Ashoka

June 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	15.00 (Reduced from 20.00)	CARE BBB-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The rating assigned to bank facilities of Ashoka continues to derive strength from promoters' long-standing presence 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.

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

CARE Ratings Limited (CareEdge Ratings) believes that 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'), have over three decades' experience in the clothing retail business covering 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 brand recognition and loyalty in the southern Tamil Nadu market as a seller of quality apparel at affordable prices. Day-to-day operations are managed by promoters and supported by 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 operating income stood at ₹198.89 crore in FY26, registering a y-o-y growth of 12.18%, from ₹177.29 crore in FY25. The firm offers a wide range of collections and is one of the largest showrooms in the locality. The firm's PBILDT margin stood at 10.46% in FY26, which declined from 11.42% in FY25, 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 ₹75.90 crore as on March 31, 2026 (PY: ₹90.70), resulting in the overall gearing of 0.20x as on March 31, 2026 (PY:0.21x). Debt coverage indicators stood comfortable

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

with total debt to gross cash accruals (TD/GCA) at 1.11x (PY: 1.42x) as on March 31, 2026, and interest coverage at 19.75x (PY: 16.37x) in FY26.

Key weaknesses

Geographically concentrated operations and revenue constrained to a single showroom

Ashoka's entire revenue is generated from Tamil Nadu with only one showroom in Vallioor, Tirunelveli. The area of the current showroom in Vallioor is 1.25 lakh square feet and the land area is 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 capital withdrawal by partners at the time of their personal contingencies, leading to an adverse effect on the capital structure. In FY26, partners withdrew ₹26.6 crore with withdrawn funds primarily deployed in other group entity.

Highly competitive and fragmented industry

The textile retail industry in India is characterised by organised and unorganised players. The fashion and apparel industry is highly competitive, as a large number 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 an adequate liquidity profile with sufficient accruals of ₹13.66 crore in FY26, against minimal repayment obligation. The entity's cash balance stood at ₹4.42 crore (PY: ₹15.51 crore) as on March 31, 2026. Ashoka generally keeps 2-3 months' stock, ensuring adequate inventory holding; however, this figure may vary based on demand. Average inventory period varied from 55-80 days in the last five years. The retail business is cash and carry, with nil credit period, and the firm benefits from creditors' period of 35-45 days. The working capital cycle stood comfortable at 21 days as on March 31, 2026. Average working capital utilisation of limits stood at 70% for 12 months ended May 2026.

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
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, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	173.43	177.29	198.89
PBILDT*	21.00	20.25	20.80
Profit after tax (PAT)	10.88	11.25	11.82
Overall gearing (x)	0.49	0.21	0.20
Interest coverage (x)	7.96	16.37	19.75

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

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		-	-	-	15.00	CARE BBB-; Stable

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-Cash Credit	LT	15.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (03-Jul-25)	1)CARE BBB-; Stable (25-Jun-24)	1)CARE BBB-; Stable (22-May-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (03-Jul-25)	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

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, 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 Mutal 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 Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings 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 in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

[2]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.

Note: For facilities / 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.

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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