

September 23, 2025

Acknit Industries Limited: Update on entity

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|---|--------------------------------------|-------------------------------------|--|
| Long-term Fund-based – Working Capital Facilities | 60.00 | 70.00 | [ICRA]BBB (Stable), outstanding |
| Long-term Fund-based – Term Loan | 1.30 | 1.28 | [ICRA]BBB (Stable), outstanding |
| Short-term – Non-Fund based – Working Capital Facilities | 6.02 | 6.02 | [ICRA]A3+, outstanding |
| Long-term/ Short-term – Non-Fund based – Working Capital Facilities | 1.30 | 2.00 | [ICRA]BBB (Stable)/ [ICRA]A3+, outstanding |
| Long-term/ Short-term – Unallocated Limits | 10.70 | 0.02 | [ICRA]BBB (Stable)/ [ICRA]A3+, outstanding |
| Total | 79.32 | 79.32 | |

*Instrument details are provided in Annexure I

Rationale

Indian exporters have been navigating a turbulent trade environment, following the high level of tariffs imposed by the US. The latest round of US tariffs, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, significantly increasing the overall tariff burden and creating cost pressure. The US has also levied tariffs on leather safety products under Section 232 of the Trade Expansion Act.

Acknit Industries Limited (AIL) derives 60-70% of its revenues from exports and 20-25% of its total revenues are generated from the US, exposing it to the additional tariff of 50% imposed on exports of industrial safety products to the US. While the sizeable hike in tariff would increase the cost of industrial safety products imported from India for the US-based consumers, essential nature of the products and significant dependence of the US on Indian imports for industrial safety wears are expected to support the company's sales volumes and earnings, going forward.

The company's performance, so far, has remained stable, despite application of initial 25% reciprocal tariff with effect from August 7, 2025. However, sizeable advancement of orders prior to implementation of the punitive 25% tariff is expected to result in a demand slowdown in the next few months. Nevertheless, the company's financial profile is unlikely to worsen significantly, despite the uncertainties, given its conservative capital structure, comfortable debt protection metrics along with an adequate liquidity position.

Based on discussions with the management, ICRA understands that the impact of the US tariff hike remains limited at present on the company's performance. Nonetheless, the near-term outlook remains uncertain due to potential pricing renegotiations and likely pressure on the margins amid volatility in trade policy. ICRA will continue to monitor the evolving trade situation and its implications on AIL's credit profile.

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

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology |

| | |
|---------------------------------|---|
| Parent/Group support | Not applicable |
| Consolidation/Standalone | The ratings are based on the standalone financial statements of the company |

About the company

AIL was founded in 1990 as a private limited company for manufacturing seamless knitted hand gloves for industrial use. The entity was converted into a limited concern under the name, Acknit Knitting Limited, in 1994, and it entered the capital market in 1995. The company's name was changed to Acknit Industries Limited in 2007. The company gradually diversified its product range to include leather/ cotton/ synthetic, coated and dotted industrial gloves, as well as industrial safety garments and other readymade garments, safety shoes and helmets. The manufacturing facilities of the company are located in West Bengal. Additionally, the company operates a windmill (1.25 MW) in Dhule, Maharashtra.

Key financial indicators (audited)

| AIL, Standalone | FY2024 | FY2025 | Q1 FY2026* | Q1 FY2025* |
|---|--------|--------|------------|------------|
| Operating income | 218.6 | 237.8 | 55.2 | 57.2 |
| Adjusted operating income[#] | 220.7 | 240.4 | - | - |
| PAT | 8.6 | 9.0 | 1.7 | 2.0 |
| OPBDIT/OI | 6.9% | 6.5% | 7.1% | 7.4% |
| Adjusted OPBDIT/OI[#] | 7.8% | 7.6% | - | - |
| PAT/OI | 3.9% | 3.8% | 3.1% | 3.5% |
| Total outside liabilities/Tangible net worth (times) | 1.0 | 0.9 | - | - |
| Total debt/OPBDIT (times) | 3.9 | 3.8 | - | - |
| Adjusted total debt/OPBDIT (times)[#] | 3.4 | 3.2 | - | - |
| Interest coverage (times) | 5.6 | 4.9 | 3.9 | 6.1 |
| Adjusted interest coverage (times)[#] | 6.3 | 5.8 | - | - |

