



Press Release

Ayyappa Cotton Mills Private Limited

July 03, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Fund Based Long Term Bank Facilities	26.44	IVR B+/ Negative; ISSUER NOT COOPERATING* (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB-/Stable outlook (IVR Double B minus With Stable Outlook)	Rating Downgraded, outlook revised and moved to ISSUER NOT COOPERATING	Simple
Fund Based Long Term Bank Facilities - Proposed	1.76	IVR B+/ Negative; ISSUER NOT COOPERATING* (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB-/Stable outlook (IVR Double B minus With Stable Outlook)	Rating Downgraded, outlook revised and moved to ISSUER NOT COOPERATING	Simple
Total	28.20	(Rupees Twenty- Eight Crore and Twenty Lakhs only)			

**Issuer not cooperating, based on best available information.*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded its rating assigned to bank facilities of Ayyappa Cotton Mills Private Limited's (ACMPL), revised outlook to negative and moved the rating to 'Issuer Not Cooperating' category due of lack of adequate information regarding performance of ACMPL and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.



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Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated December 19, 2024, March 18, 2025, April 16, 2025, April 23, 2025, May 6, 2025, May 26, 2025, June 24, 2025 June 25, 2025 and June 26, 2025 concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details/information for surveillance exercise. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR 28.20 crore of Ayyappa Cotton Mills Private Limited have been rated as IVR B+/Negative; ISSUER NOT COOPERATING.

Analytical Approach: Standalone Approach

Applicable Criteria:

[Policy on Issuer Not-Cooperation](#)

[Criteria of assigning Rating Outlook Rating](#)

[Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

About the Company

Promoted by Mr. S.Venkateswar Reddy, Mr. M.Rama Krishna and Mr. G. Srinivasa Rao, M/s Ayyappa Cotton Mills Private Limited was incorporated as a Private Limited Company on June 27, 2020. The company is engaged in the business of cotton ginning. The promoters have good experience in manufacturing and trading cotton business. The company has set up the cotton ginning mill with 48 ginning machines with full automation and one automatic hydraulic baling press (TM unit) at Yennampally Village in Telangana.



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Financials (Standalone):

For the year ended/ As on*	(Rs. Crore)	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	90.72	108.95
EBITDA	2.91	3.15
PAT	0.24	0.41
Total Debt	21.39	31.26
Tangible Net Worth	4.74	5.15
EBITDA Margin (%)	3.20	2.89
PAT Margin (%)	0.27	0.38
Overall Gearing Ratio (x)	4.51	6.07
Interest Coverage (x)	2.26	2.12

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (April 29, 2024)	Date (December 6, 2023)	Date (November 25, 2022)
1.	Fund Based Long Term Bank Facilities	Long Term	26.44	IVR B+/Negative; Issuer Not Cooperating*	IVR BB-/Stable	IVR B+/Negative ; Issuer Not Cooperating *	IVR BB-/Stable
2.	Fund Based Long Term Bank Facilities - Proposed	Long Term	1.76	IVR B+/Negative; Issuer Not Cooperating*	IVR BB-/Stable	IVR B+/Negative ; Issuer Not Cooperating *	IVR BB-/Stable

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Ltd. (formerly Infomerics Valuation and Rating Private Ltd.) (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities - Term Loan	-	-	-	March 2027	4.64	IVR B+/Negative (ISSUER NOT COOPERATING)*
Long Term Fund Based Facilities - GECL	-	-	-	June 2027	3.80	IVR B+/Negative (ISSUER NOT COOPERATING)*
Long Term Fund Based Facilities - Cash Credit	-	-	-	-	18.00	IVR B+/Negative (ISSUER NOT COOPERATING)*
Long Term Fund Based Facilities - Term Loan - Proposed	-	-	-	-	1.76	IVR B+/Negative (ISSUER NOT COOPERATING)*

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.