) experienced a YoY decline of around 6%, and the operating profit margin (OPM) significantly decreased to 8.5% from 15.1% in Q4 FY2024. Additionally, for FY2025, despite a 16% improvement in OI, the OPM moderated to 12.9% from 16.4% in FY2024. The revenue in Q4 FY2025 was primarily impacted due to tariff related uncertainty in the US, inventory rationalisation by some of ICIL's key customers and decline in the average selling prices due to lower demand for its premium products. The OPM in Q4 FY2025 and FY2025 was affected by the under-absorption of the front-loaded operating costs and brand building expenses incurred majorly for its US operations, which are yet to scale up.

Impact of the Material Event

ICRA has noted the under-performance of the company in Q4 FY2025 and FY2025 along with the breach in the negative trigger. Given the current uncertainties in the US market, which accounts for around 70% of its sales, and ramp-up of operations of the US facilities, which is yet to happen, ICRA does not foresee any major improvement in the company's financials in Q1 FY2026 vis-à-vis Q4 FY2025. Nevertheless, ICRA expects the company's performance to improve gradually, once the US tariff uncertainties recede, ICIL's US operations stabilise, and the ongoing greenfield project in North Carolina is commissioned. ICRA will continue to monitor the developments and assess the company's credit profile once clarity surfaces.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Environmental and social risks: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Textiles - Fabric
Parent/Group support	Not applicable

Consolidation/Standalone

For arriving at the ratings, ICRA has considered the consolidated financials of ICIL along with its subsidiaries and stepdown subsidiaries, which are all enlisted in Annexure-II.

About the company

Indo Count Industries Limited (ICIL) was incorporated in 1988 as a cotton yarn manufacturer and commenced production at its export-oriented spinning unit in 1991 with an installed capacity of around 30,000 spindles. In 2006, ICIL commenced forward integration of its operations by setting up a home textiles manufacturing unit in Kolhapur, Maharashtra with an installed capacity of 36 million metres per annum. Over the years, the company has transformed itself into one of India's leading exporters of bed linen. In April 2022, ICIL completed the acquisition of GHCL's home textile unit in Bhilad, Gujarat with an installed capacity of 45 million metres per annum along with commensurate cut and sew capacity. The company also increased the processing capacity of its existing unit in Kolhapur by 18 million metres per annum, taking the total installed capacity to 153 million metres per annum. The company also has weaving and spinning facilities, which partially meet its requirements of yarn and grey fabric internally. The spinning unit (Pranavaditya Spinning Mills Limited) in Kolhapur was acquired in 2007 and was merged with the company with effect from October 20, 2022. The company increased the capacity of the spinning division as well, in the recent past. ICIL is listed on NSE and BSE. The company has a few subsidiaries and stepdown subsidiaries based in India, the US, the UK and the UAE. In FY2025, it acquired the Wamsutta brand and two manufacturing entities in the US – Modern Home Textiles Inc. and Fluvitex USA Inc. – to strengthen presence in the US market. The company has embarked upon a greenfield project to set up a pillow manufacturing plant in North Carolina, USA.

Key financial indicators (audited)

Indo Count Industries Limited (Consolidated)	FY2024	FY2025
Operating income	3,581	4,151
PAT	338	246
OPBDIT/OI	16.4%	12.9%
PAT/OI	9.4%	5.9%
Total outside liabilities/Tangible net worth (times)	0.7	0.9
Total debt/OPBDIT (times)	1.6	2.7
Interest coverage (times)	8.4	4.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	FY2026		FY2025		FY2024		FY2023	
		Amount Rated (Rs Crore)	June 10, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan	Long Term	246.06	[ICRA]AA-(Stable)	May 28, 2024	[ICRA]AA-(Stable)	-	-	Feb 16, 2023	[ICRA]AA-(Stable)
Fund based – Cash Credit	Long Term	1,260.00	[ICRA]AA-(Stable)	May 28, 2024	[ICRA]AA-(Stable)	-	-	Feb 16, 2023	[ICRA]AA-(Stable)
Non-fund-based limits	Short Term	137.00	[ICRA]A1+	May 28, 2024	[ICRA]A1+	-	-	Feb 16, 2023	[ICRA]A1+

Unallocated Limits	Long Term/ Short Term	120.30	[ICRA]AA-(Stable)/ [ICRA]A1+	May 28, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	Feb 16, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+
---------------------------	-----------------------	--------	------------------------------	--------------	------------------------------	---	---	--------------	------------------------------