Source: Acknit Industries Limited, ICRA Research; * Unaudited results; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

[#] The non-operating income/(expense) due to foreign exchange gain/(loss) have been considered in the operating income

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Current ratings (FY2026) | | | | | | Chronology of rating history for the past 3 years | | | | | |
|--|-----------------------|--------------------------|--------------------------------------|--------------|--------------------------------------|---|--------------------------------------|--------------|--------------------------------------|--------------|--------------------------------------|
| Instrument | Type | Amount rated (Rs. crore) | Sep 23, 2025 | FY2026 | | FY2025 | | FY2024 | | FY2023 | |
| | | | | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| Fund-based – Working Capital Facilities# | Long term | 70.00 | [ICRA]BBB (Stable) | Jul 14, 2025 | [ICRA]BBB (Stable) | Mar 28, 2025 | [ICRA]BBB (Stable) | Mar 28, 2024 | [ICRA]BBB (Stable) | Mar 20, 2023 | [ICRA]BBB (Stable) |
| Term Loan | Long term | 1.28 | [ICRA]BBB (Stable) | Jul 14, 2025 | [ICRA]BBB (Stable) | Mar 28, 2025 | [ICRA]BBB (Stable) | - | - | - | - |
| Non-fund based – Working Capital Facilities | Short term | 6.02 | [ICRA]A3+ | Jul 14, 2025 | [ICRA]A3+ | Mar 28, 2025 | [ICRA]A3+ | Mar 28, 2024 | [ICRA]A3+ | Mar 20, 2023 | [ICRA]A3+ |
| Non-fund based – Working Capital Facilities | Long term/ Short term | 2.00 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Jul 14, 2025 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Mar 28, 2025 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Mar 28, 2024 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Mar 20, 2023 | [ICRA]BBB (Stable)/ [ICRA]A3+ |
| Unallocated limits | Long term/ Short Term | 0.02 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Jul 14, 2025 | [ICRA]BBB (Stable)/ [ICRA]A3+ | Mar 28, 2025 | [ICRA]BBB (Stable)/ [ICRA]A3+ | - | - | - | - |

One way interchangeable of Rs. 5.00 crore from fund-based working capital to letter of credit

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|----------------------|
| Long-term fund-based – Working Capital Facilities | Simple |
| Long-term fund-based – Term Loan | Simple |
| Short-term non-fund based – Working Capital Facilities | Very Simple |
| Long-term/ Short-term non-fund based – Working Capital Facilities | Very Simple |
| 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 | CC/ WCL/ EPC/ PCFC/ FBD/ EBR# | - | - | - | 70.00 | [ICRA]BBB (Stable) |
| NA | Term Loan | FY2025 | - | FY2030 | 1.28 | [ICRA]BBB (Stable) |
| NA | Letter of Credit | - | - | - | 4.50 | [ICRA]A3+ |
| NA | Forward Contract | - | - | - | 1.52 | [ICRA]A3+ |
| NA | Bank Guarantee | - | - | - | 2.00 | [ICRA]BBB (Stable)/ [ICRA]A3+ |
| NA | Unallocated Limits | - | - | - | 0.02 | [ICRA]BBB (Stable)/ [ICRA]A3+ |

Source: Acknit Industries Limited

One way interchangeable of Rs. 5.00 crore from fund-based working capital to letter of credit

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

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Mr. Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

Ms. Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Mr. Sujoy Saha
+91 33 6521 6805
sujoy.saha@icraindia.com

Mr. Sandipan Kumar Das
+91 33 6521 6807
sandipan.das@icraindia.com

RELATIONSHIP CONTACT

Mr. 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.