Press Release

Avi Ansh Textile Limited

March 31, 2026

Ratings

Security / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	24.80 (enhanced from 19.12)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Long Term Bank Facilities – GECL	-	-	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	Rating Withdrawn	Simple
Short Term Bank Facilities	0.20	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Total	**25.00 (Rupees twenty-five crore only)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of the ratings assigned to the bank facilities of Avi Ansh Textile Limited (AATL) continues to derive comfort from experienced promoters of the company, easy availability of raw material and comfortable financial risk profile. However, these rating strengths are partially offset by moderation in business performance in FY25 [FY refers to the period from April 01 to March 31] and H1FY26, volatility in raw material prices affecting profitability and presence in intensely competitive industry.

Infomerics Ratings has simultaneously withdrawn the rating assigned to GECL limit with immediate effect. The above action has been taken on receipt of No Due Certificate issued by the lender. The rating is being withdrawn in accordance with the Infomerics' Policy on Withdrawal of ratings.

The outlook is stable marked by expected stable business performance of the company in the near to medium term.

Key Rating Sensitivities:

Upward Factors

- Sustained and substantial improvement in revenue and profits of the company

- Sustenance of the capital structure and/or improvement in debt service coverage indicators on a sustained basis
- Reduction in exposure to associate entity

Downward Factors

- Dip in operating income and/or dip in profitability impacting the gross cash accruals
- Deterioration in debt protection metrices with moderation in interest coverage to below 2x.
- Deterioration in capital structure with moderation in overall gearing to above 2x.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Comfortable financial risk profile**

The capital structure of the company has improved with reduction in debt levels and accretion of profits to reserve. The overall gearing ratio improved from 1.23x as on March 31, 2024, to 0.62x as on March 31, 2025. Further, the Total Debt / EBITDA continues to remain moderate at 3.46x as on March 31, 2025 (3.63x as on March 31, 2024). The total indebtedness of the company marked by TOL/ATNW improved to 0.75x on March 31, 2025 (1.40x as on March 31, 2024). AATL has extended corporate guarantee to the bank facilities of its associate entity Avi Ansh Enterprises Private Limited which restricts the credit risk profile of the company to an extent. However, including the said corporate guaranteed debt, the overall gearing ratio of AATL stood moderate at 1.13x as on March 31, 2025. The debt protection metrices marked by interest coverage though moderated but remained comfortable at 3.78x in FY25 (4.06x in FY24). The moderation in interest coverage is due to decline in absolute EBITDA. The Total Debt / EBITDA and Total debt/NCA has improved from 3.63x and 5.39 years respectively as on March 31, 2024, to 3.46x and 5.14 years respectively as on March 31, 2025. As on Sep 30, 2025, the overall gearing and TOL/TNW stood comfortable at 0.69x and 0.89x respectively. In H1FY26, the interest coverage is satisfactory at 3.67x.

- **Easy availability of raw material**

The company has easy access to raw materials as its manufacturing plant is located in Dera Bassi (Punjab), which is near to the cotton growing belt of the state. Favourable location of the plant also enables the company to save on logistics costs.

- **Experienced promoters**

The company has an operational track record of over two decades. The directors of the company Mr. Anil Jain and Mrs. Geeta Jain have extensive experience of around three decades in the cotton industry, which strengthens the business risk profile of the company.

Key Rating Weaknesses

- **Moderation in business performance in FY25 and in H1FY26**

The company has achieved a revenue of Rs.134.41 crore in FY25 as compared to Rs.141.73 crore in FY24 therefore registering a y-o-y degrowth of 5.16% due to decline in sales volume by ~37% and realization by ~44% of 30 Count CH Cotton Yarn. The EBITDA margin has moved in line with the top line and has moderated from 6.50% in FY24 to 5.59% in FY25 mainly due to rise in job work charges, salary & wages expenses. Subsequently the PAT margin has declined from 2.33% in FY24 to 1.33% in FY25 due to increase in depreciation expenses. In H1FY26, the company has achieved a revenue of Rs. 63.07 crore with EBITDA margin of ~5 % and PAT margin of ~1%.

- **Volatility in raw material prices affecting profitability**

The company's profitability is vulnerable to sharp fluctuations in raw material prices, which affects sales realisations. Cotton prices have been volatile in recent years and thus the company's profitability remains susceptible to any adverse movement in cotton and yarn prices. However, the risk is mitigated to an extent on account of order-backed raw material procurement policy.

- **Presence in intense competitive industry**

The spinning and weaving industry is highly fragmented and competitive with the presence of large number of organised and unorganised players. Intense industry competition coupled with commoditised nature of the products limits the company's pricing flexibility and bargaining power.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Policy on Withdrawal of Ratings

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity position of the company is expected to remain adequate in the near to medium term driven by sufficient cash accruals to meet its debt repayment obligation in the projected period. Moreover, the company has no major near term capex plan, which imparts comfort. Further the company has sufficient gearing headroom with overall gearing ratio of 0.62x as on March 31, 2025, and the average fund-based utilisation remains moderate at ~76% during the last 12-month ended January 2026 indicating sufficient liquidity buffer.

About the Company

Incorporated in 2005, Avi Ansh Textile Limited (Erstwhile Avi Ansh Textile Private Limited) is involved in spinning, weaving, and finishing of textiles. The company has its manufacturing facility located in Dera Bassi, Punjab with a capacity of 27000 spindles and a production limit of 12-15 MT cotton yarn per day. The directors of the company Mr. Anil Jain and Mrs. Geeta Jain have extensive experience of around three decades in the cotton industry, which strengthens the operational profile of the company. Avi Ansh Textile Limited is listed in NSE SME platform from September 27, 2024.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025	H1FY26
	Audited	Audited	Unaudited
Total Operating Income	141.73	134.41	63.07
EBITDA	9.22	7.51	3.24
PAT	3.31	1.80	0.63
Total Debt	33.45	25.98	29.76
Tangible Net Worth	15.76	42.18	43.02
Adjusted Tangible Net Worth	27.12	41.78	-
EBITDA Margin (%)	6.50	5.59	5.14
PAT Margin (%)	2.33	1.33	1.00
Overall Gearing Ratio (x)	1.23	0.62	0.69
Interest Coverage (x)	4.06	3.78	3.67

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: The ratings of AATL continue to be classified under ISSUER NOT COOPERATING category by Brickwork Ratings as per Press Release dated July 07, 2025, due to unavailability of information.

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Security/ Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Jan 29, 2025	Sep 16, 2024	Aug 10, 2023	Jun 07, 2022
1.	WCTL/ GECL	Long Term	-	Withdrawn	IVR BBB-; Stable	IVR BB; Negative; ISSUER NOT COOPERATING	IVR BB+; Stable	IVR BB+; Stable
2.	Cash Credit	Long Term	24.80	IVR BBB-; Stable	IVR BBB-; Stable	IVR BB; Negative; ISSUER NOT COOPERATING	IVR BB+; Stable	IVR BB+; Stable
3.	Bank Guarantee	Short Term	0.20	IVR A3	IVR A3	IVR A4; ISSUER NOT COOPERATING	IVR A4+	IVR A4+

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
WCTL/ GECL	-	-	-	-	-	Withdrawn
Cash Credit	-	-	-	-	24.80	IVR BBB-; Stable
Bank Guarantee	-	-	-	-	0.20	IVR A3

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_Avi_Ansh_mar26_0ae15bb4a7.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.