



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@kallamtextiles.in

GSTIN : 37AAACK9363M1ZY



Date:12-10-2026

To
The Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001

Subject: Submission of Financial Results for the Quarter and Financial Year Ended 31st March 2026 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the financial results of the Company for the quarter and financial year ended 31st March 2026, along with the relevant annexures, for your records.

we wish to inform you that the Hon'ble National Company Law Tribunal ("NCLT"), Amravati Bench, vide its order dated April 06, 2026, has admitted the petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") against the Company and Corporate Insolvency Resolution Process ("CIRP") has been initiated.

Consequent upon commencement of CIRP, the powers of the Board of Directors stand suspended and are being exercised by the Resolution Professional in accordance with the provisions of the IBC

You are requested to take the above submission on record.

Thanking you,

Yours faithfully,

For Kallam Textiles Limited

G. Ramesh Kumar
Golagani Ramesh Kumar
Company Secretary



Enclosures:

1. Financial Results for the quarter and financial year ended 31st March 2026
2. Audit Report
3. Other applicable annexures

Independent Auditors' Report on Audited Financial Results of KALLAM TEXTILES LIMITED for the quarter and year ended 31st March, 2026 pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To

The Resolution Professional (RP) of

KALLAM TEXTILES LIMITED (a Company under CIRP vide NCLT Order dated 6TH April, 2026)

Corporate Insolvency Resolution Proceedings as per Insolvency and Bankruptcy Code, 2016 (IBC)

Subsequent to the date of balance sheet, the Hon'ble National Company Law Tribunal, Amaravati vide its order dt. 6.4.2026 admitted the Insolvency and Bankruptcy petition filed by Union bank of India, a financial creditor, against Kallam Textiles Limited ("the Company") u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of IB Rues, 2016 and appointed Mr. Chillale Rajesh as Interim Resolution Professional (IRP). In terms of section 17 of the IBC, upon commencement of the Corporate Insolvency Resolution Process ("CIRP"), the powers of the Board of directors stand suspended and the management of affairs of the company vests with IRP. Subsequently, consequent to the petition filed by one of the erstwhile director, the National Company Law Appellate Tribunal ("NCLAT"), Chennai Bench, vide its order dt.18th June, 2026, stayed further proceedings, pending consideration of the restructuring proposal submitted by the petitioners before Committee of creditors (CoC).

In view of pendency of the Corporate Insolvency Resolution Process (CIRP) and in view of suspension of the powers of the Board of directors, the powers of adoption of financial results for quarter and year ended 31.3.2026 vests with IRP. The financial statements have been prepared with the involvement of the erstwhile management and the IRP, as applicable, and the statement is being signed by the IRP in exercise of such powers.

Disclaimer of Opinion

We were engaged to audit the accompanying financial results ('the Statement') of **KALLAM TEXTILES LIMITED** for the quarter and year ended 31st March, 2026 being submitted by the company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (the Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Because of the substantive nature and significance of the matters described in the "Basis for Disclaimer of Opinion" paragraph of our report, we have not been able to obtain sufficient appropriate audit evidence to provide the basis of our opinion as to whether these financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles.



generally accepted in India, of the net the Loss and other comprehensive loss and other financial information of the company for the quarter and year ended 31 March 2026.

Basis for Disclaimer of Opinion

For the paragraphs (a) to (f) mentioned below, we are unable to comment on the elements of financial results which may require necessary adjustments/disclosures in the financial results including but not limited to impact on the Company's ability to continue as a going concern and these adjustments when made, may have material and pervasive impact on the outcome of the financial results for the quarter and year ended 31 March 2026. Accordingly, pending these adjustments and unavailability of sufficient and appropriate audit evidence in respect of these matters, we are unable to express our opinion on the financial results of the Company.

a. Recognition of Deferred Tax Asset on Business Losses:

The Company has recognized Deferred Tax Asset (DTA) of Rs. 5124.54 lakhs as at March 31, 2026 in respect of carried forward business losses and unabsorbed depreciation based on assessment that sufficient taxable profit will be available in future years against which deferred tax asset can be utilized. Under the requirements of Ind AS 12, a deferred tax asset arising from unused tax losses and unabsorbed depreciation is recognized only to the extent that it is probable that future taxable profits will be available against which such losses and depreciation can be utilized. The Company has incurred substantial losses in the current year and preceding years and is subject to the circumstances arising from CIRP and the subsequent NCLAT proceedings described above.

