Centex International Private Limited

September 05, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	24.05	CARE BBB+ (RWN)	Placed on Rating Watch with Negative Implications
Short Term Bank Facilities	85.50	CARE A3+ (RWN)	Placed on Rating Watch with Negative Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Centex International Private Limited (CIPL) are placed under 'Credit Watch with Negative Implications' following the recent imposition of a 50% tariff by the U.S. Government on select imported goods, including Textiles and Apparels. CIPL derives a significant portion of its revenue from exports, with the U.S. being a key contributor to its total operating income. The Credit Watch reflects uncertainty around the sustainability of current export volumes, possible margin pressures due to pricing renegotiations, and the evolving U.S. trade policy landscape. CARE Ratings will continue to monitor the developments and assess the impact on CIPL's operational and financial performance of the company once more clarity emerges on the same.

The ratings also take cognizance from the stable operational performance, its comfortable capital structure and modest debt protection metrics. Ratings further continue to take comfort from highly reputed and established client base and experience promoters and management team. However, ratings continue to remain constrained by elongated operating cycle and susceptibility of margins to foreign exchange fluctuations risk. Ratings further factor in high geographical concentration risk in revenue and the inherent risk in the textile industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in the total operating income (TOI) above ₹200 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 15% on a sustainable basis.
- Improvement in the overall gearing ratio to ~0.50x on a sustained basis.
- Improvement in the liquidity position with operating cycle shortening to ~180 days and reduced reliance on working capital borrowings.

Negative factors

- Decline in TOI below ₹100 crore with PBILDT margin below 12% on a sustained basis.
- Deterioration in the solvency position with the overall gearing deteriorating significantly above 0.75x on a sustained basis.
- Deterioration in the liquidity position, debt funded capex, increased working capital reliance or substantial elongation in the operating cycle from the envisaged levels.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

Key strengths

Stable operational performance

The company's TOI stood moderate at ₹159.29 crore for FY25 (refers to April 01, 2023 to March 31, 2024) and ₹31.88 crore in Q1FY26 (refers to April 01, 2025 to June 30, 2025) as compared to ₹158.32 crore in FY24. The stoles/scarves segment contributes

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

~60% followed by knitting and dress material contributing ~33% to the TOI in FY24. The company has further added caps, hats and bags to its product line since FY22 which contributed ~7.00% in FY24. The company's PBILDT margin moderated from 12.88% in FY24 to 11.91% in FY25 due to higher cost of consumables. The profit after tax (PAT) margin stood in same line at 2.52% in FY25 from 2.54% in FY24. In Q1FY25 (refers to April 01, 2025, to June 30, 2025), the company has booked ~₹32 crore.

Comfortable capital structure and debt coverage metrics

As on March 31, 2025, the company's debt profile comprised of term loan of ₹25.84 crore, unsecured loan from related parties of ₹15 crore and working capital borrowings of ₹32.56 crore against net worth base of ~₹151 crore. The company's capital structure stood comfortable marked by overall gearing of 0.49x as on March 31, 2025, against 0.52x as on March 31, 2024. Considering stable scale of operations, the company's debt coverage indicators as marked by interest coverage ratio improved at 4.88x in FY25 from 3.56 in FY24. The gearing levels are envisaged to remain same considering higher working capital requirements which are partly funded using bank debt.

Highly reputed and established client base

CIPL caters different leading and established brands across the globe. CIPL caters leading international fashion houses and retail chains some of whom have been associated with the company for almost decades now. These include reputed and high-end brands such as Tommy Hilfiger, Calvin Klein, Strellson AG, and Hugo Boss among others. The company's top five clients in FY25 contributed ~34% of the TOI (~41% of TOI in FY24). Though this leads to a concentrated revenue stream, the client concentration risk is mitigated considering repeat orders and long relationship with the clients.

Experienced promoters and management team

CIPL's managing director, Vineet Sood, holds industry experience of over four decades. He is assisted by his wife, Monisha Sood, who also holds industry experience of nearly three decades and their two sons Eshan and Dhiren have recently joined the business. The promoters are assisted by a team of professionals, having significant experience and knowledge in this industry. The promoters are resourceful and have infused funds in the past to support the company's business requirements. The promoters have also infused unsecured loans, and it stood at ₹15 crore as on June 30, 2025.

