Kallam Textiles Limited

August 20, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based limits	246.12	246.12	[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn
Unallocated Limits	3.88	3.88	[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn
Total	**250.00**	**250.00**	

Rating action

ICRA has withdrawn and removed from 'ISSUER NOT COOPERATING' category, the earlier long-term rating of [ICRA]BB+ (Stable) (pronounced ICRA double B plus with a Stable outlook) assigned to the Rs. 246.12-crore fund-based facilities and the Rs. 3.88-crore unallocated limits of Kallam Textiles Limited (KTL).

Rationale

The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on no-objection certificate provided by its banker. The company has submitted its 'No Default Statement' ("NDS") which validates that the company has been regular in meeting its debt servicing obligations. The company's rating was moved to the 'ISSUER NOT COOPERATING' category due to non-submission of NDS in November 2017.

Outlook: Not Applicable

Key rating drivers

Not Applicable

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below**.**

Links to applicable criteria:

ICRA's Policy on Withdrawal and Suspension of Credit Rating

About the company:

Kallam group, established by Mr. Kallam Haranadha Reddy, is based in Guntur, Andhra Pradesh and has been in the cotton ginning and pressing business since 1956. The group entered into cotton yarn spinning under Kallam Spinning Mills Limited (KSML) in 1993. KSML began commercial production with 12,000 spindles and has continuously augmented its capacity over the years to current levels of 56,400 spindles (including 40,000 spindles compact) and 2912 rotors for open end spinning. The spinning division primarily caters to the domestic market and is largely into manufacturing of medium counts of cotton yarn. KSML also has a ginning division with 24 ginning machines and three Hydel power plants of 4.0 MW capacity on Krishna river. The company commenced operations for weaving unit of 250 loom capacity in July 2014 and dyeing unit of 5000 Kg/day capacity from March 2016. Kallam group also has presence in the cotton seed oil industry under Kallam Agro & Products Private Limited (rated ICRA BB+ stable) which was established in 1983.

Key financial indicators (Audited): Not applicable

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2019)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating August 2018	Date & Rating in FY2018 Nov 2017	Date & Rating in FY2017 July 2016	Date & Rating in FY2016 Sept 2015
1	Fund based limits	Long Term	246.12		[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn	[ICRA]BB+(Stable); Issuer Non-cooperating	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
4	Unallocated Limits	Long Tern	3.88		[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn	[ICRA]BB+(Stable); Issuer Non-cooperating	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based limits	NA	NA	NA	246.12	[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn
NA	Unallocated Limits	NA	NA	NA	3.88	[ICRA]BB+(Stable); Removed from Issuer Not-cooperating category and Withdrawn

Source: KAllam Textiles Limited

ANALYST CONTACTS

Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Balaji M
+91 44 4596 4317
balajim@icraindia.com

Mona Agrawal
+91 40 40676531
Mona.agrawal@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 6606 9999

© Copyright, 2018 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents