

Market Cap.

Rs. 5,321 Cr.

52 Week H/L

Rs. 351/211

CMP

Rs. 269

Target Price

Rs. 523

TEXT

Indo Count Industries Ltd has recently announced its performance for the quarter ended December 31, 2025. Following are the key financial highlights:

Particulars	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ
Net Sales	1062.8	1151.5	-7.70%	1062.1	0.07%
EBITDA	91.0	145.8	-37.61%	103.7	-12.22%
EBITDA Margin	8.6%	12.7%	(414 bps)	9.8%	(120 bps)
Profit before Tax	33.5	94.9	-64.69%	52.1	-35.65%
Profit (loss) after Tax	24.4	70.8	-65.48%	39.0	-37.40%
PAT Margin	2.3%	6.2%	(385 bps)	3.7%	(137 bps)
EPS	1.2	4.1	-69.61%	2.0	-37.40%

Highlights from the Quarter (Q3FY26):

Indo Count Industries Ltd (ICIL) reported revenue of Rs. 1,063 crore in Q2FY26, up 0.07% QoQ from Rs. 1,062 crore in Q2FY26. On a YoY basis, however, revenue has marginally down by approximately 7.7%. Sales volumes declined to 24.8 million meters versus 27.7 million meters in Q3FY25, while realizations improved by roughly 3% YoY. The volume contraction was largely driven by tariff-related uncertainty between the US and India, which constrained order inflows.

EBITDA stood at Rs. 91 crore, down 38% YoY (Rs. 146 crore in Q3FY25) and 12% QoQ (Rs. 104 crore in Q2FY26). EBITDA margin compressed to 8.6%, compared with 12.7% in the prior-year quarter and 9.8% in the preceding quarter. The YoY margin erosion was primarily on account of under-absorption of fixed costs due to lower volumes, the impact of the U.S. tariff and incubation costs associated with the new business along with impact of new labour law (Rs.9.2 crore impact in Q3FY26). Net profit for the quarter came in at Rs. 24 crore, implying a net margin of 2.3%. Furthermore, the company has reduced its debt levels by Rs.215 crore in 9MFY26 from March 2025.

Management described the early-CY2026 trade developments as structurally positive for the Indian textile sector, led by progress on the India-EU FTA and a bilateral trade arrangement with the U.S. Although formal notifications are awaited, management indicated that tariff-related uncertainty has materially eased, improving export visibility. The proposed India-EU FTA is expected to provide tariff parity and better market access in the large EU market, creating a more level competitive landscape. Benefits from the U.S. trade arrangement are likely to accrue gradually from Q1FY27 as order flows realign. Furthermore, management reiterated confidence in achieving a 2x revenue scale-up by FY28, driven by core volumes of ~153 million meters and incremental revenue of ~USD 275 million from new brands and the Utility Bedding segment. Q3FY26 commentary highlighted steady demand and a robust order pipeline, supporting the medium-term growth outlook.

OUTLOOK AND VALUATION

We expect gradual improvement in revenues and margin profile of ICIL from Q1FY27 backed by India-USA trade deal and a medium term impact backed by EU FTA. However, We expect FY28E revenue at Rs.5,764.7 cr, EBITDA of Rs.954.1 cr at an EBITDA margin of 16.6% and PAT of Rs.608.8 cr. We estimate FY28E EPS at Rs.30.7, and assign a PE multiple of 17x, reducing the target price to Rs.523 (upside ~94.4%) from the current market price of Rs.269. We keep our BUY Rating for ICIL over an investment horizon of 24-30 months.

STOCK DATA

BUY

Reuters Code	ICNT.BO	
Bloomberg Code	ICNT IN	
BSE Code	521016	
NSE Symbol	ICIL	
Face Value	Rs.2	
Shares Outstanding	19.8 Cr	
Avg. Daily Volume (6m)	686,544 Shares	
Price Performance (%)		
1M	3M	6M
26	(11)	12
200 days EMA Rs.289		

SHARE HOLDING (%)

Promoters	58.8
FII	9.9
FI / MF	5.9
Bodies Corporate	4.1
Public & Others	21.4

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Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY25	4,151.4	533.8	12.9%	246.0	5.9%	12.4	22.9	1.4	2.5
FY26E	4,359.0	553.6	12.7%	288.3	6.6%	14.6	19.6	1.3	2.2
FY27E	5,012.8	709.3	14.2%	412.6	8.2%	20.8	13.7	1.1	2.0
FY28E	5,764.7	954.1	16.6%	608.8	10.6%	30.7	9.3	1.0	1.6



