

Apparel Marketing Manufacturing Intl

July 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE B+; Stable and Withdrawn
Short-term bank facilities	-	-	Reaffirmed at CARE A4 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE B+; Stable/CARE A4' assigned to the bank facilities of Apparel Marketing Manufacturing Intl (AMMI) with immediate effect. This action has been taken at the request of AMMI and 'No Objection Certificate' received from the Punjab National Bank that have extended facilities rated by CareEdge Ratings.

Ratings assigned to bank facilities of AMMI are constrained by small scale of operations, moderate capital structure and debt protection metrics, geographically concentrated revenue stream, elongated operating cycle, capital withdrawal risk with the proprietorship nature of the firm and inherent risk of volatile raw material prices. However, ratings derive strength from vast experience of proprietor, long operational track record and comfortable profit margins.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that the firm's ability of to sustain its operational performance with benefits derived from established relationship with customers and vast experience of proprietors.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations with geographically concentrated income

AMMI's scale of operations stood small with total operating income (TOI) of ₹36.04 crore in FY25 against ₹50.38 crore in FY24 (refers to April 01 to March 31). The revenue is geographically concentrated with entire sales made to the United States of America. Top three clients constitute 91.59% (PY: 82.08%) of total income in FY24.

Moderate capital structure and debt protection metrics

The AMMI's capital structure stood moderate with overall gearing at 2.04x as on March 31, 2025, however, it improved from 2.30x as on March 31, 2024. The firm has no ongoing capex. Debt protection metrics also stood moderate with total debt to gross cash accruals (TD/GCA) of 9.29x as on March 31, 2023 (PY: 6.10x).

Proprietorship nature of business constitution with inherent risk of withdrawal of capital

AMMI is a proprietorship business, where inherent risk of withdrawal of capital by the proprietor at the time of personal contingencies can result in erosion of capital base, leading to adverse effect on capital structure. Proprietors infused net capital of ₹0.01 crore in FY24 (PY: ₹0.91 crore).

Elongated operating cycle

The operating cycle stood elongated at 336 days in FY25 as against 81 days in FY24 due to higher inventory holding. The firm manufactures loungewear apparel across segments. Per the export customers' demand, the firm needs to maintain finished goods inventory across styles and colours. Hence, inventory days stood stretched at 590 days in FY25 as against 165 days in FY24.

Key strengths

Long operational track record with improved profit margins

AMMI was established in 2010. The firm is engaged in manufacturing and exporting readymade garments (RMG), catering to men, women and kids. The firm has installed capacity to stitch 27,000 units per day and cut 30,000 units per day. The capacity

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

utilisation stood comfortable at 90% and 92% respectively in FY24. The profit before interest, lease rentals, depreciation and taxation (PBILDT) margin consistently improved over the years from 10.54% in FY21 to 18.99% in FY24 due to better realisation and the firm was able to pass on inventory holding costs to customers.

Vast experience of proprietor

AMMI was established by Shrei Ganesh in 2010 as a proprietorship firm. The proprietor has more than two decades of experience in the textile industry. He has pursued a Bachelors in Textile Technology.

Liquidity: Poor

The liquidity is poor, characterised by tightly matched accruals against repayment obligations with nominal free cash balance. Operating cycle stood stretched due to higher inventory days. The firm enjoys a credit period of ~3-4 months from its creditors. Average working capital utilisation of working stood high at 96% for 12 months ending May 2024. The current ratio stood at 1.25x as on March 31, 2024 (PY: 1.55x).

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](#)

[Withdrawal Policy](#)

[Cotton Textile](#)

[Short Term Instruments](#)

[Manmade Yarn-Methodology](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles & apparels	Garments & apparels

AMMI was established in 2010. It is a proprietorship concern and is promoted by Shrei Ganesh. AMMI is engaged in manufacturing and export of cotton blended, polyester and lycra readymade garments.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	27.75	50.38	36.04
PBILDT	4.00	9.27	7.06
PAT	2.23	5.40	3.84
Overall gearing (times)	2.79	2.30	2.04
Interest coverage (times)	2.40	2.47	2.34

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 instruments/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		-	-	October 2027	0.00	Withdrawn
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	0.00	Withdrawn
Fund-based - ST-Packing Credit in Indian rupee		-	-	-	0.00	Withdrawn

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	-	-	1)CARE B+; Stable (31-Jul-25)	1)CARE B+; Stable (01-Jul-24)	-	-
2	Fund-based - ST-Packing Credit in Indian rupee	ST	-	-	1)CARE A4 (31-Jul-25)	1)CARE A4 (01-Jul-24)	-	-
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	-	-	1)CARE A4 (31-Jul-25)	1)CARE A4 (01-Jul-24)	-	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/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-Bill Discounting/ Bills Purchasing	Simple
3	Fund-based - ST-Packing Credit in Indian rupee	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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