

Indo Count Industries Limited

October 05, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	117.14 (Reduced from 118.79)	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	RBI	1,637.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to Indo Count Industries Limited's (ICIL's) bank facilities continues to reflect its strong business risk profile, supported by its established position in the global home-textile industry, integrated manufacturing capabilities, experienced promoters and long-standing relationships with reputed global retailers. Its large bed-linen processing capacity, diversified product offerings, and growing presence across branded and utility bedding categories further strengthen its market position. Ratings also factor in ICIL's comfortable financial risk profile, characterised by healthy cash generation, a comfortable capital structure, adequate debt coverage, and strong liquidity. The scaling up of the United States (US) utility bedding and branded businesses is expected to diversify revenue and support profitability, though improvement in capacity utilisation, operating efficiencies and working-capital management will remain important.

However, ratings remain constrained by ICIL's concentration in the US market and dependence on a limited number of large global retailers. Profitability also remains susceptible to volatility in cotton and cotton yarn prices, delays in passing on higher input costs, and fluctuations in foreign exchange rates. The company operates in a competitive and working capital intensive industry that is sensitive to global consumer demand, trade policies, and changes in customer sourcing strategies. These risks are partly mitigated by ICIL's established customer relationships, adequate liquidity, integrated operations, and ongoing diversification into branded and utility bedding products.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Improvement in revenues on a consistent basis while maintaining its profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 15% on a sustained basis.
- Improvement in its net debt/ PBILDT to below 1.50x on a sustained basis.

Negative factors:

- Any further elongation in the inventory period, leading to an operating cycle stretching beyond 175 days on a sustained basis.
- Deterioration in net debt/PBILDT above 2x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated financials of ICIL owing to strong operational and strategic linkages with its subsidiaries. Consolidated entities are mentioned in Annexure-5.

Outlook: Stable

The "Stable" outlook reflects ICIL's resilient business profile and expected revenue and margin support from its expanding branded and US utility bedding businesses. Steady cash generation and scheduled debt repayments are expected to maintain a comfortable financial risk profile.

¹SEBI: 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

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Experienced promoter in the home-textile segment

ICIL is an established home-textile manufacturer and exporter with a presence across 54 countries, supported by integrated capabilities spanning product development, sourcing, manufacturing, branding, and marketing. Its Indian manufacturing facilities at Kolhapur and Bhilad are complemented by utility bedding facilities in the US and distribution, design and customer-service infrastructure across key overseas markets. The company is promoted by Anil Kumar Jain, Executive Chairman, who has over 40 years of experience in the textile industry, and Mohit Anilkumar Jain, Executive Vice Chairman, who has extensive experience in global marketing, entrepreneurship, and customer development.

Established global presence, reputed clientele, and increasing business diversification

ICIL has an established position in the global home-textile industry, supported by long-standing relationships with reputed retailers, such as Walmart, Costco, Sam's Club and Kohl's, which provide repeat business and revenue visibility. While the company continues to have high exposure to the US market and large retail customers, it has progressively diversified beyond its core bed-linen operations into US utility bedding manufacturing and brand-led sales. Revenue from new businesses increased to ₹792 crore in FY26 (FY refers to April 01 to March 31) (PY: ₹285 crore) and further to ₹387 crore in Q1FY27, driven by the scaling up of utility bedding and the Wamsutta and licensed-brand portfolios. The growing contribution from these businesses broadens ICIL's product and channel mix and, with improving utilisation of its US manufacturing facilities, is expected to support revenue growth and strengthen the company's overall business profile over the medium term.

ICIL's US utility bedding capacity increased to 31 million pillows and 1.5 million quilts following the addition of the Kernersville facility. The expanded platform provides further growth potential, although improvement in capacity utilisation and operating efficiencies will remain important for strengthening margins and returns.

Integrated operations support supply-chain control and operating efficiency

ICIL's integrated operations span spinning, weaving, processing and made-ups manufacturing, providing better control over raw-material availability, product quality, production schedules and customer delivery timelines. The company has completed substantial investments in US utility-bedding manufacturing, enabling local production, shortening replenishment cycles, and strengthening its ability to service large US retailers. With the major US capacity addition completed, improvement in utilisation and fixed-cost absorption should support profitability as volumes increase. The planned capital expenditure of ~₹250 crore over 12-18 months, largely directed towards spinning expansion, modernisation, effluent treatment infrastructure and maintenance, should further improve backward integration and operating efficiency. The combination of integrated Indian operations and local US manufacturing provides ICIL with greater supply-chain flexibility and supports scalable growth across bed linen and utility bedding.

