Ambika Cotton Mills Limited

30/07/2026

Ref.No. ACM/SE/13/2026-27

LISTING COMPLIANCE DEPARTMENT

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400001 Scrip Code: 531978	The National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 Symbol: AMBIKCO

Dear Sir,

Regulation 30 of SEBI (LODR) Regulations, 2015 - Filing of CRISIL Rating for bank facilities - Revision in Rating - Reg.

Please find CRISIL rating for bank facilities and was filed by CRISIL directly with BSE and in respect of the same auto notification came from BSE. A copy downloaded from BSE portal is filed for record.

It may be noted that short-term rating upgraded to CRSIL A1+ and long-term rating CRISIL A+/ Stable (Re-affirmed)and we yet to receive the official copy from CRISIL.

Thanking you

For Ambika Cotton Mills Limited

RADHE SHYAM PADIA

Digitally signed by RADHE SHYAM PADIA
Date: 2026.07.30 11:12:16 +05'30'

Radheyshyam Padia
Company Secretary & Compliance Officer

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CIN: L17115TZ1988PLC002269

Rating Rationale

July 28, 2026 | Mumbai

Ambika Cotton Mills Limited

Short-term rating upgraded to 'Crisil A1+'; Long-term rating reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.455.55 Crore	Regulator Of Instrument
Long Term Rating	Crisil A+/Stable (Reaffirmed)	RBI
Short Term Rating	Crisil A1+ (Upgraded from 'Crisil A1')	RBI

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed rationale

Crisil Ratings has upgraded its rating on the short-term bank facilities of Ambika Cotton Mills Limited (ACML) to **'Crisil A1+'** from 'Crisil A1' and has reaffirmed its 'Crisil A+/Stable' rating on the long term bank facility.

The upgrade reflects the sustained improvement in the company's liquidity and strengthening financial flexibility over the three fiscals ended March 31, 2026. The company has consistently maintained a strong net cash position, which increased to around Rs 198 crore as of March 2026 from Rs 135 crore as of March 2024. This improvement was supported by healthy cash accrual, prudent working capital management, and limited dependence on external borrowings, resulting in enhanced liquidity and a stronger balance sheet.

Furthermore, the management has articulated its commitment to maintaining a minimum free liquidity buffer of ~Rs 150 crore over the medium term. The availability of such sizeable unencumbered cash and liquid investments is expected to provide adequate financial flexibility to meet operational requirement, working capital needs, and any unforeseen contingencies. Additionally, the company remained debt-free as on March 31, 2026, with no outstanding external borrowings on its balance sheet. Over the medium term, the management does not envisage any requirement for major long-term borrowings as the planned capital expenditure (capex) and operational requirements are expected to be funded through internal cash generation.

The ratings continue to reflect extensive experience of the promoter, established market position in the finer cotton yarn segment, longstanding relationships with key customers, healthy operating efficiency, and strong financial risk profile. These strengths are partially offset by susceptibility of ACML to volatility in raw material prices and foreign exchange (forex) rates.

Analytical approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of ACML.

Key Rating Drivers - Strengths

Established market position in the finer count yarn segment: The company benefits from its established market position and global repute as a manufacturer of premium cotton yarn, supported by the extensive experience of its promoter, longstanding supplier and customer relationships, and strong in-house operational capabilities. ACML specialises in manufacturing premium quality compact yarn by optimal blending of imported and indigenous cotton, which is used to make finer shirting. In fiscal 2026, the company clocked revenue Rs 780 crore against Rs 721 crore in fiscal 2025.

Healthy operating efficiency: Manufacturing premium quality yarn has led to better price realisation, flexibility to pass on increases in raw material prices to customers, and adequate captive power facilities, resulting in reduced power costs. The company's compact yarn has higher realisation compared to the domestic cotton yarn. The operating margin improved marginally in fiscals 2025 and 2026 to 14–15%. Additionally, prudent working capital management has resulted in healthy return on capital employed of 10% over the three fiscals through 2026.

