

September 22, 2021

Kejriwal Geotech Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/Term Loan	110.85	110.85	[ICRA]A- (Stable); withdrawn
Long Term - Fund Based/Cash Credit	45.00	45.00	[ICRA]A- (Stable); withdrawn
Total	155.85	155.85	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Kejriwal Geotech Private Limited at the request of the company and based on the No Objection Certificate received from the bankers. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Textiles Industry - Spinning Consolidation and Rating Approach ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of Kejriwal Geotech Private Limited along with its group companies (as mentioned in Annexure-2), given the significant operational, financial and managerial linkages among them.

About the company

Surat based Kejriwal Geotech Private Limited was incorporated in 2009 and commenced its commercial operations in 2012. It manufactures partially oriented yarn and fully drawn yarn in the range of 100-500 denier with installed capacity of 105,000 MTPA. The company is a part of Kejriwal Group comprising Kejriwal Industries Limited (KIL), Kejriwal Dyeing and Printing Mills Private Limited (KDPL), Kejriwal Geotech Private Limited (KGPL), Shekhawati Geotech Private Limited (SGPL) and Gee Filaments Private Limited (GFPL). The operations of the group are managed by two of its directors – Mr. Ajay Kejriwal and Mr. Girdhari Kejriwal. The manufacturing facilities of the group are located at Kejriwal Integrated Textile Park, Surat, Gujarat.

Incorporated in 2001, KIL manufactures polyester dyed yarn and polyester textured yarn. KDPL, incorporated in 2004, is a fabric processing house with a synthetic fabric dyeing facility. Its entire income is from job-work. SGPL, which commenced operations in 2016, manufactures texturized yarn. GFPL commenced operations in 2019 for texturized yarn.

In FY2020, on a provisional basis, the group reported a net profit of Rs. 51.0 crore on an operating income of Rs. 958.9 crore compared to a net profit of Rs. 33.5 crore on an operating income of Rs. 959.6 crore in the previous year.

Key financial indicators

	FY2019	FY2020*
Operating Income (Rs. crore)	959.6	958.9
PAT (Rs. crore)	33.5	51.0
OPBDIT/OI (%)	8.8%	11.0%
RoCE (%)	3.5%	5.3%
Total Outside Liabilities/Tangible Net Worth (times)	1.1	0.8
Total Debt/OPBDIT (times)	2.1	1.5
Interest Coverage (times)	7.8	8.8

Source: Company, *Provisional

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					Sept 22, 2021	Oct 09, 2020	-	-
1	Term Loans	Long term	110.85	-*	[ICRA]A-(Stable); withdrawn	[ICRA]A-(Stable); assigned	-	-
2	Cash Credit	Long term	45.00	-*	[ICRA]A-(Stable); withdrawn	[ICRA]A-(Stable); assigned	-	-

*Information not available

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term- Fund Based- Term Loan	Simple
Long Term- Fund Based- Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan 1	Jan-2014	9.25%	Dec-2020	8.85	[ICRA]A- (Stable); withdrawn
NA	Term Loan 2	Apr-2018	9.25%	Jun-2026	10.00	[ICRA]A- (Stable); withdrawn
NA	Term Loan 3	Apr-2018	9.25%	Jun-2026	12.00	[ICRA]A- (Stable); withdrawn
NA	Term Loan 4	Apr-2019	9.25%	Apr-2027	20.00	[ICRA]A- (Stable); withdrawn
NA	Term Loan 5	Apr-2019	9.25%	Mar-2028	60.00	[ICRA]A- (Stable); withdrawn
NA	Cash Credit	NA	9.25%	NA	45.00	[ICRA]A- (Stable); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	Consolidation Approach
Kejriwal Geotech Private Limited	Full Consolidation
Kejriwal Industries Private Limited	Full Consolidation
Kejriwal Dyeing and Printing Mills Private Limited	Full Consolidation
Shekhawati Geotech Private Limited	Full Consolidation
Gee Filaments Private Limited	Full Consolidation

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