Komal Texfab Private Limited

August 06, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	15.00	CARE BBB; Stable / CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings of Komal Texfab Private Limited (KTPL), CARE Ratings Limited (CareEdge Ratings) has considered a combined analytical view of the Komal Group (KG) entities, Komal Worldwide Private Limited (KWPL, rated CARE BBB; Stable / CARE A3+) and KTPL considering common management and promoter group, presence in similar line of business, and operational and financial linkages.

Ratings assigned to bank facilities of KTPL continue to derive strength from experience of promoters with established track record of operations in the textile industry and synergies derived from operational linkages among group entities. Ratings further draw strength from adequate liquidity and moderate capital structure and debt coverage indicators of KG.

However, ratings remain constrained considering KG's moderate scale of operations and profitability, exposure to the fragmented and cyclical textile industry, profitability vulnerable margins to fluctuations in raw material prices and foreign exchange rates and regulatory risk associated with compliance and environmental norms.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in group's total operating income (TOI) to above ₹500 crore on a sustained basis along with profit before interest, lease, depreciation and tax (PBILDT) margin above 13%.
- Improvement in capital structure marked by overall gearing below 0.60x.
- Sustained improvement in working capital cycle below 45 days.

Negative factors

- Decline in scale of operations to below ₹250 crore or PBILDT margin below 8% on a sustained basis.
- Any debt-funded capex or increase in working capital requirement resulting in deterioration in overall gearing to above 1.25x.

Analytical approach: Combined

CareEdge Ratings has considered combined financial and operational risk profiles of KWPL and KTPL to arrive at ratings of KTPL, as both entities are engaged in similar line of business, promoted by same promoter group, and have operational linkages. Combined entities are listed under Annexure-5.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the group is likely to sustain its business risk profile due to vast experience of promoters, established clientele and integrated operations in the textile value chain.

Detailed description of key rating drivers

Key strengths

Promoters' extensive industry experience and group synergies

KG is promoted by the Bagrecha family, with Suresh Bagrecha and Vikram Bagrecha as key promoters. Promoters have over three decades of experience in the textile industry, while the second generation, associated with the business since 2002, has around two decades of industry experience. The group has also launched its own apparel brand, 'Maysixty', which is marketed through e-commerce platforms such as Amazon and Flipkart.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Integrated business model with an established track record
KG has an established track record of over three decades in the textile industry through KTPL, which has been engaged in fabric processing since 1990. Over the years, the group expanded into garment manufacturing through KWPL, resulting in a vertically integrated business model from fabric processing to garment manufacturing.

KTPL processes greige fabric (cotton and man-made fabrics) per customer requirements. The processed fabric is supplied to KWPL and to external customers, with the latter contributing ~70% of KTPL's revenue.

KWPL manufactures women's garments through its in-house cutting and stitching facilities and supplies to established retail brands including Pantaloons, Max, Reliance, Myntra and Jockey.

Moderate capital structure and debt coverage indicators
As on March 31, 2026, the group's capital structure remained moderate, with an overall gearing of 1.21x against 1.08x as on March 31, 2025. The increase in gearing was primarily due to higher utilisation of working capital limits, part of which was parked as liquidity at year-end. KTPL extended incremental loans and advances to a group entity in FY26, adjusting to which the group’s overall gearing stood moderate at 1.50x.

The group's net worth remained moderate at ₹147.92 crore as on March 31, 2026. The unsecured loan, which was earlier considered as quasi-equity, has been classified as debt in FY26 with absence of subordination undertaking.

Debt coverage indicators also remained moderate and stable, with PBILDT interest coverage of 2.86x (PY: 3.13x), and total debt to gross cash accruals (TD/GCA) of 7.29x (PY: 7.26x).

Key weaknesses

Moderate scale of operations and profitability
KG's scale of operations remained moderate in FY26, with TOI declining to ₹421.63 crore from ₹441.76 crore in FY25. The decline was primarily attributable to subdued order inflows amid geopolitical tensions, including the US-Iran conflict, which mainly impacted KWPL's export sales in the year.

Profitability largely remained stable in FY26 with PBILDT margin improving marginally to 9.07% from 8.27% in FY25. KTPL commissioned a 1.5 MW hybrid solar power plant and a 2.7 MW windmill in H1FY26, which resulted in reduction of power cost and aided the margin.

