

Press Release

Kallam Brothers Cottons Private Limited

April 11, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	85.15	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	97.15	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of 'ACUITE BB+' (read as ACUITE double B plus) and the short term rating of 'ACUITE A4+' (read as ACUITE A four 'Plus') on the Rs.97.15 crore bank facilities of Kallam Brothers Cottons Private Limited (KBCPL). This rating is an indicative rating and is based on the best available information

About the Company

Kallam Brothers Cottons Private Limited (KBCPL) is a Guntur based company, started as partnership firm in the year 2001 and converted to 'Private Limited' in the year 2003. The company is promoted by Mr. Nagi Reddy and his family. It is engaged in cotton ginning and manufacturing of yarn. The company's ginning and spinning division is located at Dhulipalla Village, Guntur. It has 24 gins and 33,840 spindles to produce yarn, count ranging from 16s to 40s. They have an operating wind mill with an installed power generation capacity of 1 megawatt (MW), and the same is supplied to the Telangana electricity board.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite

cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not applicable

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Feb 2021	Term Loan	Long Term	2.49	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	2.68	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Term Loan	Long Term	2.44	ACUITE BB+ Stable (Assigned)
	Standby Line of Credit	Long Term	5.70	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	12.27	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Term Loan	Long Term	10.25	ACUITE BB+ Stable (Assigned)
	Proposed Bank Facility	Long Term	1.32	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Cash Credit	Long Term	30.00	ACUITE BB (Downgraded and Issuer not co-operating*)

20 Jan 2021	Proposed Bank Facility	Long Term	7.79	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	17.36	ACUITE BB (Downgraded and Issuer not co-operating*)
	Standby Line of Credit	Long Term	6.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE BB (Downgraded and Issuer not co-operating*)
30 Oct 2019	Term Loan	Long Term	17.36	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	18.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Standby Line of Credit	Long Term	6.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	30.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	7.79	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)
		Long		
07 Aug 2018	Term Loan	Term	28.15	ACUITE BBB- Stable (Reaffirmed)
	Standby Line of Credit	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	1.00	ACUITE BBB- Stable (Assigned)
18 Apr 2018	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	28.15	ACUITE BBB- Stable (Assigned)
	Standby Line of Credit	Long Term	4.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.32	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	5.70	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	12.27	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.49	ACUITE BB+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	10.25	ACUITE BB+ Reaffirmed Issuer not co-

							operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.44	ACUITE BB+ Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	2.68	ACUITE BB+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

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