Moderation in FY26 operating performance followed by a strong recovery in Q1FY27

ICIL's operating performance moderated in FY26, with income from operations remaining broadly stable at ₹4,185.72 crore (PY: ₹4,174.09 crore), while PBILDT margin moderated to 10.49% (PY: 13.36%). The contraction was attributable to lower core-business volumes and realisations amid US tariff-related uncertainty, an unfavourable product mix and gestation costs associated with the scaling up of the US utility bedding and brand businesses. However, diversification supported overall revenue.

Performance recovered strongly in Q1FY27, with income from operations increasing by 27% year-on-year to ₹1,224.01 crore (PY: ₹967.32 crore). PBILDT margin improved to 13.11% (PY: 12.26%), supported by recovering core-business volumes, the scaling up of new businesses and improved operating leverage. New-business revenue increased to ₹387 crore, while core-business revenue stood at ₹837 crore. Future revenue growth would be supported by further improvement in core volumes, higher utilisation of US utility bedding facilities and continued growth in the brand portfolio. The Q1FY27 recovery indicates improving operating momentum, although the sustainability of margin improvement will depend on cotton-cost pass-through, product mix, and the pace of utilisation ramp-up.

Comfortable financial risk profile

The financial risk profile is expected to remain strong, supported by steady cash accruals. Total debt moderated to ₹1,357 crore in FY26 (PY: ₹1,462 crore), mainly supported by scheduled debt repayments and lower working capital borrowings; net debt correspondingly declined to ₹1,054 crore (PY: ₹1,222 crore). Overall gearing improved to 0.67x (PY: 0.73x). Despite moderation in profitability, adequate liquidity and expected improvement in earnings should support the company's incremental working capital requirements.

Liquidity: Strong

ICIL's liquidity position remained strong, supported by cash and liquid investments of ₹303.64 crore and gross cash accruals (GCA) of ₹273.07 crore in FY26. Average fund-based working-capital utilisation of ~58% and available headroom in non-fund-based limits provide adequate financial flexibility to meet scheduled debt repayments, planned capital expenditure and incremental working-capital requirements.

Key weaknesses

Susceptibility to fluctuations in raw-material prices and foreign-exchange rates

Cotton and cotton yarn are ICIL's key raw materials, making its profitability sensitive to the recent sharp increase in domestic prices. Cotton prices increased by ~20% in 2026, while cotton yarn prices rose more sharply amid lower domestic cotton production and tighter availability. This could raise ICIL's production costs and temporarily pressure margins, particularly because revised prices generally take time to negotiate with customers. The company partly manages this exposure through inventory planning and periodic price revisions. ICIL is exposed to foreign-exchange movements as a significant portion of its sales is denominated in foreign currencies, primarily the US dollar. The company partly manages this exposure through inventory planning, periodic price revisions, natural hedging of foreign-currency receipts against payments and other foreign-exchange risk-management measures.

Intense competition in the home-textile business

ICIL operates in a highly competitive global home-textile industry, with manufacturers from India competing against suppliers from China, Pakistan, Turkey, Vietnam, and other low-cost manufacturing destinations. Large global retailers generally have significant bargaining power and may shift sourcing based on pricing, product quality, delivery capabilities, tariffs, and supply-chain considerations. This can place pressure on ICIL's realisations, order volumes and margins, particularly in periods of weak consumer demand. The company addresses this risk through its integrated manufacturing operations, diversified product portfolio, established relationships with major retailers and increasing focus on branded and value-added products, which support customer retention and reduce dependence solely on price-based competition.

Concentration in the US market and sizeable working-capital requirements

The US accounted for ~70% of ICIL's revenue in FY26, exposing the company to changes in US consumer demand, trade policies, tariffs, and retailer sourcing strategies. A slowdown or adverse policy change in this market could affect order inflows, capacity utilisation and profitability. The export-oriented business requires sizeable inventory holdings and credit to customers, while the scaling up of the US utility bedding and brand businesses may increase funding requirements for inventory and receivables. ICIL partly manages these risks through its presence in the United Kingdom (UK), Europe and other markets, and adequate liquidity and available working capital limits. The company's ability to diversify its geographic revenue base and efficiently manage the working capital needs of its growing US operations will remain important.