Comfortable financial risk profile: Networth and total outside liabilities to tangible networth (TOLTNW) ratio were comfortable at Rs 954 crore and 0.16 time, respectively, as on March 31. 2026. Debt protection metrics were strong, with interest coverage ratio of around 9 times for fiscal 2026. Strong liquidity is reflected in sparsely utilised bank limit and healthy cash accrual against no major debt obligation.

Key Rating Drivers - Weaknesses

Susceptibility to volatility in raw material prices and forex rates: Cotton is a key raw material, accounting for most of the company's turnover. Cotton prices are volatile because they depend on the monsoon. The prices are also affected by international demand. Volatility in availability and prices of cotton affects operating margin, as reflected in decline in the company's margin in fiscal 2024. Moreover, exports account for around 70% of ACML's turnover, thereby exposing the company to considerable volatility in forex rates.

Liquidity Strong
Bank limit utilisation was low at around 4.81% for the 12 months through March 2025. Cash accrual is expected to be over Rs 100 crore per annum over the medium term post-dividend, and will aid liquidity in the absence of any debt obligation. The company also has free cash and equivalent of around Rs 198 crore as of March 2026, which support the liquidity; and the management has indicated that minimum free liquidity of Rs 150 crore will be maintained over the medium term. Current ratio was adequate at 6.43 times as on March 31, 2026.

Outlook Stable
Crisil Ratings believes ACML will maintain its business performance over the medium term, supported by its established market position in the textiles segment and strong operating efficiency.

Rating sensitivity factors
Upward factors:
- Healthy revenue growth and operating margin sustained over 19% leading to higher net cash accrual
- Sustenance of the financial risk profile and liquidity

Downward factors:
- Large debt-funded capex or stretch in working capital cycle resulting in TOLTNW ratio of more than 1.5 times or weakening of liquidity
- Decline in revenue or operating profitability impacting cash accrual

About the company
Incorporated as a private limited company in 1988, ACML was reconstituted as a public company in 1994. Mr PV Chandran is the Chairman and Managing Director. The company spins cotton yarn in the finer count of 60s-100s and manufactures fabric. While ~75% of the revenue is derived from exports, the rest is from the domestic market. ACML is listed on the National Stock Exchange and the Bombay Stock Exchange.

Key financial indicators

As on / for the period ended March 31		2026	2025
Operating income	Rs crore	780.95	721.00
Reported profit after tax (PAT)	Rs crore	71.56	65.74
PAT margin	%	9.16	9.12
Adjusted debt/adjusted networth	Times	0.00	0.06
Interest coverage	Times	9.01	5.95

Any other information: Not Applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Composite Working Capital Limit	NA	NA	NA	345.00	NA	Crisil A1+	RBI
NA	Proposed Working Capital Facility	NA	NA	NA	110.55	NA	Crisil A+/Stable	RBI

Annexure - Rating History for last 3 Years

	Current	2026 (History)	2025	2024	2023	Start of 2023

Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	455.55	Crisil A+/Stable / Crisil A1+		--	08-07-25	Crisil A1 / Crisil A+/Stable	19-02-24	Crisil A1 / Crisil A+/Stable	28-08-23	Crisil A+/Positive / Crisil A1	Crisil A+/Positive / Crisil A1
			--		--	30-04-25	Crisil A1 / Crisil A+/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities - Regulator for the Instrument is RBI

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Composite Working Capital Limit	**110**	**Axis Bank Limited**	**Crisil A1+**
Composite Working Capital Limit	**35**	**IDBI Bank Limited**	**Crisil A1+**
Composite Working Capital Limit	**75**	**ICICI Bank Limited**	**Crisil A1+**
Composite Working Capital Limit	**125**	**HDFC Bank Limited**	**Crisil A1+**
Proposed Working Capital Facility	**110.55**	**Not Applicable**	**Crisil A+/Stable**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]
[Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)]

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https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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