Ashoka

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	20.00 (Reduced from 25.00)	CARE BBB-; Stable	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Ashoka continues to derive strength from long-standing presence of promoters in the textile retail business with established operational track record, well-established supplier base with extensive sourcing network, stable operational profile, comfortable capital structure, and debt protection metrics.

However, the rating is constrained by geographically concentrated operations and revenue limited to single showroom, partnership nature of constitution, and highly competitive and fragmented industry.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the outstanding ratings of 'CARE BBB-; Stable' (Triple B minus; Outlook: Stable) assigned to the term loan, as the same stands closed.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistent scaling up revenue above ₹250 crore by diversifying geographical presence.

Negative factors

- Debt funded expansion, resulting in deteriorating capital structure with gearing levels above 1.50x.
- Declining profit before interest, lease rentals, depreciation and taxation (PBILDT) margins below 5%.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings believes the firm will continue to benefit from extensive experience of promoters, and stable demand scenario, which shall enable the firm to sustain a healthy operational profile.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record of the showroom

Antony Selvakumar and Antony Jeyaraj, sons of Mani Nadar (Founder of 'Ashoka' firm) have over three decades' experience in the clothing retail business including all verticals such as marketing, strategic planning, sourcing textile goods and general management. In 1950, the business was registered as 'Ashoka'. In the last seven decades, 'Ashoka' has developed a good brand recognition and loyalty in the southern Tamil Nadu market as a seller of quality apparels at affordable prices. Day-to-day operations are managed by promoters supported by different managerial heads. Antony Divyan, a third-generation entrepreneur and son of Antony Selvakumar, is also actively involved in the store's operations.

Stable operational profile aided by strong sourcing network

The firm's scale of operation stood stable at ₹177.24 crore in FY25 with a modest growth of 2.2% over ₹173.43 crore FY24. The firm offers wide range of collection and is one of the largest showrooms in the locality. The firm's PBILDT margin stood at 11.39% in FY25, which slightly moderated from 12.11% in FY24 due to higher packing and freight charges.

Comfortable capital structure and debt protection metrics

The firm's financial risk profile remained healthy with comfortable net worth base of ₹90.61 crore as on March 31, 2025, (PY: ₹71.96) resulting in the overall gearing of 0.21x as on March 31, 2025 (PY:0.49x). Debt coverage indicators stood comfortable with total debt to gross cash accruals (TD/GCA) at 1.44x (PY: 2.71x) as on March 31, 2025, and interest coverage at 16.33x (PY: 7.95x) in FY25.

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

Key weaknesses

Geographically concentrated operations and revenue constrained to a single showroom

The entire revenue of Ashoka is generated from Tamil Nadu with only one showroom in Vallioor, Tirunelveli. The area of current showroom in Vallioor is 1.25 lakh square feet with land area of 2.25 acres. The firm's presence through a single showroom keeps revenue concentrated and exposed to socio-economic political and other risks associated with operating in a single location.

Partnership nature of constitution

The partnership business has an inherent risk of withdrawal of capital by partners at the time of their personal contingencies, leading to an adverse effect on capital structure. However, partners have not made major capital withdrawals in the last few years and profits are reinvested in the business.

Highly competitive and fragmented industry

The textile retail industry in India is characterised by several organised and unorganised players. The fashion and apparel industry is highly competitive, as large numbers of retailers sell similar-looking products at similar price points. Despite being an established brand in the southern Tamil Nadu textile market, the firm is exposed to intense competition from other regional players, which could lead to pressure on its margins.

Liquidity: Adequate

Ashoka has adequate liquidity profile with sufficient accruals of ₹13.04 crore in FY25 against minimal repayment obligation of ₹1.34 crore in FY26. The entity's cash balance stood at ₹15.29 crore (PY: ₹11.98 crore) as on March 31, 2025. Ashoka generally keeps 2-3 months' stock ensuring adequate inventory holding, however, this figure may vary based on demand. Average inventory period varied from 70-120 days in the last five years. The retail business is cash and carry, with zero credit period, and the firm benefits from a creditors' period of 35-45 days. The working capital cycle stood comfortable at 37 days as on March 31, 2025. The average working capital utilisation of limits stood at 54% for 12-months ended April 2025.

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
Financial Ratios – Non financial Sector
Withdrawal Policy
Retail
Service Sector Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Retailing	Diversified retail

Ashoka is engaged in textile retailing, operating through a single showroom in Vallioor, Tirunelveli, Tamil Nadu. The firm was founded by Mani Nadar in 1950 as a partnership firm. Antony Selvakumar and Antony Jeyaraj, sons of Mani Nadar, manage the firm's day-to-day operations as partners. Antony Divyan is a third-generation entrepreneur and son of Antony Selvakumar and is also actively involved in the store's operations. The showroom at Vallioor is built on an area of 1.25 lakh square feet spread over six floors with varied products, such as garments, bags, home textiles, and home needs under a single roof. Textiles form major part of the revenue, accounting over 90% turnover.

Brief financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	159.28	173.43	177.24
PBILDT	18.64	21.00	20.20
PAT	9.81	10.88	11.10
Overall gearing (times)	0.76	0.49	0.21
Interest coverage (times)	6.34	7.95	16.33

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-Cash credit		-	-	-	20.00	CARE BBB-; Stable
Fund-based - LT-Term loan		-	-	-	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-Cash credit	LT	20.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (25-Jun-24)	1)CARE BBB-; Stable (22-May-23)	-
2	Fund-based - LT-Term loan	LT	-	-	-	1)CARE BBB-; Stable (25-Jun-24)	1)CARE BBB-; Stable (22-May-23)	-

LT: Long 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-Cash credit	Simple
2	Fund-based - LT-Term loan	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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