Ambertex Universal Export Private Limited

August 04, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	27.88	CARE BBB-; Stable	Assigned
Short-term bank facilities	RBI	48.12	CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Ambertex Universal Export Private Limited (AUEPL) derive strength from the promoters' vast experience, long and established operational track record, partially integrated operations, and cost benefits derived from captive power consumption.

However, ratings are constrained by relatively moderate scale of operations, moderate capital structure and debt protection metrics, concentrated customer profile, and profitability susceptible to raw material price volatility and forex fluctuations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to improve the total operating income (TOI) above ₹300.0 crore.
- Ability to improve debt coverage metrics with total debt to gross cash accruals (TD/ GCA) below 3x.

Negative factors

- Any large debt-funded capex leading to increase in overall gearing above 1.5x.
- Any stretch in operating cycle above 100 days leading to liquidity shortfall.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects the CARE Ratings Limited's (CareEdge Ratings') expectation of sustained operational performance of the company leveraging from partially integrated operations, cost benefits derived from captive power consumption, and established clientele.

Detailed description of key rating drivers

Key strengths

Vast experience of promoter

The company is led by its founding promoter, V. Marimuthu, Managing Director, who has been associated with the business since inception and possesses nearly three decades of experience in the garment industry. He is supported by Indirani Marimuthu, Director, who is involved in the company's day-to-day operations. The next generation of the promoter family is also actively engaged in the business, with both sons overseeing key functional areas. Venugopal, Director, with ~22 years of industry experience, manages export production and the spinning mill division, while Balasubramaniam, Director, with ~19 years of experience, looks after sales, garment division operations, and export marketing activities.

Long-established operational track record

AUEPL, headquartered in Tirupur, Tamil Nadu, has over two decades of experience in the textile industry. The business commenced as a partnership firm, Ambertex Universal Export, in August 2003 and was subsequently converted into a private limited company in October 2022. The company is engaged in manufacturing and exporting knitted garments and has strengthened its presence across the textile value chain through the establishment of a spinning division. AUEPL produces 100% cotton yarn in 24s, 30s, and 40s counts, comprising both combed and carded varieties, while its garment portfolio includes a wide range of knitted apparel for children, men, and women.

---

[1]SEBI: 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

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

Partially integrated nature of operations
AUEPL is a partially integrated textile manufacturer with operations in spinning and garment manufacturing. As on June 30, 2026, the company had an installed capacity of 14,400 spindles and 550 sewing machines. Around 25% of yarn production is consumed captively in the garment division, while the balance is sold externally. In FY26, garment sales contributed ~57% of total income, with the remaining revenue generated from yarn sales.

Cost benefits derived from captive power consumption
The company has installed capacity of 1 MW of rooftop solar as on date. The company has also completed installation of 3-MW ground solar in April 2026. The plant is expected to be commence operations from August 2026. Together the captive power consumption is expected to meet ~60-65% of power requirements.

Key weaknesses

Relatively moderate scale of operations despite growing
The scale of operations remained relatively moderate despite growing with the TOI from ₹93.43 crore in FY22 to ₹241.37 crore in FY26 at a compound annual growth rate (CAGR) of 26.8%. The growing scale of operations is primarily associated with addition of capacity in spinning division and improved demand in garment division in export market. Profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of the company stood moderate at 8.17% in FY26 decreased marginally from 8.44% in FY25.

Moderate capital structure and debt protection
The capital structure stood moderate with overall gearing at 1.17x as on March 31, 2026 (PY: 1.10x). The debt protection metrics stood moderate with TD/ GCA at 5.38x as on March 31, 2026, against 4.54 x as on March 31, 2025. The interest coverage stood comfortable at 4.71x in FY26, increased from 4.09x in FY25.

Debt levels peaked on March 31, 2026, following the completion of the project and are expected to decline going forward, given the absence of significant debt-funded capex plans in the near term.

Risk of geographical and customer concentration
The company's export sales are also geographically concentrated, with the US and UK together accounting for ~96% of export revenue in FY26. AUEPL's revenue profile remains exposed to customer concentration risk, with the top five customers accounting for ~61% of TOI in FY26, which further increased to 71% in Q1FY27.

Profitability susceptible to raw material price volatility and forex fluctuations
AUEPL operates in the highly competitive and fragmented textile and garment industry, with the presence of several organised and unorganised players limiting its pricing flexibility. As a result, the company's profitability remains susceptible to fluctuations in cotton and yarn prices and its ability to pass on cost increases to customers. The company primarily procures cotton from Gujarat and Maharashtra, and adverse movement in raw material prices or sustained competitive pressure could impact its operating margins and overall financial performance.

Liquidity: Adequate
The liquidity position of AUEPL is adequate with sufficient accruals against repayment obligations of ₹9.75 crore in FY27. The company has free cash balance and liquid investments of ₹8.83 crore as on March 31, 2026. Operating cycle remains moderately stretched at 67 days in FY26 (PY: 63 days). The company maintains cotton and yarn inventory for two months. AUEPL offers credit period of 45-60 days to its customers while it enjoys same credit period with its suppliers. The company has working capital limits of ₹40.0 crore and the average working capital utilisation stood ~82.4% for past 12 months ending June 30, 2026. The current ratio stood relatively moderate at 1.12x as on March 31, 2026 (PY: 1.17x).

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
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

Promoted by Velusamygounder Marimuthu and Indirani Marimuthu, AUEPL is a Tirupur-based manufacturer and exporter of knitted garments with integrated spinning and garmenting operations. The company operates a spinning unit with an installed capacity of 14,400 spindles and 550 sewing machines as on March 31, 2026. AUEPL manufactures 100% cotton yarn in 24's, 30's and 40's counts (combed and carded) and a wide range of knitted garments catering to toddlers, men, and women. The company has presence in international markets, exports accounted for ~57% of FY26 operating income (PY: 57%), primarily serving customers in the US and the UK.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	218.03	241.37
PBILDT*	18.41	19.73
Profit after tax (PAT)	7.64	6.83
Overall gearing (x)	1.10	1.17
Interest coverage (x)	4.09	4.71

A: Audited; UA: Unaudited; Note: these are latest available financial results
*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	-		-	01-12-2030	27.88	CARE BBB-; Stable
Fund-based - ST-EPC/PSC	RBI	Simple	-		-	-	45.42	CARE A3
Non-fund-based - ST-Loan Equivalent Risk	RBI	Simple	-		-	-	2.70	CARE A3

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	27.88	CARE BBB-; Stable				
2	Fund-based - ST-EPC/PSC	ST	45.42	CARE A3				
3	Non-fund-based - ST-Loan Equivalent Risk	ST	2.70	CARE A3				

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

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 **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	**Analytical Contacts** Sandeep P Director **CARE Ratings Limited** Phone: 914428501002 E-mail: sandeep.prem@careedge.in Naveen S Associate Director **CARE Ratings Limited** Phone: 914224502305 E-mail: naveen.kumar@careedge.in Ragavilashini Muralikrishnan Lead Analyst **CARE Ratings Limited** E-mail: Ragavilashini.M@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com