



ICRA

ICRA Limited

Confidential

Ref. No.ICRA/HYD/KGL-100/2020-21/0611

November 10, 2020

Mr. Sabu M Jacob
Managing Director
Kitex Garments Limited
PB No5, Kizhakkambalam
Kochi, Kerala- 683 562

Dear Sir,

Re: ICRA-assigned Credit Rating for the Rs.243.02 crore (enhanced from Rs.180.02 crore) Lines of Credit of Kitex Garments Limited (instrument details in Annexure)

Please refer the Rating Agreement dated July 31, 2014 and RRF No. CHN/2014-15/142 dated July 31, 2014 between ICRA Limited ("ICRA") and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when the circumstances so warrant. Further, please refer RRF No. HYD/2020-21/100 dated October 28, 2020 and Rating Agreement dated November 2, 2020 seeking an enhancement of the captioned line(s) of Credit (LOC) of your company from Rs.180.02 crore to Rs.243.02 crore.

Please note that the Rating Committee of ICRA, after due consideration, has reaffirmed the long-term and short-term ratings outstanding on the Rs.180.02 Crore LOC of your company at "[ICRA]AA-" (pronounced of ICRA double A minus) and "[ICRA]A1+" (pronounced ICRA A one plus) respectively. † The Outlook on the long-term rating is 'Stable'. The Rating Committee of ICRA has also assigned a short-term rating of "[ICRA]A1+" (pronounced ICRA A one plus) to the additional limit of Rs.63.00 crore fund-based and non-fund-based bank facilities of your company. The aforesaid ratings will be due for surveillance anytime before **June 30, 2021**.

This rating is specific to the terms and conditions of the LOC as was indicated to us by you and any change in the terms or size of the same would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the LOC rated, as above, the same must be brought to our notice before the utilisation of the same. If there is any such change after the rating is assigned by us and confirmed for use by you, it would be subject to our review and may result in change in the rating assigned. Notwithstanding the foregoing, any change in the over-all limit of the LOC from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

† For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications.

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RATING • RESEARCH • INFORMATION



ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

You are requested to furnish a monthly '*No Default Statement (NDS)*' (as per enclosed format) on the first working day of every month, confirming timely payment of all obligations on the above rated debt program [interest and principal obligations for fund based as well as obligations under LOC/BG for non-fund based facility]. This is in accordance with requirements prescribed by the Securities and Exchange Board of India ("SEBI") vide SEBI circular dated June 30, 2017.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the Programme rated, as above, or any other debt instruments / borrowings. Further you are requested to forthwith inform us of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated bank facility availed by your company.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
for ICRA Limited

Jayanta Roy
Senior Vice President
Email: jayanta@icraindia.com



'No Default Statement on the Company Letter Head'

To
Mr. M Balaji
ICRA Limited
5th Floor, Karumuttu Centre
634, Anna Salai, Nandanam
Chennai - 600 035

Dear Sir,

1. We hereby confirm that as on date there are no overdues or default on our listed debt obligations. (Securities).
2. We hereby confirm that as on date there are no overdues or default on our unlisted debt obligations. (Securities).
3. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our listed debt obligations (Securities).
4. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our un-listed debt obligations(Securities).
5. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
6. We hereby confirm that as on date and in the month ended <<Month and Year name>> there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions.
7. We hereby confirm that as on date there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions which continues beyond 30 days.
8. We hereby confirm that as on date there are no over dues or default on revolving facilities like cash credit, from banks/financial institutions which continues beyond 30 days.
9. We also confirm that there is no amount remaining unpaid for more than 30 days from the invocation of the bank guarantee facilities or devolvement of Letters of Credit as on date / in the month ended <<Month and Year name>> We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <<Month and Year name>>
10. We also confirm that there has been no overdrawing of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
11. Details of default in payment of interest/installment obligations on loans including revolving facilities like cash credit from banks/financial institutions and any overdrafts beyond what is sanctioned by the bank, beyond 30 days as on date/ in the month ended <<Month and Year name>>, in any of the above case (if any):

Name of Lender	Nature of obligation	Date of Default	Current default amount	Amount to be paid	Actual Date of Payment (if any)	Remarks
Text	Term Loan, CC					
Row 2						

12. Details of default in payment of principal/interest obligations as on date/ in the month ended <<Month and Year name>>, on our listed and unlisted debt obligations (Securities), in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks
NCD					

Thanking You,

Yours faithfully,
<Authorized Signatory of Issuer>

Annexure

Details of Bank Limits Rated by ICRA (Rated on Short-Term Scale)

Name of the Bank & Instrument Details	Amount (Rs. Cr.)	Rating Assigned	Rating Assigned on
Fund-Based Limits:			
State Bank of India – EPC / PCFC	107.00	[ICRA]A1+	November 6, 2020
State Bank of India – FBD/EBR	43.00		
State Bank of India – Standby limit	7.00		
HDFC Bank – Pre-Shipment Finance	25.00		
HDFC Bank – Post-Shipment Finance (Sub-limit of Pre-Shipment Finance)	(25.00)		
Non-Fund-Based Limits:			
State Bank of India – Letter of Credit	15.00		
State Bank of India – BG	5.00		
State Bank of India – Credit Exposure Limit	6.50		
HDFC Bank – Bank Guarantee (Sub-limit of Pre-Shipment Finance)	(5.00)		
HDFC Bank – Letter of Credit (Sub-limit of Pre-Shipment Finance)	(5.00)		
Total Limits rated on Short-Term Scale	208.50		

Details of Bank Limits Rated by ICRA (Rated on Long-Term / Short-Term Scale)

Instrument Details	Amount (Rs. Cr.)	Rating Assigned	Rating Assigned on
Unallocated Limits	34.52	[ICRA]AA-(Stable) / [ICRA]A1+	November 6, 2020
Total Limits rated on Long-Term/ <u>Short-Term Scale</u>	34.52		