



Press Release
ISHMAN INTERNATIONAL
September 15, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	30.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	17.75	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	54.75	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating of “**ACUITE BBB-**” (read as **ACUITE triple B Minus**) on Rs.30 Cr. bank facility and short-term rating of “**ACUITE A3**” (read as **ACUITE A Three**) on Rs.17.75 Cr. bank facility of Ishman International. The Outlook is “**Stable**”.

Further, Acuite has assigned long term rating of “**ACUITE BBB-**” (read as **ACUITE triple B Minus**) on Rs 7 crore bank facility of Ishman International. The Outlook is “**Stable**”.

Rationale for Rating:

Acuite has reaffirmed its rating for Ishman International based on the firm’s established operational track record, experienced management, and enduring relationships with European clients, which underpin its business stability. Despite a revenue decline to Rs.102.98 crore in FY 2025 (prov) from Rs.142.66 crore in FY2024 due to subdued European demand and heightened competition, EBITDA margin improved to 10.32% in FY2025 (prov) from 9.94% in FY2024, aided by decline in raw material and employee cost, though PAT margin dipped to 7.62% in FY 2025 (prov) from 8.10% in FY 2024 owing to higher depreciation and finance costs. The firm’s operations remain working capital intensive, with GCA days rising to 438 day in FY2025 (prov) from 275 day in FY2024, driven by elongated debtor due to high year end sales and inventory cycle. Liquidity remains adequate in FY 2025 (prov) with net cash accruals of Rs.9.24 crore, current ratio of 1.85x, and no long-term debt obligations. Acuite expects the firm’s performance to improve over the medium term, backed by a order book of Rs.22.85 crore as of 31st Aug’2025 and 5MFY26 sales of around Rs.50.00 Cr, comfortable financial risk profile, adequate liquidity while working capital management remains a key sensitivity.

About the Company

Ishman International is a partnership firm promoted by Mr. Munish Arora and Mr. Ish Arora. It was established in 1990 and began commercial operations and incorporated in 1991. The firm’s head office is in Delhi, and it is engaged in the manufacturing and export of readymade garments such as skirts, T-shirts, trousers etc for women and children. The products are exported mainly to European countries such as the UK, Spain, and France. They have 3 Production factories in Sector 5 & 6, Noida (Special Industrial area near New Delhi).

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Ishman International to arrive at this

rating.

Key Rating Drivers

Strengths

Experienced management and Established relationship with customer as well as supplier

Established in 1991, the firm benefits from the extensive industry expertise of its partners, Mr. Munish Kumar Arora and Mr. Ish Kumar Arora, who have over three decades of experience in the readymade garments sector. Their deep understanding of the market has enabled the firm to cultivate strong, long-standing relationships with both clients and suppliers, contributing to its sustained growth and operational stability. With a robust presence across key European markets including the UK, Spain, France, and Ireland, the firm is well-positioned to leverage its established track record and reputed clientele. Acuité believes that these strengths will continue to support the firm's performance and competitive edge over the medium term.

Comfortable Financial risk profile:

The financial risk profile of the company is comfortably marked by net-worth, gearing and debt protection metrics. The net worth of the company stood at Rs.84.72 crore in FY 2025 (prov) as compared Rs. 78.80 Crore as on FY 2024. Despite a rise in short-term debt from Rs.37.87 crore in FY 2024 to Rs.45.02 crore in FY 2025(prov), gearing remains below unity, inching up from 0.48x in FY 2024 to 0.53x in FY 2025(prov), indicating manageable leverage. The Interest coverage ratio as well as debt service coverage ratio of firm stood at 6.89 times as on FY2025(prov) against 8.47 times as on FY2024. The TOL/TNW ratio stood at 0.80 times as on FY2025 (prov) against 0.75 times as on FY2024. NCA/TD stood at 0.21 times in FY 2025(prov) as against 0.33 times in FY 2024. Nonetheless, with no plans for debt-funded capex in the near to medium term, Acuité expects the financial risk profile to remain stable.

Weaknesses

Decline in Operation with variability in margin:

The firm reported a decline in operating revenue to Rs.102.98 crore in FY 2025 (prov) from Rs.142.66 crore in FY 2024, primarily due to reduced order execution amid intensified competition and subdued demand in the European market. Despite this, EBITDA margin improved to 10.32% in FY 2025 (prov) from 9.94% in FY 2024, supported by lower raw material costs and reduced employee expenses. However, PAT margin declined to 7.62% in FY 2025 (prov) from 8.10% in FY 2024 due to increased depreciation and finance costs. Around 60% of annual revenue typically generate during the October–March selling season. As of August 31, 2025, the company recorded around Rs.50.00 crore in turnover backed by an active order book of Rs.22.82 crore, expected to be executed within 3–4 months. Acuite anticipates operating revenue will improve over the medium term, supported by seasonal strength and order visibility.

Working Capital Intensive Operations:

The firm's working capital operations are highly intensive, as evidenced by a sharp increase in Gross Current Assets (GCA) days from 275 day in FY2024 to 438 day in FY2025 (prov), primarily driven by elongated debtor and inventory cycles. Debtor days rose to 207 day in FY2025 (prov) from 155 day in FY2024, reflecting delayed collections due to significant year-end sales, with 57% of revenue booked in Q4FY25. Their average credit period with customers are 120 days. Inventory days also stretched to 199 days in FY 2025(prov) from 96 days in FY 2024 owing to increase in total FG and WIP buildup of Rs.38.20 crore in FY 25(prov) from Rs.25.19 crore in FY 2024 which has already been realized in Q1FY26. Their Accounts payable days also stretched to 252 days in FY 2025(prov) from 115 days in FY 2024 as the firm's payment cycle remains closely tied to receivables realization. Acuite believes that working capital operations of the firm will remain a key sensitive factor over the medium term.

Rating Sensitivities

1. Movement in topline and profitability
2. Working capital management
3. Securing new orders and its execution

Liquidity Position Adequate

The firm's liquidity profile is adequate, underpinned by healthy net cash accruals of Rs.9.24 crore in FY2025 (prov) against negligible debt repayment obligations, owing to the absence of long-term borrowings. The current

ratio remains stable at 1.85x in FY2025 (prov.), marginally lower than 1.89x in FY2024, indicating sufficient short-term asset coverage. Additionally, the firm maintains an unencumbered cash and bank balance of Rs.0.84 crore and has utilized approximately 65% of its sanctioned bank limits over the six months ending June 2025, reflecting moderate reliance on working capital loans. Acuité believes that the firm's liquidity profile is expected to remain adequate over the medium term, supported by steady accruals and the absence of any long-term borrowings.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	102.98	142.66
PAT	Rs. Cr.	7.85	11.56
PAT Margin	(%)	7.62	8.10
Total Debt/Tangible Net Worth	Times	0.53	0.48
PBDIT/Interest	Times	6.89	8.47

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Dec 2024	Bills Discounting	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	2.75	ACUITE A3 (Reaffirmed)
	PC/PCFC	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)
09 Oct 2023	Bills Discounting	Short Term	8.80	ACUITE A3 (Assigned)
	Proposed Short Term Bank Facility	Short Term	1.20	ACUITE A3 (Assigned)
	PC/PCFC	Long Term	37.75	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.20	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.55	Simple	ACUITE A3 Reaffirmed

Out of total fund base limit of Rs.49.50 crore with Canara bank, the firm can use maximum of Packing credit of Rs.38.50 crores.

Contacts

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About Acuité Ratings & Research

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