

Kashi Vishwanath Textile Mill Private Limited

December 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	40.89 (Reduced from 53.11)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to the bank facilities of Kashi Vishwanath Textile Mill Private Limited (KVTMPL) continues to factor in experienced promoters with an established track record in the textile industry and a diversified client and product portfolio. The rating also factors in continued improvement in the financial risk profile characterized by improvement in capital structure of the company. The rating is, however, constrained by a moderation in operational performance of the company in FY25 (refers to April 01, 2024, to March 31, 2025) marked by moderation in scale of operations and profitability due to lower realization as a result of a demand-supply imbalance caused by low-cost imports available in the Indian market. The rating is further constrained by volatility in raw material prices, sensitivity to government regulations and competition in the polyester industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations with Return on Capital Employed (ROCE) above 15% on a sustained basis.
- Improvement in capital structure with overall gearing below 0.50x on a sustained basis.

Negative factors

- Deterioration in scale of operations with ROCE below 7% on a sustained basis.
- Deterioration in capital structure with overall gearing over 2x on a sustained basis.
- Any debt funded or large size capex which may adversely impact the liquidity of the company.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that despite facing competition from low-cost imports in India, the entity is likely to sustain its stable operational performance due to continuous focus on quality while maintaining a comfortable financial risk profile and adequate liquidity.

Detailed description of key rating drivers:

Key strengths

Experienced Promoters

KVTMPL was promoted in 1996 by Mithlesh Kumar Agarwal and Yogesh Kumar Jindal. Yogesh Kumar Jindal, Director has been closely associated with various representative bodies of commerce and has experience of around 4 decades. He is ably assisted by his son Akshay Jindal. He manages day-to-day operations of the company along with a team of trained and experienced personnel with relevant experience in the textile industry.

Established track record and diversified client portfolio

The company has been in this line of business for 25 years and has established long-standing relations with the suppliers and domestic buyers. KVTMPL has a diversified set of customers across Northern, Western & Southern states of India. The top five customers of the company contributed ~43% (PY: ~45%) of the total sales in FY25. The company has clients spread across Bhilwara (Rajasthan), Amritsar and Ludhiana (Punjab), Mumbai, Delhi, Surat (Gujarat), Meerut and Kanpur (Uttar Pradesh) and some other regions of North & South India. The company has a dealer base of 20 dealers who procure orders and sell the products to textile companies which are the final customers.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Diversified value-added product portfolio

KVTMPL is into manufacturing grey yarn, dyed polyester yarn, polyester acrylic yarn, and staple fibre. The company's product range is versatile with over 400 different kinds of blended yarn in fine, medium, and coarse counts ranging from 8s to 40s. The products are used to manufacture wide range of fabrics for t-shirts, innerwear, hosiery, stoles, sweaters etc. The company produces yarns on the basis of orders on hand and customer demand and thus is able to cater to small and customized orders for their clients. Additionally, the company has added PET fibre in its product mix after successful implementation of the fibre project (backward integration).

Comfortable financial risk profile

The overall gearing of the company improved to 0.49x as on March 31, 2025 (PY: 0.62x), primarily on account of continued debt reduction. During FY25, the company prepaid term debt, reducing the outstanding term loan to ₹21.18 crore (from ₹30.13 crore in FY24), which led to a decline in overall debt. Interest coverage ratio improved slightly to 4.50x (PY: 4.16x), aided by lower finance costs, though profitability remained subdued with PBILDT margin at 5.46% (PY: 6.47%). Total Debt to GCA ratio improved slightly to 3.05x (PY: 3.37x), indicating better debt servicing capability. With no significant capital expenditure planned in the near term, the financial risk profile is expected to strengthen further.

Key weaknesses**Moderation in operational performance**

The company's total operating income moderated to ₹318.17 crore in FY25 from ₹332.83 crore in the previous year, primarily due to lower production. This was impacted by stock accumulation amid subdued sales and heightened price volatility, along with a month-long plant shutdown caused by equipment breakdown and delayed repairs of imported machinery. Consequently, PBILDT margin further contracted to 5.46% (PY: 6.47%), reflecting subdued pricing and persistent cost pressures. Although the solar power plant commissioned in September 2024, has begun contributing to cost savings, the benefit was not fully realized during FY25. Power and fuel costs remained elevated compared to historical levels, though the impact is expected to ease gradually in FY26. During H1FY26, the company reported TOI of ₹174.13 crore indicating some improvement in operational efficiency.

Volatility in the raw material prices

The margins of KVTML are highly susceptible to the volatility in the raw material prices. The main raw materials used by the company is PET bottles (required to manufacture staple fibre, which is used in-house [\sim 25%-30% of the total production capacity] and sold in the open market [\sim 70%-75% of the total production capacity]), the prices of which are linked to that of crude oil, leading to high price volatility. Since the raw material cost accounts for around 55%-60% of the total operating income, any fluctuations in their prices can adversely impact the margins of the company.

Sensitivity to government regulations

The textile sector is highly sensitive to the government regulations. Any change in the policies can cause significant fluctuation in the prices of raw material as well as yarn. Government's export policy and incentive schemes impact the earnings of exporters as export incentives form a substantial portion of exporters' revenue.

Liquidity: Adequate

The company's liquidity profile remains adequate, supported by projected gross cash accruals (GCA) of \sim ₹19 crore in FY26 against scheduled repayments of ₹4.69 crore. Average utilization of fund-based working capital limits stood at \sim 80% over the past twelve months ending September 2025, with a comfortable current ratio of 1.26x. The operating cycle was stable at 47 days as on March 31, 2025 (PY: 48 days). Furthermore, the company plans to incur ₹4 crore in capex during FY26 to enhance its product mix; this will be funded entirely through internal accruals without availing any additional term debt, reflecting prudent financial management.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Manmade Yarn-Methodology](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

KVTMPL is engaged in manufacturing of Polyester / Viscose / Acrylic Yarn of different blends and staple fibre. The company's product profile includes grey and dyed polyester yarn, polyester viscose yarn, polyester acrylic yarn and PET Fibre. The company has a total installed capacity of more than 12,000 MTPA (Metric tonne per annum) of yarn and over 35,000 MT of fibre as on March 31, 2024, at its manufacturing facility located at Kashipur (Uttarakhand).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	332.83	318.17	174.12
PBILD	21.53	17.37	-
PAT	4.12	1.75	-
Overall gearing (times)	0.62	0.49	-
Interest coverage (times)	4.16	4.50	-

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	25.50	CARE BBB; Stable
Fund-based - LT-Term Loan	-	-	-	December 2028	15.39	CARE BBB; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	15.39	CARE BBB; Stable	-	1)CARE BBB; Stable (16-Dec-24)	1)CARE BBB; Stable (29-Dec-23)	1)CARE BBB; Positive (06-Dec-22)
2	Fund-based - LT-Cash Credit	LT	25.50	CARE BBB; Stable	-	1)CARE BBB; Stable (16-Dec-24)	1)CARE BBB; Stable (29-Dec-23)	1)CARE BBB; Positive (06-Dec-22)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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