K K Silk Mills Limited

February 25, 2019

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action*
Fund based limits – Cash Credit	25.75	25.75	[ICRA]BB+ (Stable); Withdrawn
Fund based limits – Term Loans	6.21	6.21	[ICRA]BB+ (Stable); Withdrawn
Non- Fund based limits – Letter of Credit	1.00	1.00	[ICRA]A4+; Withdrawn
Non- Fund based limits – Bank Guarantee	0.05	0.05	[ICRA]A4+; Withdrawn
Unallocated Limit	3.81	3.81	[ICRA]BB+ (Stable)/ [ICRA]A4+; Withdrawn
Total	**36.82**	**36.82**	

*Issuer did not cooperate; based on best available information

^Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of **[ICRA]BB+** (pronounced ICRA double B plus)[1] with a stable outlook and the short-term rating of **[ICRA]A4+** (pronounced ICRA A four plus) assigned to the Rs. 36.82-crore[2] bank facilities of K K Silk Mills Limited (KKSM/the company).

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the company, and on the basis of the no objection certificate received from its banker.

Outlook: Not applicable

Key rating drivers

Not Applicable

Liquidity position

Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology Indian Textiles Industry – Fabric
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 1992, K K Silk Mills Limited (KKSMPL) (erstwhile Manish Weaving Industries Private Limited) was promoted by Mr. Kantilal Shah to manufacture and trade in fabrics for suitings and shirtings. The company was rechristened as K K Silk Mills Private Limited in 2003 and to K K Silk Mills Limited in June 2018 without any change in its management and the nature of business undertaken. Its operations are divided into four different verticals viz. trading of finished fabrics, manufacturing of cotton and blended fabrics, job work for upholstery/furnishing fabrics and garment manufacturing. Its registered office is in Mumbai and the manufacturing facility is in Umbergaon district in Valsad. KKSMPL owns 176 looms with a combined installed capacity of ~ 96 lakh metre per annum. The garment manufacturing division is also located in Umbergaon, which has a capacity of producing 18000 shirt pieces per month.

Key financial indicators

	FY2016 (Audited)	FY2017 (Provisional)
Operating Income (Rs. crore)	131.3	142.1
PAT (Rs. crore)	0.9	1.2
OPBDIT/OI (%)	6.8%	6.1%
RoCE (%)	9.6%	9.9%
Total Debt/TNW (times)	1.9	1.7
Total Debt/OPBDIT (times)	5.3	5.3
Interest Coverage (times)	1.8	1.9

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2019) Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating Feb 2019	Chronology of Rating History for the past 3 years: Date & Rating in FY2018 Nov 2017	Date & Rating in FY2017 Aug 2016	Date & Rating in FY2016 May 2015
1	Cash Credit	Long Term	25.75	-	[ICRA]BB+(Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
2	Term Loans	Long Term	6.21	6.21	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
3	Letter of Credit	Short Term	1.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
4	Bank Guarantee	Short Term	0.05	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
5	Unallocated Limit	Long Term/ Short Term	3.81	-	[ICRA]BB+ (Stable)/ [ICRA]A4+; Withdrawn	[ICRA]BB+ (Stable)/ [ICRA]A4+	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the 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	Cash Credit	-	-	-	25.75	[ICRA]BB+(Stable); Withdrawn
NA	Term Loans	-	10.4%	FY2021	6.21	[ICRA]BB+ (Stable); Withdrawn
NA	Letter of Credit	-	-	-	1.00	[ICRA]A4+; Withdrawn
NA	Bank Guarantee	-	-	-	0.05	[ICRA]A4+; Withdrawn
NA	Unallocated Limit	-	-	-	3.81	[ICRA]BB+ (Stable)/ [ICRA]A4+; Withdrawn

Source: K K Silk Mills Limited

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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