Considering the ongoing CIRP proceedings, accumulated losses, uncertainty regarding future business operations and taxable profitability and in the absence of sufficient appropriate audit evidence supporting the probability of future taxable profits, we were unable to determine whether the recognition of the aforesaid Deferred Tax Asset in previous years and remaining outstanding as on 31.3.2026 is appropriate.

Consequently, we were unable to determine the adjustments, if any, that may be required to the carrying value of Deferred Tax Asset, retained earnings and the loss for the year ended 31 March 2026.

b. MAT credit u/s 206 of Income-tax Act, 2025 (Provisions of section 115JAA of Income-tax Act, 1961)

The company has MAT credit available for set off under the provisions of section 115JAA of Income-tax Act, 1961 aggregating to Rs.1968.75 lakhs as the company has opted for old regime of payment of taxes. The company has recognized this MAT credit as part of its deferred tax assets. The Finance Act, 2026 has amended the provisions wherein the b/f credit is available only to the companies that opted for payment of tax under new regime for tax year on or after 1.4.2026. Consequently, companies opted for old regime can claim MAT credit only upto year ended 31.3.2026 and credit would lapse thereafter, unless the company opts for new tax regime from 1.4.2026.

In the absence of sufficient appropriate audit evidence regarding the recoverability and future utilization of the MAT credit, including the future taxable profits and information regarding its option to be exercised u/s 205 and 206 of Income-tax Act, 2025 (Old provisions section 115BAA and 115JAA



of Income-tax Act, 2025), we were unable to determine whether the recognition and carrying amount of MAT credit as at 31st March, 2026 are appropriate. Consequently, we were unable to determine the adjustments, if any, that may be required to the carrying value of MAT Credit which is part of Deferred Tax Asset, retained earnings and the loss for the year ended 31 March, 2026.

c. Non-assessment of Impairment Loss:

In accordance with the requirements of Ind AS 36- "Impairment of Assets", the management of the company shall assess at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the assets. In our opinion, indicators of impairment existed as at the reporting date, including recurring operating losses, adverse changes in market and economic conditions, underutilization of assets and the circumstances arising from the insolvency proceedings under IBC. Accordingly, the Company was required to assess the recoverable amount of its Property, plant and equipment and recognize an impairment loss to the extent the carrying amount exceeded the recoverable amount.

Management has not performed an impairment assessment of the company's Property, plant and equipment. Consequently, we were unable to determine whether any impairment loss was required to be recognized in the financial statements and its consequential impact on loss for the year and accumulated losses, carrying value of assets and its equity.

d. Provision towards leave encashment

The Company has not recognized provision for earned leave payable to employees as at 31 March 2026 which is required to be made as per provisions of new labour code effective from 21st November, 2025. In our opinion, such liability is required to be recognized in accordance with the requirements of Ind AS-19 "Employee benefits" read with new labour laws under Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020. The management has not obtained an actuarial valuation or otherwise determined the amount of the liability. Consequently, we are unable to quantify the amount by which employee benefit expenses, liabilities, losses for the current year and retained earnings are understated in the financial statements.

e. Claims by creditors

The Company is under Corporate Insolvency Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016. We requested the minutes of the meetings held subsequent to the date of balance sheet relating to the verification and consideration of creditors' claims which was produced.

Based on claims made by secured financial creditors, i.e Union bank of India and Indian bank, as on date of receipt of claims in April, 2026, the creditors claimed an amount of Rs. 23193.84 lakhs and Rs.19639.13 lakhs respectively as against amounts outstanding in the financial statements as on 31.3.2026 amounting to Rs. 21200 lakhs and Rs. 17356.65 lakhs respectively. The difference between the claims admitted and amounts outstanding as per financial statements is Rs.4276.33 lakhs.

We were unable to obtain a reconciliation between these amounts and consequently, were unable to obtain sufficient appropriate audit evidence regarding the completeness and appropriateness of the recognition and disclosure of claims and related liabilities in the financial statements. We were



also unable to satisfy ourselves by alternative audit procedures, whether any adjustments or additional disclosures were necessary.

