



Press Release
KALLAM BROTHERS COTTONS PRIVATE LIMITED
September 03, 2025
Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.32	ACUITE C Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	83.83	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	12.00	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	97.15	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE C**' (read as **ACUITE C**) & short-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4**' (read as **ACUITE A Four**)' on the Rs.95.83 crore bank facilities of Kallam Brothers Cottons Private Limited (KBCPL).

Acuite has also reaffirmed the long-term rating of '**ACUITE C**' (read as **ACUITE Co**) on the Rs.1.32 crore bank facilities of Kallam Brothers Cottons Private Limited (KBCPL) as it is a proposed facility. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

Rationale of Rating Downgrade:

The downgrade is due to initiation of Corporate Insolvency Resolution Process (CIRP) Proceedings against Kallam Brothers Cottons Private Limited under NCLT order passed on August 25, 2025 wherein it is established that the Company has defaulted on their debt obligations.

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.

Unsupported Rating

Not Applicable

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 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 Acuité’s policies

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	196.59	252.84
PAT	Rs. Cr.	0.77	6.72
PAT Margin	(%)	0.39	2.66
Total Debt/Tangible Net Worth	Times	2.52	2.12
PBDIT/Interest	Times	1.75	2.67

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 May 2025	Letter of Credit	Short Term	8.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Letter of Credit	Short Term	4.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	18.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Proposed Long Term Bank Facility	Long Term	1.32	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	2.68	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	30.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Stand By Line of Credit	Long Term	5.70	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	2.49	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	10.25	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	2.44	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
	Term Loan	Long Term	12.27	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB)
26 Sep 2024	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	12.27	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Stand By Line of Credit	Long Term	5.70	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Cash Credit	Long Term	18.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	1.32	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	2.49	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	10.25	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	2.44	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	2.68	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)
30 Jun 2023	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	12.27	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	5.70	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.32	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)

* The issuer did not co-operate; based on best available information.

	Term Loan	Long Term	2.49	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	10.25	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.44	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.68	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
11 Apr 2022	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	12.27	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	5.70	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	1.32	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.49	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	10.25	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.44	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.68	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)

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Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE A4)
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE A4)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.32	Simple	ACUITE C Reaffirmed Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.70	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.27	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.49	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.25	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.44	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.68	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE C)

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Disclosure of list of non-cooperative issuers

- Listed :- https://www.acuite.in/Non-Cooperative_Issuer_Listed.php
- Unlisted :- https://www.acuite.in/Non-Cooperative_Issuer_Unlisted.php

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About Acuité Ratings & Research

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