Key weaknesses

Elongated operating cycle

The company's operations are highly working capital intensive as evident from operating cycle of 279 days for FY24 largely considering elongated inventory holding period. The company's inventory holding period remained elongated at 235 days in FY24 (PY: 225 days). The inventory period is elongated considering accumulation of significant stock of raw materials, which includes over 150 types of yarns, and of finished goods and work in progress, a wide range of fabrics and end products, that the company has to maintain for execution of orders and as samples for approvals and marketing among others. The company's collection period has also remained elongated at 52 days in FY24. While CIPL has an average creditor period of eight days for FY24.

Foreign exchange risk

The company has sizeable exports forming over 80% of the company's TOI. CIPL also imports a part of its raw material requirement in yarns, packing material, fibres, and accessories. Though the company also hedges a part of its net exposure, in the absence of hedging mechanism for the complete exposure, the company's profitability margins remain susceptible to foreign exchange fluctuation risk. CIPL has earned ₹2.04 crore through foreign exchange gain in FY24.

High geographical concentration risk in revenue

CIPL generates most revenue from exports to countries such as USA, Germany, and Netherlands among others. The company faces geographical concentration risk since the top 10 countries of export account for 77% of the company's TOI. Among export destinations, United States, Germany and Netherlands alone account for ~89% of the total exports as per Q1FY25 data. It is susceptible to policy changes in civil infrastructure and the socio-economic and political conditions in the region. The risk is mitigated to some extent by the long standing relationship with leading international fashion houses and retail chains.

Inherent risk in the textile industry

CIPL operates in an inherently cyclical and competitive textile industry. Adverse changes in the global economic outlook and the demand-supply scenario directly impacts demand of the industry and therefore CIPL. Factors such as change in government policies, and availability of labour among others also impact the company's operations. CIPL is also exposed to competition from domestic and foreign players.

Liquidity: Adequate
The company's liquidity position remained adequate with a free cash and bank balance of ₹10.07 crore as on March 31, 2025. The high working capital requirements are largely met though bank borrowings and average utilization for the last 4 months ended July 2025 stood at ~63%.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Cotton Textile
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Garments & Apparels

CIPL was incorporated in 2010 by Vineet Sood. In 2013, CIPL acquired the textile business of Centex Fashion Exports Unit on slump-sale basis. Currently, CIPL manufactures high end fashion accessories such as scarves, stoles, mufflers, dress fabrics, fancy fabrics, woven garments, and knitted products among others. The company is operating from three manufacturing facilities in Ludhiana, Punjab. CIPL's other related parties include Vineet Sood & Sons HUF, which operates solar and wind power plants.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)	June 30, 2025 (UA)
Total operating income	151.03	158.32	159.29	31.88
PBILDT	20.07	20.39	18.97	4.74
PAT	4.31	4.02	4.01	1.25
Overall gearing (times)	0.61	0.52	0.49	0.49
Interest coverage (times)	3.34	3.56	4.88	5.78

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

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 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-Term Loan	-	-	-	31/07/2026	24.05	CARE BBB+ (RWN)
Fund-based - ST-Working Capital Limits	-	-	-	-	82.50	CARE A3+ (RWN)
Non-fund-based - ST-Forward Contract	-	-	-	-	3.00	CARE A3+ (RWN)

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	24.05	CARE BBB+ (RWN)	-	1)CARE BBB+; Stable (24-Mar-25)	1)CARE BBB+; Stable (22-Mar-24)	1)CARE BBB+; Stable (31-Mar-23) 2)CARE BBB+; Stable (04-Apr-22)
2	Fund-based - ST-Working Capital Limits	ST	82.50	CARE A3+ (RWN)	-	1)CARE A3+ (24-Mar-25)	1)CARE A3+ (22-Mar-24)	1)CARE A3+ (31-Mar-23) 2)CARE A3+ (04-Apr-22)
3	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (31-Mar-23) 2)CARE A3+ (04-Apr-22)
4	Non-fund-based - ST-Forward Contract	ST	3.00	CARE A3+ (RWN)	-	1)CARE A3+ (24-Mar-25)	1)CARE A3+ (22-Mar-24)	1)CARE A3+ (31-Mar-23) 2)CARE A3+ (04-Apr-22)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-Working Capital Limits	Simple
3	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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.

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