Accordingly, we were unable to determine whether any adjustments were necessary to the carrying amount of borrowings, finance costs, current liabilities, contingent liabilities and other related disclosures in the accompanying financial statements.

f. Lower yield of finished goods

During the year, the Company recorded a significant reduction in the yield of finished goods from the consumption of raw materials as compared with the previous year. The reduction in yield is material and has resulted in correspondingly higher consumption of raw materials in relation to the quantity of finished goods produced.

The reasons for the significant variation in yield were discussed with the erstwhile management and we requested appropriate explanations supported by relevant evidence. However, management did not provide satisfactory explanations or sufficient appropriate audit evidence to substantiate the extent and reasons for the abnormal reduction in yield.

In the absence of sufficient appropriate audit evidence, we were unable to determine whether the recorded consumption of raw materials, production quantities, process losses and closing work-in-progress are appropriately stated. Consequently, we were also unable to determine whether any adjustments were required to inventories, cost of production, Loss and Other equity for the year.

The above matters, considered individually and in aggregate together with the absence of sufficient appropriate audit evidence particularly to the matters relating to recognition of deferred tax asset and MAT credit, non-assessment of impairment of assets, non-provision/quantification of employees leave encashment, unreconciled creditor claims and unexplained reduction in yield of finished goods, could have material and pervasive effect on the financial statements.

Our report on the financial results for the quarter and year ended 31.3.2026 had a disclaimer opinion with respect to the matters stated above.

Material Uncertainty Related to Going Concern

We draw attention to Note No.5 of the Results, which describes the admission of the company into Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016 pursuant to the order dated 6.4.2026 passed by the National Company Law Tribunal ("NCLT"), Amaravathi bench.

Subsequently, the National Company Law Appellate Tribunal (NCLAT), Chennai Bench vide its order dt.18.6.2026, stayed further proceedings of the Corporate Insolvency Resolution Process (CIRP) against the company and permitted the company, time to reformulate and submit a restructuring proposal. The NCLAT directs the Committee of Creditors to evaluate the proposal within the period specified in its order and directed that further CIRP proceedings should not be undertaken until a decision on the restructuring proposal is reached.

The Company's accumulated losses, erosion of net worth, defaults in repayment of borrowings to banks and classification of loans as NPA, the filing and admission of the petition u/s 7 of IBP Code



2016 before NCLT, commencement of CIRP and the subsequent stay by the NCLAT indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, the financial statements for the year have been prepared on a going concern basis as the Hon'ble NCLT had stated that the operations of the company to be continued as a going concern.

The appropriateness of the going concern assumption is dependent on, among other matters, continuity of operations of the business, the outcome of the CIRP, implementation of a resolution plan approved by the Committee of Creditors and restructure proposal of promoters as allowed to be filed as per directions of NCLAT.

This matter has been considered by us in forming our Disclaimer of Opinion on the financial statements, as described in the "Basis for Disclaimer of Opinion" section of our report.

Emphasis of Matter

Reference is invited to note no. 11 to the financial results, wherein the Company's borrowings from lender banks UBI and Indian banks have been classified as Non-Performing Assets (NPA). As at the balance sheet date, the Company has obtained statement of account through e-mail based on which interest provision has been made. The management is of opinion that no further adjustment is required to be made to the Interest provision made in the books of account based on those statements.

Management's/IRP responsibilities for the financial results

As described in the Note 1 to the Statement, the powers of the Board of Directors of the Company have been suspended and the management of affairs of the company and powers of board of directors are vested with the Resolution Professional. These financial results has been prepared on the basis of financial statements. The Company's Board of Directors/ RP are responsible for the preparation and presentation of these financial results that gives a true and fair view of the net loss, other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies: making judgements and estimates that are reasonable and prudent: and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that gives a true and fair view free from misstatement, whether due to fraud or error.

In preparing ability the financial a results, the management/ RP is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors/RP either intends to liquidate the company or to cease the operations or has no realistic alternative to do so



Auditor's responsibilities for the Audit of the Financial Results

Our responsibility is to conduct an audit of the financial results in accordance with Standards on auditing and to issue an auditors report. However, because of the matters described in the "Basis for Disclaimer of Opinion" paragraph of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial results.

