



KALLAM TEXTILES LIMITED

(Formerly Known as "Kallam Spinning Mills Limited")

CIN -L18100AP1992PLC013860

Chowdavaram, GUNTUR - 522 019. A.P., INDIA.

Ph: 0863-2344016 : Fax:0863-2344000

E-mail: corp@ksml.in

GSTIN: 37AAACK9363M1ZY



REF: KTL/CS/RATING/2020-21

Date: 27-10-2020

Bombay Stock Exchange Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001.

Scrip Code : 530201

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Credit Rating:

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Brickwork Ratings (BWR) has revised the Company's ratings as under:

- a) The Long Term Rating to BWR BB+(BWR Double B Plus) Credit Watch with Developing Implications from BWR BB+ (BWR Double B Plus) Stable outlook
- b) The short term bank facilities to BWR A4+(BWR A Four Plus) Credit Watch with Developing Implications from BWR A4+ (BWR A Four Plus) Outlook

We enclose a copy of the aforesaid letter giving details of the rating for your information and record

Thanking You,

Yours Faithfully,

For Kallam Textiles Limited.,

Nandan Bisoi

Nandan Bisoi
Company Secretary & Compliance Officer





BWR/BLR/HO/SRC/RR/5239/2020-21

22 Oct 2020

Mr. P. V. Reddy

Managing Director

Kallam Textiles Limited

NH - 5, Chowdavaram

Guntur, Andhra Pradesh - 522019

Dear Sir,

Sub: Review of Ratings of Bank Loan Facilities of Kallam Textiles Limited aggregating Rs. 338.82 Crs. (Rupees Three Hundred Thirty Eight Crores and Eighty Two Lakhs Only)

Ref: 1. Your mandate dated 17Jun2017

2. Our previous rating letter: BWR/BLR/HO/SRC/RR/3143/2020-21 dated 11Aug2020

On a review of Kallam Textiles Limited's 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 Bank Loan Facilities of Rs. 338.82 Crores (Rupees Three Hundred Thirty Eight Crores and Eighty Two Lakhs Only) have been revised as follows:

Facilities**	Amount (Rs. Crs.)		Tenure	Ratings*	
	Previous	Present		Previous (August 2020)	Present
Fund Based					
Cash Credit	155.00	155.00	Long Term	BWR BB+/Stable	BWR BB+ Credit Watch with Developing Implications
Term Loans	153.85	152.82			
FBN/IBN	30.00	30.00	Short Term	BWR A4+	BWR A4+ Credit Watch with Developing Implications
Non-fund Based					
Bank Guarantee	1.00	1.00	Short Term	BWR A4+	
Total	339.85	338.82	Rupees Three Hundred Thirty Eight Crores and Eighty Two Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings. **Annexure I shows details of credit facilities.

Note: In addition to above, the company has been sanctioned Covid Emergency Loan of Rs. 9.00 Crs. by Andhra Bank (now Union Bank of India).



Kallam Textiles Limited

BWR/BLR/HO/SRC/RR/5239/2020-21

22Oct2020

BWR takes cognizance of the Resolution Framework for Covid-19 related Stress and related guidelines announced by the Reserve Bank of India (RBI) vide its circulars dated 06Aug2020 and 07Sep2020. BWR also takes note of the guidance provided by the SEBI circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 160 dated 31Aug2020 in this regard. At the time of the previous surveillance in August 2020, BWR had noted that the company was likely to apply for loan restructuring under the RBI guidelines, given the stretched liquidity position. The formal application for the loan restructuring was made by the company on 29Sep2020, which was prior to the due date of payment obligations. BWR was intimated about the said application on 16Oct2020. Consequent to the application under the Guidelines, the company has not paid its term loan interest and principal for Sep'20. However, BWR has not recognised the non payment as default in accordance with BWR's Approach for rating companies opting for Loan Restructuring under the Resolution Framework for COVID-19 related stress, published on BWR's website. The lenders have confirmed to BWR that the application of the company was received prior to the due date and that it is under consideration. BWR is in discussions with the company and the lenders on the restructuring application to understand their stance towards considering the company's application and shall take final rating action based on clarity received from lenders. The proposed restructuring plan is expected to mitigate liquidity constraints due to COVID-19 and help the company get back on the track to projected profitability and sales growth and enable it to generate necessary cash flow to service debt obligations

The validity of the rating is as stated in our letter BWR/BLR/HO/SRC/RR/3143/2020-21 dated 11Aug2020 and subject to terms and conditions as per your mandate dated 17Jun2017 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter. The rated bank loan facilities would be under surveillance 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 company's finances/performance without any delay. **You are also requested to submit No Default Statement on a monthly basis.**



Kallam Textiles Limited

BWR/BLR/HO/SRC/RR/5239/2020-21

22Oct2020

We are also enclosing the Rating Rationale. Kindly acknowledge.

Best Regards,

Rajee R
Senior Director - Ratings
Brickwork Ratings India Pvt Ltd.

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site. 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.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Annexure-I: Details of Bank Facilities

Sl. No.	Bank	Facilities	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs.)
1	Union Bank of India (e-AB)	Cash Credit	90.00	-	90.00
		Term Loans*	53.75	-	53.75
		FBN/IBN	-	10.00	10.00
		BG	-	1.00	1.00
2	Indian Bank	Cash Credit	60.00	-	60.00
		Term Loans*	92.67	-	92.67
		FBN/IBN	-	20.00	20.00
3	Bank of Baroda	Cash Credit	5.00	-	5.00
		Term Loan*	6.40	-	6.40
Total - Rupees Three Hundred Thirty Eight Crores and Eighty Two Lakhs Only					338.82

*Term Loans outstanding as on 31Jul2020.

Note: In addition to above, the company has been sanctioned Covid Emergency Loan of Rs. 9.00 Crs. by Andhra Bank (now Union Bank of India).



Kallam Textiles Limited

BWR/BLR/HO/SRC/RR/5239/2020-21

22Oct2020

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 Banks' sanction letters have been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the Banks.
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 Banks.
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/default 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 March, June, September and December each year.
9. Information on delays/default in servicing of debt obligations of any subsidiary/other group companies, if any, as at the end of March, June, September and December each year.
10. Any other statement/information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com