

September 08, 2025

Indore Composite Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund based	45.00	83.50	[ICRA]A-(Stable)/[ICRA]A2+; reaffirmed
Short term – Non-fund based- Bank guarantee	104.90	17.65	[ICRA]A2+; reaffirmed
Short term – Non-fund based- Others		32.25	[ICRA]A2+; reaffirmed
Long term/Short term – Unallocated	0.10	16.60	[ICRA]A-(Stable)/[ICRA]A2+; reaffirmed
Total	150.00	150.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the ratings factors in the established position of Indore Composite Private Limited (ICPL) in manufacturing fibre-reinforced plastic (FRP) rods used in the telecom industry, the extensive experience of the promoters and its established relationship with a reputed client base, resulting in repeat orders. The ratings also factor in the healthy financial risk profile of ICPL with steady margins and comfortable leverage and coverage metrics.

The company reported operating margins of 24.1% in FY2024 and the margins are expected to be at similar levels in FY2025. The capital structure was comfortable with a gearing of 0.3 times as on March 31, 2024, and healthy coverage metrics with interest coverage of 13 times and total debt/OPBDITA of 1.9 times for FY2024. The leverage and coverage metrics are estimated to remain healthy in FY2025. The operating income, on a consolidated basis, is estimated to be ~Rs. 384 crore, improved from Rs. 274 crore in FY2024, on account of an increase in volumes. The revenues are likely to witness stable growth in FY2026 on expectations of a healthy growth in volumes.

Exports account for 80-90% of the revenue, of which 40–50% is derived from the US. This exposes the company to the risk of US tariff revision and any significant impact on its profitability remains a key monitorable. The ratings are also constrained by the working capital-intensive operations owing to the high debtor and inventory days. Further, the profitability remains exposed to the fluctuations in raw material prices. In addition, being largely export-oriented, ICPL's profitability remains exposed to the volatility in foreign exchange prices, mitigated to an extent by the natural hedge from imports and the hedging policy adopted by the company. ICRA also notes the fragmented nature of the FRP rods industry with low entry barriers and competition from both organised and unorganised players.

The Stable outlook on the [ICRA]A- rating reflects ICRA's opinion that the company will continue to benefit from its established position as a supplier of FRP products in the export markets and will maintain healthy operating margins.

Key rating drivers and their description

Credit strengths

Established track record of operations in manufacturing FRP rods - The company has a track record of manufacturing FRP rods for the telecom industry for more than two decades. The company is promoted by the Sanghvi and Bhanshali families and

the operations are managed by Mr. Mukesh Sanghvi, who has an extensive experience in the industry. The company is one of the major players in the FRP rods manufacturing industry with an installed capacity of 4.4 million km in India.

Reputed client base with established relationships - The company has had an established relationship with its reputed customer base for more than a decade. It is able to get repeat orders and improve its market presence. It primarily exports to the US and Europe. Export revenues have been contributing to 80-90% of the sales in the last few years.

Comfortable financial risk profile – On consolidated basis, the company reported operating margins of 24.1% in FY2024 and the margins are estimated to be at similar levels in FY2025. The capital structure was comfortable with a gearing of 0.3 times as on March 31, 2024. The coverage metrics were also healthy with interest coverage of 13 times and total debt/OPBDITA of 1.9 times for FY2024. The leverage and coverage metrics are estimated to remain healthy in FY2025 as well.

The operating income, on a consolidated basis, is estimated to have improved to Rs. 384 crore in FY2025 against Rs. 274 crore in FY2024 on account of an increase in volumes. Further, the operating margins are expected to remain stable in the range of 20-21%, supported by the planned addition of new products to the portfolio.

Credit challenges

High working capital intensity - The business is highly working capital-intensive with NWC/OI of 42% in FY2024 owing to the high debtor and inventory days. The inventory is typically held for 60–90 days, with higher levels in some cases due to ICPL's supply structure with its US entity and slower-than-expected demand, which can extend the working capital cycle. The credit period varies depending on the terms of the contracts with the customers. Usually, a credit period of 60 days is given. However, the company has a credit risk policy with insurance companies, which insulates it from the risk of any bad debt.

Vulnerability of profitability to volatility in raw material prices and forex risk - The profitability remains exposed to fluctuations in raw material prices. The major raw materials are glass and resin with an 80:20 mix in the final product. Moreover, the company is largely export-oriented, exposing its profitability to the volatility in foreign exchange prices, mitigated to an extent by the natural hedge from imports and the hedging policy adopted by the company.