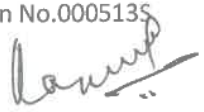
We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial results and we have fulfilled our ethical responsibilities in accordance with these requirements.

Other Matters

The financial results includes the results for the quarter ended 31 March, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter ended 31 December of the relevant financial year, which were subject to limited review by us, as required under the Listing Regulations. Our opinion is not modified in respect of this matter.



For Brahmayya&Co
Chartered Accountants
Firm Registration No.000513S


(Karumanchi Rajaj)
Partner
(Membership No: 202 309)

Place: Guntur

Date : 12/10/2026

UDIN: 26202309 MAX KCT/506



Kallam Textiles Limited
CIN : L18100AP1992PLC013860 & GST No.37AAACK9363M1ZY
Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
Ph: 0863-2344010,16
E-mail: corp@kallamtextiles.in & accsp@kallamtextiles.in



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2026

(Rs. in Lakhs, except per share data)

S.NO	PARTICULARS	Quarter ended			Year ended	
		31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	(a) Revenue from Operations	4467.22	6915.20	6165.36	23192.25	24480.16
	(b) Other Operating Income	319.54	202.28	322.13	942.81	1190.69
	Total Revenue from operations	4786.76	7117.48	6487.49	24135.06	25670.85
2	Other Income	71.49	56.20	26.54	248.27	139.51
	Total Income (1+2)	4858.25	7173.68	6514.03	24383.33	25810.36
3	Expenses					
	a) Cost of Material consumed	4136.87	5075.25	4397.15	18304.27	17923.84
	b) Purchase of Stock-in-trade	0.00	0.00	0.00	0.00	3.57
	c) Changes in inventories of Finished goods, Work- in - Progress and Stock-in-trade	930.27	993.49	520.34	2891.02	2364.31
	d) Employee benefits expenses	390.45	486.24	397.47	1677.03	1563.28
	e) Depreciation and amortisation expenses	362.82	363.47	342.86	1454.06	1498.79
	f) Finance costs	1160.20	1106.27	1110.21	4448.40	4281.80
	g) Other expenses	1068.10	1115.20	1091.08	4465.52	4599.84
	Total expenses	8048.71	9139.92	7859.11	33240.30	32235.43
4	Profit/(Loss) before Tax and exceptional items (1+2-3)	(3190.46)	(1966.24)	(1345.08)	(8856.97)	(6425.07)
	Add/(Less): Exceptional items (Refer note no. 4)	0.00	0.00	(4.78)	0.00	757.59
	Profit/(Loss) before tax and after exceptional items	(3190.46)	(1966.24)	(1340.30)	(8856.97)	(7182.66)
5	Tax expenses					
	a) Current Tax	0.00	0.00	0.00	0.00	4.98
	b) Deferred tax charge/(credit) (Refer note no.2)	(211.10)	12.34	(456.96)	(174.09)	(2450.68)
6	Net Profit/(Loss) for the period after tax (4-5)	(2979.36)	(1978.58)	(883.34)	(8862.88)	(4736.96)
7	Other comprehensive Income (Net of tax expense)					
	a) Deferred Tax on revaluation of properties	12.34	12.34	12.34	49.35	49.35
	b) Reduction in fair value of asset revalued	(20.07)	0.00	0.00	(20.07)	(13.48)
	c) Remeasurement of defined employee benefit plans	(98.20)	0.00	22.18	(98.20)	22.18
	Total other comprehensive income	(105.93)	12.34	34.52	(68.92)	58.05
8	Total comprehensive income/(Loss) (6+7)	(3085.29)	(1966.24)	(848.82)	(8751.80)	(4678.91)
9	Paid - up Equity Share Capital (Face Value of the Share Rs. 2/- each)	1056.21	1056.21	1056.21	1056.21	1056.21
10	Reserves (Excluding Revaluation reserves as per Balance Sheet)				(9476.16)	(747.07)
11	Earning per equity Share (Face value Rs. 2/- each)					
	Basic and Diluted EPS	(5.64)	(3.75)	(1.67)	(16.44)	(8.97)