Environment, social, and governance (ESG) risks

Particulars	Risk factors
Environmental	ICIL remains exposed to the environmental impact of energy-intensive manufacturing, water consumption, effluent generation and textile waste. In FY26, renewable capacity stood at 21.5 MW, 53% of water was recycled and reused, and waste diversion reached 78.7%. The company is working towards water neutrality, zero waste and net-zero emissions, though achievement depends on timely execution of its sustainability initiatives and continued capital investment.
Social	ICIL employed 1,217 employees and 5,782 workers in FY26, with women representing ~11% of its workforce. Key social risks include workplace health and safety, employee retention and responsible practices across the cotton supply chain. These are addressed through occupational-health and safety systems, employee-development initiatives and community programmes, which have cumulatively benefited ~8.85 lakh lives.
Governance	ICIL's governance framework is supported by board-level oversight and dedicated committees for audit, stakeholder relations, remuneration, and ESG and CSR matters. The board comprises eight directors, including five independent directors, providing majority independent representation. Maintaining effective oversight across its expanding Indian and US operations remains important as the business grows in scale and complexity.

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](#)

[Cotton Textile](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles & apparels	Other textile products

Incorporated in 1988 by Anil Kumar Jain, ICIL commenced operations as an export-oriented cotton-yarn manufacturer and subsequently emerged as one of India's leading bed-linen exporters. The company has integrated capabilities across spinning, weaving, processing and made ups, with a diversified portfolio comprising bed linen, comforters, quilts, pillowcases, and duvet covers. ICIL has an aggregate bed-linen capacity of 153 million metres per annum across its facilities in Kolhapur, Maharashtra, and Bhilad, Gujarat. It has also established a US utility bedding manufacturing base across Ohio, Arizona, and North Carolina, with a combined capacity of 31 million pillows and 1.5 million quilts annually.

Brief Consolidated Financials (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	4,174.09	4,185.72	1,224.01
PBILDT*	557.67	438.87	160.41
PAT	246.00	126.68	63.22
Overall gearing (times)	0.73	0.67	NA
Interest coverage (times)	4.53	3.23	5.08

A: Audited UA: Unaudited NA: Not available; Note: these are latest financial results available

*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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	28-02-2030	117.14	CARE AA-; Stable
Fund-based-Short Term	RBI	Simple	-		-	-	1500.00	CARE A1+
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	137.00	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	117.14	CARE AA-; Stable	-	1)CARE AA-; Stable (05-Sep-25)	1)CARE AA-; Positive (25-Sep-24)	1)CARE AA-; Stable (30-Nov-23)
2	Fund-based-Short Term	ST	1500.00	CARE A1+	-	1)CARE A1+ (05-Sep-25)	1)CARE A1+ (25-Sep-24)	1)CARE A1+ (30-Nov-23)
3	Non-fund-based - ST-BG/LC	ST	137.00	CARE A1+	-	1)CARE A1+ (05-Sep-25)	1)CARE A1+ (25-Sep-24)	1)CARE A1+ (30-Nov-23)

LT: Long term; ST: Short term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Indo Count Global Inc.	Full	Wholly owned subsidiary
2	Indo Count UK Limited	Full	Wholly owned subsidiary
3	Indo Count Global DMCC	Full	Wholly owned subsidiary
4	Indo Count Retail Ventures Pvt. Ltd.	Full	Wholly owned subsidiary
5	Fluvitex USA Inc.*	Full	Step-down subsidiary
6	Modern Home Textiles Inc.	Full	Step-down wholly owned subsidiary
7	Indo Count Global East Inc.	Full	Step-down wholly owned subsidiary
8	Indo Count (Shanghai) Commercial Co. Limited	Full	Step-down wholly owned subsidiary

*Fluvitex USA Inc. is an 81%-owned step-down subsidiary, while the other step-down subsidiaries are wholly owned.

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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754 3453 E-mail: ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in	Pulkit Agarwal Director CARE Ratings Limited Phone: 912267543505 E-mail: pulkit.agarwal@careedge.in
	Arti Roy Associate Director CARE Ratings Limited Phone: 912267543657 E-mail: arti.roy@careedge.in

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