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
6-Sep-24	Initiating Coverage	Buy	422	555
10-Sep-25	Q1FY26 Update	Buy	285	523
24-Nov-25	Q2FY26 Update	Buy	306	523

Profit & Loss Statement

(Rs. Cr)

Y/E Mar.	FY25	FY26e	FY27e	FY28e
Revenue	4,151	4,359	5,013	5,765
Raw Material Cost	1849	1948	2166	2464
Employee Cost	433	462	534	617
Other Expenses	1336	1395	1604	1729
EBITDA	534	554	709	954
<i>EBITDA Margin (%)</i>	<i>12.9%</i>	<i>12.7%</i>	<i>14.2%</i>	<i>16.6%</i>
Depreciation	117	113	113	109
EBIT	417	441	597	845
<i>EBIT Margin (%)</i>	<i>10.1%</i>	<i>10.1%</i>	<i>11.9%</i>	<i>14.7%</i>
Finance Costs	123	97	88	76
Other Income	40	41	42	43
Profit before Tax	334	384	550	812
Tax Expense	80	96	138	203
Net Profit	246	288	413	609
<i>Net Margin (%)</i>	<i>5.9%</i>	<i>6.6%</i>	<i>8.2%</i>	<i>10.6%</i>
EPS	12.4	14.6	20.8	30.7

Balance Sheet Statement

(Rs. Cr)

Y/E Mar.	FY25	FY26e	FY27e	FY28e
PP&E (incl. CWIP)	1,408	1,445	1,452	1,544
Other Non-Current	370	370	370	370
Inventories	1,163	1,388	1,549	1,769
Trade Receivables	592	657	742	837
Cash and Bank Balances	117	95	140	196
Other Current Assets	368	430	475	521
Total Assets	4,260	4,627	4,969	5,479
Equity Share Capital	40	40	40	40
Reserves & Surplus	2,238	2,483	2,852	3,417
Borrowings (LT)	270	250	200	150
Trade Payables	231	406	457	527
Other Financial Liabilities	83	96	110	127
Current Borrowings	948	900	850	750
Other Current Tax Liab & Provisions	53	55	62	71
Total Liabilities	4,260	4,627	4,969	5,479

Source: Company, Sushil Finance Research

Cash Flow Statement		(Rs. Cr)		
Y/E Mar.	FY25	FY26e	FY27e	FY28e
PBT	334	384	550	812
Depreciation	117	113	113	109
Interest	123	97	88	76
CFO before Working Cap chg	573	594	751	997
Chg in Inventories	(20)	(225)	(161)	(220)
Chg in Trade Receivables	(64)	(65)	(85)	(95)
Chg in Trade Payables	(77)	175	51	70
Income Taxes Paid	(80)	(96)	(138)	(203)
Cash Flow from Operations	394	478	557	751
Interest Paid	(123)	(97)	(88)	(76)
Dividend Paid	(44)	(44)	(44)	(44)
Other Adjustments	352	(138)	(123)	(172)
Cash Flow from Financing	105	(375)	(392)	(494)
Capital Expenditure	(223)	(150)	(120)	(200)
Other Adjustments	(262)	24	-	-
Cash Flow from Investing	(485)	(126)	(120)	(200)
Opening Cash	103	117	95	140
Total Cash Flow	14	(22)	45	56
Closing Cash	117	95	140	196

Financial Ratio Statement

Y/E Mar.	FY25	FY26e	FY27e	FY28e
Growth (%)				
Revenue	16.7%	5.0%	15.0%	15.0%
EBITDA	(4.5%)	3.7%	28.1%	34.5%
Net Profit	(27.2%)	17.2%	43.1%	47.5%
Profitability (%)				
EBITDA Margin	12.9%	12.7%	14.2%	16.6%
Net Profit Margin	5.9%	6.6%	8.2%	10.6%
ROCE	13.2%	13.3%	16.4%	20.6%
ROE	10.8%	11.4%	14.3%	17.6%
Per Share Data (Rs.)				
EPS	12.4	14.6	20.8	30.7
BVPS	115.0	127.4	146.0	174.5
CEPS	18.3	20.2	26.5	36.2
Valuation (x)				
P/E	22.9	19.6	13.7	9.3
P/BV	2.5	2.2	2.0	1.6
EV/EBITDA	12.6	12.2	9.5	7.1
P/Sales	1.4	1.3	1.1	1.0
Turnover				
Inventory days	229	260	261	262
Debtor days	52	55	54	53
Creditor days	46	76	77	78
Net working capital days	236	239	238	237
Gearing (x)				
D/E	0.5	0.5	0.4	0.3

Source: Company,
Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)

BUY : Over 12%

HOLD : -12% to 12%

SELL : Below -12%

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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No