For Kallam Textiles Limited

For Kallam Textiles Limited

For Kallam Textiles Limited

P.Venkateswara Reddy
Suspended Director
DIN. 00018677

G.V.Krishna Reddy
Suspended Director
DIN. 00018713

Rajesh Chillale
Resolution Professional

Reg No. IBBI/PA- 001/IP-P00699/2017-2018/11226

Place : Guntur

Date: 12/10/2026

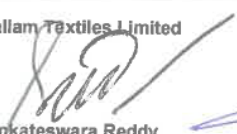


Kallam Textiles Limited

Statement of Audited segment results for the quarter and year ended 31st March, 2026

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue:					
	a) Spinning	3229.52	3687.72	3695.13	13570.95	14297.08
	b) Weaving	1668.70	3188.42	2255.99	9144.77	9659.02
	c) Dyeing	398.94	601.97	652.91	2889.08	2383.80
	d) Solar Power	112.29	94.20	121.97	431.76	425.57
	e) Hydel Power	93.39	165.77	103.84	355.96	260.19
	Total	5502.84	7738.08	6829.84	26392.52	27025.66
	Less: Inter Segment revenue	716.08	620.60	342.35	2257.46	1354.81
	Net sales /Income from operations	4786.76	7117.48	6487.49	24135.06	25670.85
2	Segment Results Profit/(Loss):					
	Before tax and interest from each segment					
	a) Spinning	(1053.96)	(422.19)	3.35	(2349.55)	(910.30)
	b) Weaving	(936.68)	(594.26)	(311.38)	(2400.88)	(2308.11)
	c) Dyeing	(101.63)	19.38	(34.06)	(4.62)	(21.63)
	d) Solar Power	83.92	65.19	88.72	315.75	293.46
	e) Hydel Power	(21.91)	71.91	23.28	30.73	45.72
	Total	(2030.26)	(859.97)	(230.09)	(4408.57)	(2900.86)
	Less : Finance costs	1160.20	1106.27	1110.21	4448.40	4281.80
	Total Profit/(Loss) before Tax	(3190.46)	(1966.24)	(1340.30)	(8856.97)	(7182.66)
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Spinning	24074.06	25044.85	26805.60	24074.06	26805.60
	b) Weaving	13494.19	14507.07	16613.97	13494.19	16613.97
	c) Dyeing	825.26	640.61	926.23	825.26	926.23
	d) Solar Power	2843.83	2759.91	2528.08	2843.83	2528.08
	e) Hydel Power	525.73	567.71	515.07	525.73	515.07
	Total	41763.07	43520.14	47388.95	41763.07	47388.95

For Kallam Textiles Limited


P.Venkateswara Reddy
Suspended Director
DIN. 00018677

For Kallam Textiles Limited


G.V.Krishna Reddy
Suspended Director
DIN. 00018713

For Kallam Textiles Limited


Rajesh Chillale
Resolution Professional
Reg No. IBBI/IPA- 001/IP-P00699/2017-2018/11226



CASH FLOW STATEMENT FOR THE YEAR YEAR ENDED 31.03.2026

PARTICULARS	Amount Rs. in Lacs	
	Year ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit/(Loss) before tax	(8,856.98)	(7,182.66)
<u>Add/Less: Adjustments for</u>		
Depreciation	1454.06	1498.79
Interest expense	4448.40	4281.80
Interest income	(45.24)	(51.12)
Profit on sale of assets	(3.54)	(0.39)
Amortisation of Govt. grants	(46.03)	(46.03)
Remeasurement of employee defined benefit plans	(98.20)	22.18
Operating profit before working capital changes	(3,147.53)	(1,477.43)
<u>Add/Less: Adjustments for working capital</u>		
Inventories	3,121.03	2,462.59
Trade and other receivables	1,724.15	(191.39)
Trade and other payables	(511.40)	(688.64)
Cash generated from operations	1,186.25	105.13
Less: Direct taxes paid	10.21	5.14
Net cash from operating activities (A)	1,176.04	99.99
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Investment in PPE and capital works	(19.10)	(2.88)
Proceeds from sale of fixed assets	57.73	29.55
Sale proceeds of investments	38.93	13.00
Investments in equity of other companies	-	(38.93)
Margin Money deposit with banks and other balances	5.40	56.09
Interest received	45.25	51.11
Net cash from Investing activities (B)	128.21	107.94
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from/(Repayment of) borrowings	3,125.92	4,084.88
Interest and finance charges	(4,448.40)	(4,281.80)
Net cash used in financing activities (C)	(1,322.48)	(196.92)
Net increase/(decrease) in cash and cash equivalents	(18.23)	11.01
Cash and cash equivalents at the beginning of the Year	25.10	14.09
Cash and cash equivalents at the end of the Year	6.87	25.1
Net increase/(decrease) in cash and cash equivalents	(18.23)	11.01
For Kallam Textiles Limited	For Kallam Textiles Limited	For Kallam Textiles Limited
		
