April 17, 2024 (Revised)

Kamadgiri Fashion Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term – Fund-Based – Cash Credit	49.00	49.00	[ICRA]BB- (Stable); withdrawn
Long-Term – Fund-Based – Term Loan	1.01	1.01	[ICRA]BB- (Stable); withdrawn
Short Term – Non-fund Based – Letter of Credit	4.00	4.00	[ICRA]A4; withdrawn
Long Term/Short Term – Unallocated Limits	14.99	14.99	[ICRA]BB- (Stable)/[ICRA]A4; withdrawn
Total	**69.00**	**69.00**	

**Instrument details are provided in Annexure-I*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Kamadgiri Fashion Limited (KFL), at the request of the company and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal. 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rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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 – Textiles - Apparels Rating Methodology – Textiles - Fabric Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the rated entity

About the company

KFL (erstwhile Kamadgiri Synthetics Ltd.); incorporated in 1987, has evolved from a fabric weaver/manufacturer to an integrated textile unit. Consequently, it was renamed as Kamadgiri Fashion Limited with effect from October 2010. KFL weaves and manufactures fabrics (in-house) and ready-to-wear garments (contract manufacturing) such as formal shirts, casual shirts and bottom wear for reputed brands. The shares of KFL were listed on the Bombay Stock Exchange in 1993. The Future Group holds a stake (not as promoter and promoter Group holding) in KFL through its Group companies —Nu Business Ventures Private Limited (24.99%) and Surplus Finvest Private Limited (9.69%) as on March 31, 2024. The company is promoted by Mr. Pradip Kumar Goenka and his family members.

Key financial indicators (audited)

KFL	FY2022	FY2023	9MFY2024*
Operating income	257.3	280.9	162.5
PAT	0.7	1.6	(3.7)
OPBDIT/OI	5.7%	5.2%	2.0%
PAT/OI	0.3%	0.6%	-2.3%
Total outside liabilities/Tangible net worth (times)	4.1	3.3	-
Total debt/OPBDIT (times)	3.5	4.3	-
Interest coverage (times)	1.8	1.6	0.6

*Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations;*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2025)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding as of March 31, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022
					Apr 17, 2024	Nov 17, 2024	Jul 6, 2023	Jun 22, 2022	Feb 28,2022
1	**Long-Term – Fund-Based – Cash Credit**	Long term	49.00	--	**[ICRA]BB- (Stable) withdrawn**	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2	**Long-Term – Fund-Based – Term Loan**	Long term	1.01	1.00	**[ICRA]BB- (Stable) withdrawn**	[ICRA]BB- (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
3	**Short Term – Non-fund Based – Letter of Credit**	Short term	4.00	--	**[ICRA]A4 withdrawn**	[ICRA]A4	[ICRA]A4	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING
4	**Long Term/Short Term – Unallocated Limits**	Long term and short term	14.99	--	**[ICRA]BB- (Stable)/[ICRA]A4 withdrawn**	[ICRA]BB- (Stable)/[ICRA]A4	[ICRA]BB (Stable)/[ICRA]A4	[ICRA]BB (Stable)/[ICRA]A4	-

Complexity level of the rated instruments

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

Short Term – Non-fund Based – Letter of Credit	Very Simple
Long Term/Short Term – Unallocated Limits	Not Applicable

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 analysing 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 are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Cash Credit**	NA	NA	NA	49.00	[ICRA]BB- (Stable); withdrawn
NA	**Term Loans**	FY2016-18	NA	FY2025	1.01	[ICRA]BB- (Stable); withdrawn
NA	**Letter of Credit**	NA	NA	NA	4.00	[ICRA]A4; withdrawn
NA	**Unallocated Limits**	NA	NA	NA	14.99	[ICRA]BB-(Stable)/[ICRA]A4; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

Corrigendum

Document dated April 17, 2024 has been corrected with revisions as detailed below:

- In Pg 1, the writing has been revised in the 1st paragraph of Rationale section.

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
ksrikumar@icraindia.com

G S Ramakrishnan
+91 44 4596 4300
g.ramakrishnan@icraindia.com

Trusha Mahendra Patil
91 94 2350 3574
trusha.patil@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches

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