

Kallam Textiles Limited

February 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	154.14	CARE D	Reaffirmed
Long-term / Short-term bank facilities	191.24	CARE D / CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Kallam Textiles Limited (KTL) considers delays and defaults in payment of interest and instalments of working capital and term loans as a result of poor liquidity due to cash flow mismatches.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Establishing a delay-free track record in debt servicing for a continuous period of over 90 days and improvement in liquidity.

Negative factors: NA

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers

Key weaknesses

Ongoing delays in debt servicing

The company has defaulted on interest and principal repayments to Indian Bank and Union Bank of India, with total outstanding dues of ₹318.47 crore as on September 30, 2025. This includes interest on term loans and working capital loans of ₹64.25 crore, overdue term loan instalments of ₹103.37 crore, and working capital loans repayable on demand amounting to ₹150.84 crore. Lenders have classified facilities as non-performing assets (NPAs) and initiated recovery proceedings under the SARFAESI Act, 2002, including taking possession of secured assets under Section 13(4) of the said Act and issuing auction notices. Recovery cases are pending before the Debts Recovery Tribunal (DRT), Visakhapatnam, and auction proceedings for sale of immovable properties offered as security are ongoing.

Although the company applied for restructuring loans, the proposal remains under consideration, reflecting continued stress on liquidity and debt servicing ability. Pursuant to petitions filed by the Indian Bank, notices have been issued for taking physical possession of properties in Weaving and Spinning divisions. At the company's request, physical possession of these properties are presently kept pending.

Liquidity: Poor

The company has poor liquidity as a result of cash flow mismatches and cash losses leading to delays in debt servicing. The slowdown in textile sector, sluggish demand, low export orders, volatile cotton prices and low prices for finished goods and high fixed overheads such as power costs resulted in deterioration in the financial condition of the company, leading to cash losses in the last three years.

Assumptions/Covenants: Not applicable

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

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Applicable criteria

- [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 company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

Kallam Textiles Limited (KTL) (ISIN: INE629F01025) formerly known as Kallam Spinning Mills Ltd listed on Bombay Stock Exchange (BSE), was established in 1992 with its registered office at Guntur, Andhra Pradesh. KTL is an integrated cotton textile unit, with its own ginning, ring spinning, open end spinning, weaving and dyeing divisions. The spinning mill is at Guntur and the weaving division is in Addanki (Mandal), Prakasam district. It produces counts of yarn ranging from 20s to 80s.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	367.38	256.71	123.52
PBILDT*	-5.78	-7.84	-7.90
Profit after tax (PAT)	-37.45	-47.37	-37.25
Overall gearing (x)	6.01	NM	4.65
Interest coverage (x)	NM	NM	NM

A: Audited UA: Unaudited; NM: Not meaningful; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA:

Infomerics has continued ratings assigned to bank facilities of KTL into 'Issuer not-cooperating' category vide press release dated October 29, 2025, considering non-availability of requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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-Term Loan		-	-	-	154.14	CARE D
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	189.75	CARE D / CARE D
Non-fund-based-LT/ST		-	-	-	1.49	CARE D / CARE D

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-CC/PC/Bill Discounting	LT/ST	189.75	CARE D / CARE D	-	1)CARE D / CARE D (13-Feb-25)	1)CARE D / CARE D (29-Mar-24) 2)CARE D / CARE D (01-Aug-23) 3)CARE B+; Stable / CARE A4 (07-Jun-23)	1)CARE BB-; Stable / CARE A4 (12-Dec-22) 2)CARE BB-; Stable (05-Dec-22)
2	Fund-based - LT-Term Loan	LT	154.14	CARE D	-	1)CARE D (13-Feb-25)	1)CARE D (29-Mar-24) 2)CARE D (01-Aug-23) 3)CARE B+; Stable (07-Jun-23)	1)CARE BB-; Stable (12-Dec-22)
3	Non-fund-based-LT/ST	LT/ST	1.49	CARE D / CARE D	-	1)CARE D / CARE D (13-Feb-25)	1)CARE D / CARE D (29-Mar-24) 2)CARE D / CARE D (01-Aug-23) 3)CARE B+; Stable / CARE A4 (07-Jun-23)	1)CARE BB-; Stable / CARE A4 (12-Dec-22)

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

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable

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

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saiikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: +91-80- 4662 5555 E-mail: karthik.raj@careedge.in</p> <p>Niraj Thorat Assistant Director CARE Ratings Limited Phone: 914040102030 E-mail: Niraj.Thorat@careedge.in</p> <p>Chethan C S Lead Analyst CARE Ratings Limited E-mail: Chethan.C@careedge.in</p>
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