P.Venkateswara Reddy Suspended Director DIN. 00018677	G.V.Krishna Reddy Suspended Director DIN. 00018713	Rajesh Chitale Resolution Professional Reg No. IBBI/IPA- 001/IP-P00699/2017-2018/11226



KALLAM TEXTILES LIMITED

Statement of Assets and Liabilities as at 31st March, 2026

Rs. in lakhs

	Particulars	As at 31st March, 2026 (Audited)	As at 31st March, 2025 (Audited)
	ASSETS		
1	Non-Current Assets		
(a)	Property, Plant and Equipment	33059	34568
(b)	Intangible Assets	0	0
(c)	Capital Work-in-progress	0	0
(d)	Financial Assets		
(i)	Investments	-	39
(ii)	Loans	-	-
(ii)	Other financial assets	753	753
(e)	Deferred Tax Liabilities (Net)	3,210	2,986
(e)	Other Non-current Assets	4	4
	Total Non-Current assets	37,026	38,350
2	Current Assets		
(a)	Inventories	2,890	6,011
(b)	Financial Assets		
(i)	Trade Receivables	451	2,090
(ii)	Cash and cash equivalents	7	25
(iii)	Other Bank balances	3	9
(iv)	Loans	-	4
(v)	Other financial assets	-	-
(c)	Other Current assets	3,190	3,271
(d)	Current tax assets (Net)	44	34
	Total Current assets	6,585	11,444
	Total Assets	43,611	49,794
	EQUITY AND LIABILITIES		
1	Equity		
(a)	Equity Share Capital	1,056	1,056
(b)	Other Equity	1,832	10,584
		2,888	11,640
2	Liabilities		
	Non-current liabilities		
(a)	Financial Liabilities		
(i)	Long-term borrowings (Refer note no.3(b))	-	-
(ii)	Other financial liabilities	-	-
(b)	Provisions	224	141
(c)	Deferred Tax Liabilities (Net)	-	-
(d)	Other non-current liabilities	588	634
	Total Non-current liabilities	812	775
3	Current liabilities		
(a)	Financial Liabilities		
(i)	Short-term borrowings (Refer note no.3(b))	38,875	35,748
(ii)	Trade payables		
-	Total outstanding dues of Micro and small enterprises	1	83
-	Total outstanding dues of creditors other than Micro and small enterprises	212	249
(iii)	Other financial liabilities	593	1,144
(b)	Other current liabilities	199	147
(c)	Provisions	31	8
(d)	Current tax Liabilities (Net)	-	-
	Total Current liabilities	39,911	37,379
	Total Liabilities	40,723	38,154
	Total Equity and Liabilities	43,611	49,794
For Kallam Textiles Limited		For Kallam Textiles Limited	For Kallam Textiles Limited
P.Venkateswara Reddy Suspended Director DIN. 00018677		G.V.Krishna Reddy Suspended Director DIN. 00018735	Rajesh Chillale Resolution Professional Reg No. IBB/IPA- 001/IP-P00699/2017-2018/11226

1. Subsequent to the date of balance sheet, pursuant to an application filed by one of the Financial creditor Union bank of India before National Company Law Tribunal, Amaravathi bench, ("NCLT") in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016 read with rules and regulations framed thereunder, the NCLT vide its order dt. 6.4.2026 had admitted the application and ordered for commencement of Corporate Insolvency Resolution Process (CIRP) of Kallam Textiles Limited. The NCLT had appointed Mr. Chillale Rajesh as Interim Resolution Professional (IRP), who took charge to manage the affairs of the company as the powers of the Board stand suspended. Subsequently, one of the promoter director filed petition before Hon'ble National Company Law Appellate tribunal (NCLAT) wherein the CIRP proceedings were stayed for consideration of the restructuring proposal proposed to be submitted before the Committee of Creditors (CoC) by the said director.

