

Press Release

Komal Fashion (KF)

28 January, 2017

Rating Reaffirmed

Total Bank Facilities Rated*	Rs.24.00 Cr
Short Term Rating	SMERA D (Reaffirmed)

*Refer Annexure for details

Rating Rationale

SMERA has reaffirmed the rating of '**SMERA D**' (read as **SMERA D**) to the above- mentioned bank facilities of Komal Fashion (KF).

KF, established in 2011 is engaged in the trading of raw cotton.

List of key rating drivers and their detailed description

Strengths:

Experienced management: The firm benefits from its experienced management. Mr. Gaurav Amin, the Proprietor, has extensive business experience in textile industry.

Weaknesses:

Delays in servicing of debt obligations: The rating reflects delays in term loan repayment and overdrawing in the packing credit account for more than 90 days.

Analytical approach: SMERA has considered the standalone financial and business risk profiles of the firm.

Applicable Criteria:

- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Trading Entities: <https://www.smera.in/criteria-trading.htm>

About the Rated Entity

KF, incorporated in 2011, is an Ahmedabad-based firm promoted by Mr. Gaurav Amin. The firm is engaged in the trading of raw cotton and manufacturing of garments.

Status of non-cooperation with previous CRA (if applicable): Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Name of Instrument /Facilities	2017			2016		2015		2014	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Packing Credit#	ST	4.00	SMERA D (Reaffirmed)	-	-	17 Jul	SMERA D (Downgraded from SMERA A4)	31 Mar	SMERA A4 (Assigned)
Foreign Documentary Bill Negotiation under LC (FDBN)	ST	20.00	SMERA D (Reaffirmed)	-	-	17 Jul	SMERA D (Downgraded from SMERA A4)	31 Mar	SMERA A4 (Assigned)

#Inter-changeable with Cash Credit to the extent of Rs.0.24 crore

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Packing Credit#	N.A	N.A	N.A	4.00	SMERA D (Reaffirmed)
Foreign Documentary Bill Negotiation under LC (FDBN)	N.A	N.A	N.A	20.00	SMERA D (Reaffirmed)

#Inter-changeable with Cash Credit to the extent of Rs.0.24 crore

Note on complexity levels of the rated instrument:

<https://www.smerra.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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