



BWR/BLR/HO/SRC/SAK/1934/2022-23

21Jun2022

Mr. P. V. Reddy

Managing Director

Kallam Textiles Ltd(Formerly known as Kallam Spinning Mills Ltd)

NH - 5, Chowdavaram

Guntur, Andhra Pradesh - 522019

Dear Sir,

Sub: Review of Ratings of Bank Loan Facilities of Kallam Textiles Limited (Formerly known as Kallam Spinning Mills Ltd) aggregating Rs. 368.57 Crs. (Rupees Three Hundred Sixty Eight Crores and Fifty Seven Lakhs Only).

Ref: Our previous rating letter: BWR/BLR/HO/SRC/SAK/3850/2021-22 dated **31 Aug 2021**

On a review of Kallam Textiles Limited's (Formerly known as Kallam Spinning Mills Ltd) performance based on the information and clarifications provided by you, and as available in public sources, we wish to inform you that the ratings of Kallam Textiles Limited's (Formerly known as Kallam Spinning Mills Ltd) Bank Loan Facilities amounting to Rs. 368.57 Crs., have been revised as follows:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(31 Aug 2021)	Present
Fund Based					
Term Loan -Out-standing	127.96	94.19	Long Term	BWR D Reaffirmation	BWR BB + /Stable Upgrade
Cash Credit -Sanctioned	155.00	155.00			
GECL -Out-standing	55.78	52.76			
GECL -Sanctioned	00.00	35.62			
Bill Discounted (BD) - Sanctioned	30.00	30.00	Short Term	BWR D Reaffirmation	BWR A4 + Upgrade
Sub Total	368.74	367.57			



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Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(31 Aug 2021)	Present
Non-Fund Based					
Bank Guarantee -Sanctioned	01.00	01.00	Short Term	BWR D Reaffirmation	BWR A4 + Upgrade
Sub Total	1.00	1.00			
Grand Total	369.74	368.57	(Rupees Three Hundred Sixty Eight Crores and Fifty Seven lakhs Only)		

#Please refer to BWR website www.brickworkratings.com for definition of the ratings assigned

**Bank Loan facility details are furnished in Annexure-I

The Ratings are valid for twelve months from date of this letter and subject to terms and conditions that were agreed in your mandate dated **22 Feb 2021** and other correspondence, if any, and Brickwork Ratings' standard disclaimer pronounced at the end of this letter.

The rated Bank Loan facilities would be under surveillance / review during the said period. You are required to submit information periodically as per Annexure - II for the purpose of surveillance / review. You are also required to keep us informed of any information / development that may affect your entity's finances / performance without any delay. **You are also requested to submit No Default Statement on monthly basis.**

Best Regards,

Saakshi Kanwar
Senior Manager Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.



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Kallam Textiles Ltd(Formerly known as Kallam Spinning Mills Ltd)

Annexure-I

Details of Bank Loan Facilities Rated by BWR

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
Bank of Baroda	Term Loan-Out-standing	Long Term	
	Cash Credit-Sanctioned	Long Term	5.00
Indian Bank	Bill Discounted (BD)-Sanctioned	Short Term	20.00
	Term Loan-Out-standing	Long Term	49.45
	GECL-Out-standing	Long Term	29.60
	GECL-Sanctioned	Long Term	16.40
	Cash Credit-Sanctioned	Long Term	60.00
Union Bank of India	GECL-Sanctioned	Long Term	19.22
	Term Loan-Out-standing	Long Term	44.74
	Cash Credit-Sanctioned	Long Term	90.00
	Bank Guarantee-Sanctioned	Short Term	1.00
	GECL-Out-standing	Long Term	23.16



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Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
	Bill Discounted (BD)-Sanctioned	Short Term	10.00
TOTAL (Rupees Three Hundred Sixty Eight Crores and Fifty Seven lakhs Only)			368.57



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Annexure-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/defaults in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of each month by 1st of succeeding month.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of each month by 1st of succeeding month.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com