With regard to the financial results for the quarter and year ended 31.3.2026, the RP has signed the same solely for the purpose of compliance with applicable laws subject to the following disclaims.

- The RP has furnished and signed the results in good faith and accordingly no suit, prosecution and other legal proceedings shall be against RP in terms of section 233 of the Code.
 - The RP in review and signing of the financial results, relied upon the assistance provided by the suspended directors of the company. These results have been taken on record by the RP solely on the basis of relying on the representations and statements made by suspended directors and erstwhile suspended management of the company. Accordingly, RP is not making any representations regarding accuracy and completeness of the data or information in the financial results.
2. The above results have been prepared in accordance with the Indian Accounting Standards, the provisions of Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
 3. These financial results have been reviewed by the RP and taken on record .The Statutory auditors have expressed disclaimer of opinion in respect of these results for the quarter and year ended 31.3.2026.
 4. The CIRP process is presently ongoing as at the reporting date. The claims of various financial and operational creditors are subject to the verification/admission process undertaken by the Resolution Professional. The ultimate settlement of the liabilities of the Company will depend upon the outcome of the CIRP and the resolution plan, if any, approved in accordance with the provisions of the IBC.

5. Going Concern

The Company has incurred losses and its net worth has been adversely affected. Further, the Company has significant financial liabilities and is undergoing CIRP. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability

to continue as a going concern. Notwithstanding the above, the financial statements have been prepared on a going concern basis, considering the following:

- (a) the Company continues to carry on its operations during the CIRP period;
- (b) the CIRP framework contemplates resolution and revival of the Company as a going concern;
- (c) the Resolution Professional is pursuing the CIRP process in accordance with the provisions of the IBC;
- (d) the management/RP expects that the resolution process will result in restructuring/reorganisation of the Company's liabilities and continuation of its business operations; and
- (e) based on the circumstances existing as at the reporting date, the Resolution Professional has considered it appropriate to prepare these financial statements on a going concern basis.

However, the ultimate outcome of the CIRP, including approval and implementation of a resolution plan and the extent of settlement/restructuring of the Company's liabilities, is subject to various uncertainties and is not presently determinable.

Accordingly, there can be no assurance that the Company will be able to continue as a going concern in the event that the CIRP does not result in a successful resolution or the approved resolution plan is not implemented. The financial statements do not include any adjustments that may be required if the going concern assumption becomes inappropriate.

6. The company has recognised deferred tax asset up to 31.3.2025 on unused tax losses and depreciation and also taken credit towards MAT. The recognition of such deferred tax asset and MAT credit is dependent upon the availability of sufficient future taxable profits against which the unused tax losses and unabsorbed depreciation and MAT credit can be utilised. The Company is presently undergoing Corporate Insolvency Resolution Process and has incurred losses during the current and preceding periods. The recognition of deferred tax asset and MAT credit is therefore dependent upon the successful resolution and revival of the Company and the generation of sufficient future taxable profits. The ultimate outcome of the CIRP and the Company's future profitability cannot presently be determined with certainty.

The Statutory Auditors have disclaimed their opinion in Audit report in respect of the recognition of deferred tax asset of Rs. 5124.54 lakhs and Rs.1968.75 lakhs towards MAT credit as the evidence available to establish the probability of availability of sufficient future taxable profits is not available.

The recognition of the deferred tax asset and MAT credit has been made based on the assessment of the erstwhile management regarding the availability of sufficient future taxable profits and also expected outcome of the resolution process and the projected future operations of the Company.

However, the ultimate outcome of the CIRP and the Company's future profitability are subject to significant uncertainties. Consequently, the utilisation of the recognised deferred tax asset is dependent upon the successful implementation of the proposed resolution/revival measures and generation of adequate future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to permit utilisation of the deferred tax asset.