Operations in a fragmented and cyclical textile processing industry
The Indian textile industry is highly fragmented, with the presence of a large number of organised and unorganised players. The fragmented nature of the industry limits the bargaining power of fabric manufacturers with suppliers and customers, resulting in limited operating margin.

The industry is cyclical and remains susceptible to fluctuations in global economic conditions, domestic demand-supply dynamics, labour availability, and changes in government policies. Adverse movement in these factors could impact the business operations and profitability of players in the textile industry.

Profitability susceptible to raw material price volatility and forex fluctuations
KG has a moderate presence across the textile value chain, with integrated operations from fabric manufacturing to garmenting. The group’s profitability remains exposed to raw material price volatility, including fluctuations in cotton yarn, crude oil-linked man-made fibres, coal, and dyes/pigments. The group’s export operations expose it to foreign exchange risk, which remains unhedged.

Regulatory risk associated with compliance and environmental norms
The group's textile processing operations involve the use of chemicals in dyeing and processing, resulting in generation of effluents that require treatment before disposal. Consequently, its operations remain subject to stringent environmental and pollution-control regulations. Non-compliance with prescribed norms or tightening environmental regulations could adversely impact the group's operations and profitability.

Liquidity: Adequate
The group's liquidity remained adequate marked by sufficient cushion in its GCA and repayment obligations, moderate utilisation of working capital limits and availability of adequate free liquidity.

The group has an annual debt repayment obligation in the range of ₹9.5-12 crore in the next three years ended FY29, which is expected to be met out of its internal accruals. Average utilisation of its fund-based working capital (WC) limits remained moderate ~75-80% in FY26, with group registering healthy cash flow from operations of ~₹49 crore, in FY26.

The operating cycle remained largely stable at 113 days in FY26 (FY25: 104 days). KG had free cash and bank balance of ₹16.13 crore as on March 31, 2026, and liquid investments of ~₹19.63 crore.

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

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Cotton Textile
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Textiles	Textiles ans apparels	Other textile products

Ahmedabad (Gujarat)-based KTPL was incorporated in August 1990 by the Bagrecha family. KTPL belongs to KG and is engaged in printing and dyeing cotton fabrics and manmade fabrics (MMF) mainly viscose and cotton Lycra. KTPL procures its raw material, grey fabrics from domestic manufacturers and caters to its in-house demand and also sells it in domestic and export markets. As on March 31, 2025, KTPL had fabric processing capacity of 102 lakh KG per annum. KG also includes KWPL, which is engaged in manufacturing garments.

The group is vertically integrated from fabrics to garmenting unit.

Combined:

Brief Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (UA)	March 31, 2026 (UA)
Total operating income	357.89	441.76	421.63
PBILDT	34.73	36.55	38.26
PAT	11.95	12.51	14.08
Overall gearing (times)	0.82	1.08	1.21
Interest coverage (times)	3.17	3.13	2.86

A: Audited UA: Unaudited; Note: 'these are latest available financial results'
Note: For arriving at the combined financials, CareEdge Ratings has combined the audited and provisional financials of KTPL and KWPL, per availability.

Standalone

Particular	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	285.01	330.80	312.60
PBILDT	19.95	19.72	21.09
PAT	5.63	6.29	6.07
Overall gearing (times)	0.66	0.82	1.02
Interest coverage (times)	3.10	3.13	3.13

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit	RBI	Simple	-		-	-	15.00	CARE BBB; Stable / CARE A3+

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 2026-2027	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
1	Fund-based - LT/ ST-Cash Credit	LT/ST	15.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (08-Jan-26)	1)CARE BBB; Stable / CARE A3+ (27-Dec-24)	1)CARE BBB; Stable / CARE A3+ (05-Dec-23) 2)CARE BBB; Stable / CARE A3+ (06-Apr-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated / combined

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Komal Worldwide Private Limited	Full consolidation	Financial and operational linkage

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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Nikita Akhilesh Goyal Associate Director **CARE Ratings Limited** Phone: 079-40265670 E-mail: nikita.goyal@careedge.in Pooja Mahesh Devnani Lead Analyst **CARE Ratings Limited** E-mail: Pooja.devnani@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com