

March 29, 2025

Kitex Garments Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term - Fund-based Limits – Working Capital Facilities	185.00	185.00	[ICRA]A2+; withdrawn
Short term - Non-Fund based Limits – Working Capital Facilities	20.00	20.00	[ICRA]A2+; withdrawn
Long term/Short term - Unallocated	20.02	20.02	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
Short term - Non-Fund based Limits – Credit Exposure Limits	18.00	18.00	[ICRA]A2+; withdrawn
Total	243.02	243.02	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Kitex Garments Limited (KGL) at the request of the company & based on the no objection certificate received from its lender and in accordance with ICRA's policy on withdrawal of credit ratings. 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position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn.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 Textiles – Apparels Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the business and financial risk profiles of KGL and KCL (collectively referred to as the Kitex Group), owing to the common management and strong linkages among them.

About the company

Kitex Childrenswear Ltd (KCL) was incorporated in 1991 and is managed by Mr. Sabu Jacob. KCL, along with its Group company, KGL, manufactures and exports infantwear to apparel retailers in the US and other developed markets. The Group has an integrated manufacturing facility at Kizhakkambalam (Kerala) with production capacity of around 8.62 lakh pieces per day. The Kitex Group established a marketing and design unit in the US in FY2015 (equally held by KGL and KCL) to diversify its business profile and reduce dependence on its key customers. The Group is in the process of setting up two new large, integrated manufacturing units at Warangal and Sitarampur in Telangana across two phases, which are expected to commercialise by March 2025 and March 2027, respectively.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2025)				Chronology of rating history for the past 3 years				
			Date & rating in FY2025			Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022		
			March 29, 2025	Jan 7, 2025	Jul 5, 2024	Jun 30, 2023	Mar 31, 2023	Mar 04, 2022	Oct 01, 2021	Jul 20, 2021	
1 Fund-based Limits – Working Capital Facilities	Short Term	185.00	[ICRA]A2+; withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1+@	[ICRA]A1+
2 Non-Fund based Limits – Working Capital Facilities	Short Term	20.00	[ICRA]A2+; withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1+@	[ICRA]A1+
3 Unallocated	Long Term / Short Term	20.02	[ICRA]A (Stable)/ [ICRA]A2+; withdrawn	[ICRA]A (Stable)/ [ICRA]A2+	[ICRA]A (Negative)/ [ICRA]A2+	[ICRA]A+ (Negative)/ [ICRA]A1	[ICRA]A+ (Stable) / [ICRA]A1	[ICRA]A+ (Stable)/ [ICRA]A1	[ICRA]AA- @/ [ICRA]A1+@	[ICRA]AA- (Stable)/ [ICRA]A1+	
4 Non-Fund based Limits – Credit Exposure Limits	Short Term	18.00	[ICRA]A2+; withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A1	[ICRA]A1	-	-	-	

@: Rating Watch with Negative implications

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based - working capital facilities	Very Simple
Non-fund based working capital facilities	Very Simple
Unallocated limits	Not Applicable
Non-fund-based Credit Exposure Limits	Very 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 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	Fund-based Limits – Working Capital Facilities	NA	NA	NA	185.00	[ICRA]A2+; Withdrawn
NA	Non-Fund based Limits – Working Capital Facilities	NA	NA	NA	20.00	[ICRA]A2+; Withdrawn
NA	Unallocated	NA	NA	NA	20.02	[ICRA]A(Stable)/ [ICRA]A2+; Withdrawn
NA	Non-Fund based Limits – Credit Exposure Limits	NA	NA	NA	18.00	[ICRA]A2+; Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Kitex Littlewear Limited	100%	Full Consolidation
Kitex Babywear Limited	100%	Full Consolidation
Kitex Socks Limited	100%	Full Consolidation
Kitex Packs Limited	100%	Full Consolidation
Kitex Knits Limited	100%	Full Consolidation
Kitex Kidswear Limited	100%	Full Consolidation
Kitex USA LLC (note 1)	50%	Equity method
Kitex Apparel Parks Limited	70%	Full Consolidation
Kitex Herbals Limited (note 2)	-	Full Consolidation
Kitex Infantwear Limited (note 2)	-	Full Consolidation
Kitex Apparels Limited (note 2)	-	Full Consolidation

Source: Company

Note 1 - Kitex USA LLC is a 50:50 joint venture between KGL and KCL

Note 2 – These entities are subsidiaries of KCL

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

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

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

Geetika Mamtani
+91 22 6169 3330
geetika.mamtani@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

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

ICRA Limited



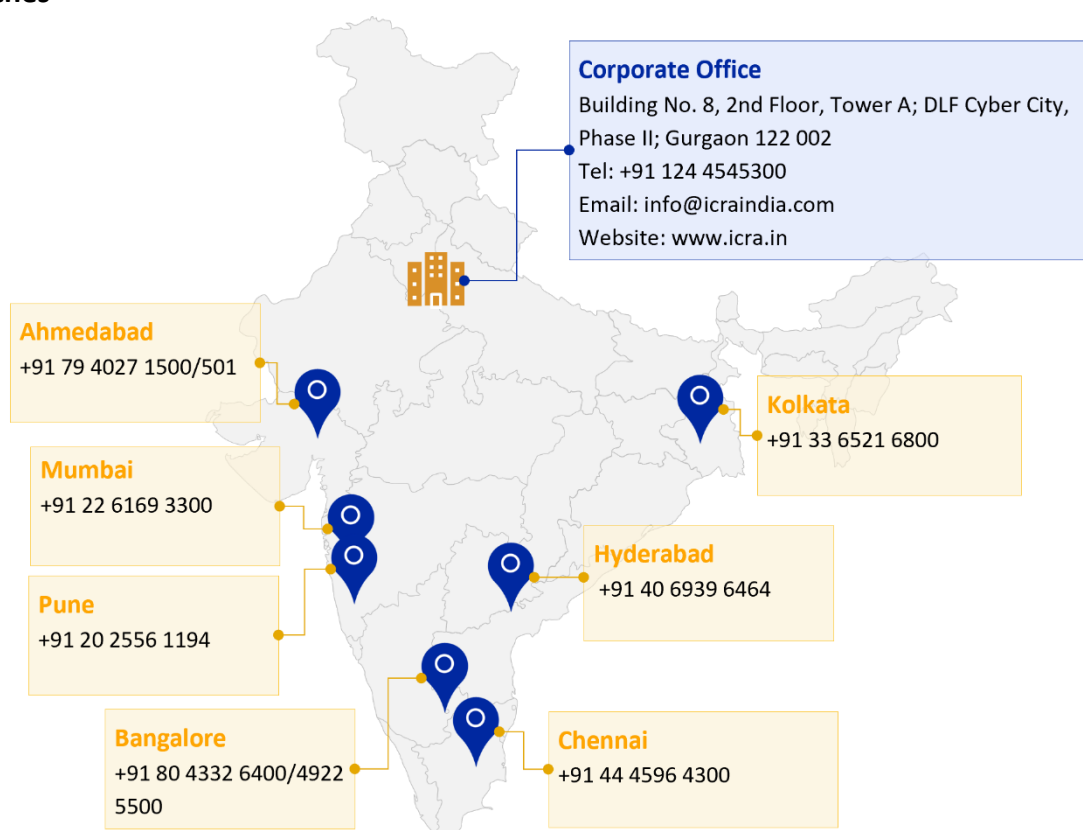
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.