Fragmented industry with intense competition - The FRP rods industry is fragmented in nature with low entry barriers due to low initial investments. Further, the company faces competition from both organised and unorganised players. However, the company is one of the major players in the FRP rod manufacturing industry.

Liquidity position: Adequate

The liquidity position is expected to remain adequate, with healthy cash accruals and minimal debt repayment obligation relative to its cash flows. The company had liquid investments and unencumbered cash and bank balances of Rs. 194.6 crore as of March 2025 at a standalone level and the average utilisation of fund-based limits remains moderate at 44% for the last 12 months ended July 2025. The company has capex plans of Rs. 100-120 crore for the next two years, which are expected to be funded through internal accruals.

Rating sensitivities

Positive factors - ICRA could upgrade the ratings if the company significantly increases its scale of operations while maintaining its profitability and improving its working capital cycle.

Negative factors – The ratings may be downgraded if there is any substantial decline in the company's scale and operating profitability. A stretch in the working capital cycle, or any large capex/investments affecting the overall liquidity profile will also weigh on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of Indore Composite Private Limited for arriving at the ratings. The entities are enlisted in Annexure II

About the company

Indore Composite Private Limited (ICPL), incorporated in 1994, is involved in the manufacturing of cable protection solutions for the telecom industry and primarily produces fibre reinforced plastic (FRP) rods. The company also manufactures various cable materials such as gels, coated glass fibres, tapes and yarns. ICPL also manufactures LFT (long fibre-reinforced thermoplastics) compounds which it distributes under the brand RePlet. The company has two manufacturing facilities at Ambernath (Maharashtra) and Pithampur (Madhya Pradesh).

ICPL has three wholly-owned subsidiaries and a joint venture (JV). Indore International SARL AU, a wholly-owned subsidiary, manufactures FRP rods in Morocco. Indore Composite NA, the second wholly-owned subsidiary incorporated in North Carolina, USA, commenced full-year operations in FY2024 and is currently focused on the storage and trading of FRP rods. During FY2025, the company set up a new wholly-owned subsidiary in India, Indore Speciality Materials Pvt. Ltd. (ISMPL), to expand its presence in the wind energy sector. Under this initiative, it has introduced two products—WinSpar-C (carbon fibre plank) and WinSpar-G (glass fibre plank)—which are primarily used in the manufacturing of wind turbine blades.

The company has a joint venture with a foreign partner, Info Gel LLC, and established Indore Gel Pvt. Ltd. which manufactures gel for the optical fibre segment.

Key financial indicators (audited)

ICPL Consolidated	FY2023	FY2024
Operating income	528.2	273.6
PAT	113.4	54.6
OPBDIT/OI	25.1%	24.1%
PAT/OI	21.5%	20.0%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	0.6	1.9
Interest coverage (times)	32.0	12.7

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

ICPL Standalone	FY2024	FY2025*
Operating income	246.1	307.1
PAT	64.1	67.2
OPBDIT/OI	28.5%	21.7%
PAT/OI	26.0%	21.9%
Total outside liabilities/Tangible net worth (times)	0.2	0.2
Total debt/OPBDIT (times)	0.9	0.6
Interest coverage (times)	22.8	17.9

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, *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years		
	Type	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			Sep 08, 2025	Jun 28, 2024	-	March 01, 2023
1 Fund based	Long term/Short term	83.50	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	-	[ICRA]A-(Stable)/[ICRA]A2+
2 Non-fund based - Bank guarantee	Short term	17.65	[ICRA]A2+	[ICRA]A2+	-	[ICRA]A2+
3 Non-fund based - Others	Short term	32.25	[ICRA]A2+			
4 Unallocated	Long term/Short term	16.60	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	-	[ICRA]A-(Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund-based	Simple
Short term – Non-fund based - Bank guarantee	Very Simple
Short term – Non-fund based - Others	Very Simple
Long term/Short term – Unallocated	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	Long term/Short term – Fund based	-	-	-	83.50	[ICRA]A-(Stable)/[ICRA]A2+
NA	Short term – Non-fund based - Bank guarantee	-	-	-	17.65	[ICRA]A2+
NA	Short term – Non-fund based - Others	-	-	-	32.25	[ICRA]A2+
NA	Long term/Short term - Unallocated	-	-	-	16.60	[ICRA]A-(Stable)/[ICRA]A2+

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
Indore Composite NA Incorporated	100%	Full consolidation
Indore International SARL AU	100%	Full consolidation
Indore Speciality Materials Pvt. Ltd.	100%	Full consolidation
Indore Gel Private Limited	50%	Equity method

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