7. The Company has not performed an impairment assessment in accordance with Ind AS 36, *Impairment of Assets*, in respect of its Property, Plant and Equipment and other assets having a carrying value of ₹ 33058.31 lakhs as at March 31, 2026.

The Company is presently undergoing Corporate Insolvency Resolution Process ("CIRP") under the provisions of the Insolvency and Bankruptcy Code, 2016. The Company has incurred losses and is facing financial difficulties, and the recoverability of the carrying amounts of certain assets is dependent upon, inter alia, the outcome of the CIRP, the future operations of the Company and the implementation of a resolution/revival plan.

In the absence of an impairment assessment, the Company has not determined the recoverable amount of the relevant assets and, accordingly, the extent of any impairment loss, if any, that may be required to be recognised in accordance with Ind AS 36 could not be reliably determined as at the reporting date.

The actual recoverable amount of the carrying value of the assets and the resultant impairment loss, if any, may be materially different from their carrying amounts. The financial statements do not include any adjustment in respect of such impairment, pending completion of the impairment assessment.

The Company/Resolution Professional intends to undertake the necessary assessment in accordance with the applicable accounting standards, taking into consideration the outcome of the CIRP and the future business prospects of the Company.

The Statutory Auditors have accordingly disclaimed their opinion on results in their report in respect of this matter.

8. In respect of claim made by the financial creditors of outstanding dues, the management/IRP is in the process of reconciling the differences between the claims made and balances outstanding as per books of accounts.
9. During the year, the Company has observed a lower yield of finished goods in comparison with the standard yield levels and the previous year. The lower yield is primarily attributable to deterioration in quality of raw materials. The resulting reduction in yield has resulted in higher consumption of raw materials per unit of finished goods and consequentially increased the cost of production. Management has reviewed the reasons for the lower yield and is taking appropriate corrective measures, including improved monitoring of production processes, review of raw material quality, reduction of process losses, improvement in machine efficiency and strengthening of production controls, wherever applicable. Management is of the view that the lower yield is attributable to the operational factors referred to above and does not indicate any material misstatement in the quantity or valuation of finished goods reported in the financial statements. The inventory of finished goods as at the reporting date has been valued in accordance with the Company's stated accounting policy and the applicable requirements of Ind AS 2, *Inventories*. The management will continue to monitor the yield levels and take necessary measures to improve production efficiency and reduce

process losses in subsequent periods. The statutory auditors have disclaimed their opinion on results in respect this matter.

10. The Company has not recognised provision towards accumulated leave encashment payable to its employees as at the reporting date as per the new labour code. The Company intends to undertake the necessary assessment/actuarial valuation and recognise the liability in the financial statements in accordance with the applicable accounting requirements. The consequential impact of non-recognition of the liability on employee benefit expense, provisions, loss and retained earnings has not been recognised in these financial statements.
11. In respect of interest liability on term loans and working capital loans, provision has been made based on the statements received through mail from bank and management is of opinion that no further provision is required in respect of interest.
12. The company has no subsidiaries/Associates/JV as on 31.3.2026.
13. The figures for the q.e 31.3.2026 and 31.3.2025 are the balancing figures between the Audited results for the full financial year and unaudited results for nine months ended 31st December of respective years.
14. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the classification and presentation adopted in the current year. Such regrouping/reclassification does not have any impact on the total assets, total liabilities, total equity or loss of the Company for the previous year.
15. The Resolution Professional (RP) signed the results for the quarter ended 31st March 2026 based on the accounts pertaining to the period of the suspended management. The Company was admitted into the Corporate Insolvency Resolution Process (CIRP) by the Hon'ble NCLT, Amaravati Bench, only on 6 April 2026. Accordingly, the RP was not responsible for, and had no control over, the affairs, transactions, records, or financial reporting of the Company during the period prior to his appointment and commencement of the CIRP.

For Kallam Textiles Limited



P. Venkateswara Reddy
Suspended Director
DIN. 00018677

For Kallam Textiles Limited



G.V. Krishna Reddy
Suspended Director
DIN. 00018713

For Kallam Textiles Limited



Rajesh Chillale
Resolution Professional

Reg No. IBBI/IPA- 001/IP-P00699/2017-2018/11226

Place: Guntur

Date: 12/10/2026

