October 05, 2020

Sportking India Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based bank facilities	494.48	494.48	[ICRA]BBB(Negative); withdrawn
Short-term non-fund-based bank facilities	75.61	75.61	[ICRA]A3+; withdrawn
Unallocated bank facilities	29.91	29.91	[ICRA]BBB(Negative); withdrawn
Total	**600.00**	**600.00**	

**Instrument details are provided in Annexure-1*

Rationale

The ratings assigned to the bank facilities of Sportking India Limited (SIL) have been withdrawn at the request of the company, upon receipt of no objection certificates (NOC) from the bankers, in accordance with ICRA's policy on withdrawal and suspension of credit rating. ICRA does not have requisite information to suggest that the credit risk has changed since the time the rating was last reviewed.

Link to the last Press Release published on ICRA website: Sportking India Limited

Key rating drivers and their description

The key rating drivers have not been captured as the rated instrument has been withdrawn.

Liquidity position: Not applicable

Rating sensitivities: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Indian Textiles Industry- Spinning ICRA's Policy on Withdrawal and Suspension of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financial statements of SIL.

About the company

SIL, which was incorporated in 1989 and is promoted by Mr. Raj Kumar Avasthi, manufactures cotton, cotton polyester-blended and acrylic-blended yarn in grey and dyed forms with an installed capacity of 2,72,880 spindles (including 68,256 new spindles commissioned in March 2019). The company's manufacturing facilities are located in Ludhiana and Bathinda (both in Punjab).

SIL is the flagship company of the Ludhiana-based Sportking Group, which is a vertically-integrated textile group with presence in varied segments ranging from spinning to garment manufacturing and retailing. The garments are retailed by Group companies under the Sportking and Mentor brands, through both exclusive and multi-brand stores. SIL supplies yarn to the Group companies that are involved in knitting and garmenting.

Key financial indicators (audited)

	FY2019	FY2020
Operating Income (Rs. crore)	1,158.7	1,350.7
PAT (Rs. crore)	24.0	12.4
OPBDIT/OI (%)	11.1%	10.1%
RoCE (%)	10.4%	8.9%
Total Outside Liabilities/Tangible Net Worth (times)	3.60	2.83
Total Debt/OPBDIT (times)	4.41	4.67
Interest Coverage (times)	3.27	2.37

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)					Rating History for the Past 3 Years				
		Type	Amount Rated (Rs crore)	Amount Outstanding (Rs crore)	Current Rating	Earlier Rating	FY2020		FY2019	FY2018	
					05-Oct-2020	15-May-2020	30-Sep-2019	20-Jun-2019	10-Aug-2018	25-Sep-2017	29-Jun-2017
1	FB bank facilities (Term Loans)	LT	279.48	266.8^	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2	FB bank facilities (Working Capital)	LT	215.00	--	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3	NFB bank facilities	ST	75.61	-	[ICRA]A3+; withdrawn	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2
4	Unallocated bank facilities	LT	29.91	-	[ICRA]BBB (Negative); withdrawn	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)

^outstanding as on March 31, 2020

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. Cr)	Current Rating and Outlook
NA	Term Loan-1	Mar-2010	9.50%	FY2020	2.50	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-2	Jun-2011	9.50%	FY2022	29.41	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-3	Jun-2011	9.40%	FY2022	25.48	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-4	Nov-2011	9.50%	FY2022	11.76	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-5	May-2011	9.50%	FY2022	20.44	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-6	Oct-2017	9.50%	FY2023	3.25	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-7	Dec-2013	9.50%	FY2024	17.81	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-8	Jun-2018	10.30%	FY2028	98.83	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-9	Sep-2018	9.75%	FY2028	20.00	[ICRA]BBB (Negative); withdrawn
NA	Term Loan-10	Sep-2018	9.50%	FY2028	50.00	[ICRA]BBB (Negative); withdrawn
NA	Cash Credit	Oct-2017	9.50%	NA	215.00	[ICRA]BBB (Negative); withdrawn
NA	Short- term non-fund-based limits	Oct-2017	NA	NA	65.00	[ICRA]A3+; withdrawn
NA	Credit Exposure Limit	Oct-2017	NA	NA	10.61	[ICRA]A3+; withdrawn
NA	Unallocated bank facilities	NA	NA	NA	29.91	[ICRA]BBB (Negative); withdrawn

Source: Sportking India Limited

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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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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