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term - Fund-based – Term Loan	Simple
Long-term - Fund based – Cash Credit	Simple
Short-term - Non-fund-based limits	Very simple
Long term/short-term – Unallocated Limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan-I	FY2022	NA	FY2026	32.50	[ICRA]AA- (Stable)
NA	Term Loan-II	FY2022	NA	FY2028	51.68	[ICRA]AA- (Stable)
NA	Term Loan-III	FY2023	NA	FY2029	161.88	[ICRA]AA- (Stable)
NA	Cash Credit	NA	NA	NA	1,260.00	[ICRA]AA- (Stable)
NA	Non-fund based limits	NA	NA	NA	137.00	[ICRA]A1+
NA	Unallocated Limits	NA	NA	NA	120.30	[ICRA]AA- (Stable)/ [ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Indo Count Retail Ventures Private Limited	100.00%	Full Consolidation
Indo Count Global Inc., USA	100.00%	Full Consolidation
Indo Count UK Limited	100.00%	Full Consolidation
Indo Count Global DMCC	100.00%	Full Consolidation
Fluvitex USA Inc.	100.00%	Full Consolidation
Modern Home Textiles Inc.	100.00%	Full Consolidation
Indo Count Global East, Inc.	100.00%	Full Consolidation

Source: ICIL's Q4 FY2025 and FY2025 results

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Sujoy Saha

+91 33 6521 6805

sujoy.saha@icraindia.com

Sovanlal Biswas

+91 33 6521 6808

sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



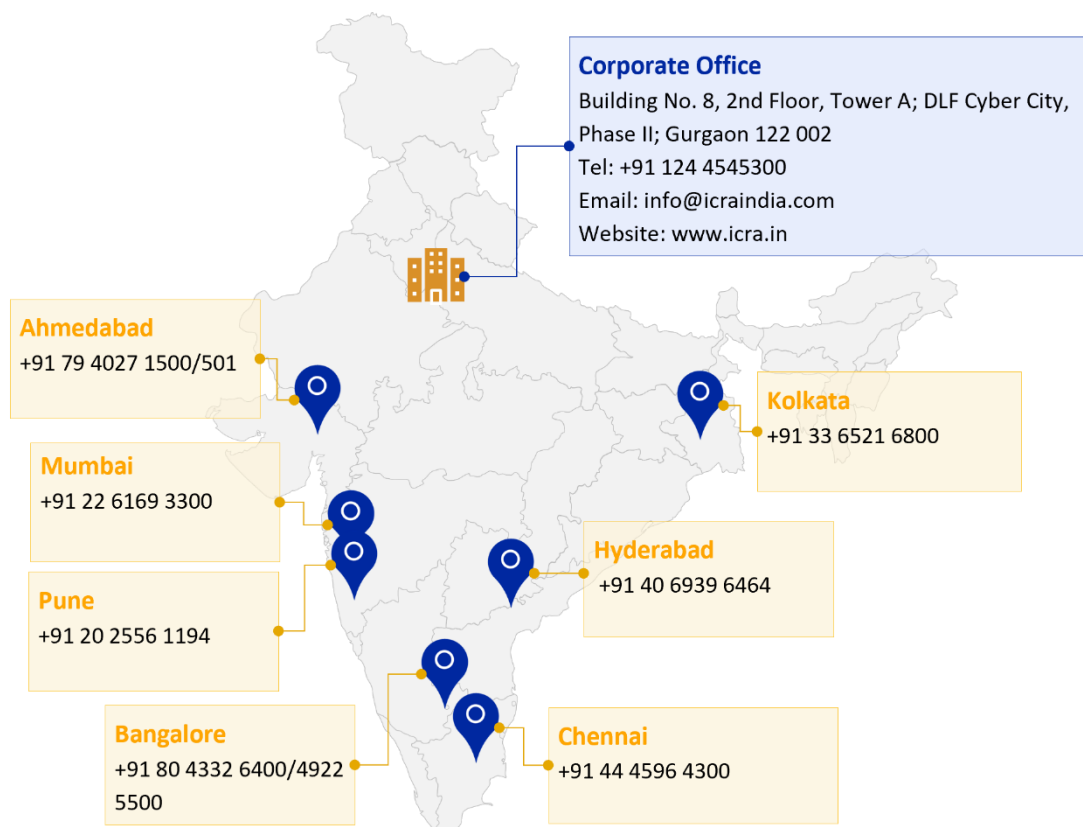
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.