



KALLAM SPINNING MILLS LIMITED

Bombay Stock Exchange Code : 530201



Investor Presentation
February | 2018





KALLAM SPINNING MILLS LIMITED



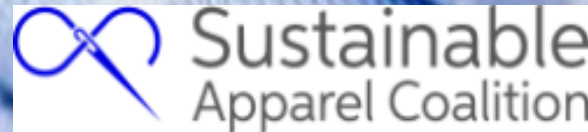
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We are delighted to announce that we are in the process of change our existing name to

“KALLAM TEXTILES LTD.”

In line with change of business profile by value addition of our products.



SAFE HARBOUR

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JMD & CEO Letter to Shareholders

Mr GV Krishna Reddy
JMD & CEO, Kallam Spinning Mills Ltd

"We have evolved from Hard working,
Consistent and stood for its moral values".

Dear Fellow Share Holder,

Greetings from Kallam Spinning Mills Limited

We are please to inform our growth story since start of commercial production in 1995. The growth evolved from Hardworking, committed and determined promoters who believed in the long-term future of the company with consistent goals. The company made its strides with its performance year after year. It also believed in core competency and focused on value addition path. This was possible due to committed visionary and hardworking promoters. The promoters believed in core competency of textile and focused on value addition part.

The Investment program starts steadily since 1992. In 2014, We have a major investments in Weaving and Yarn dyeing. The company had been exporting every year since inception without any break. However, sales strategy had been to sell the output product either domestically or export where there are better margins.

The company was listed in BSE in 1995 and paying dividends since 2004 without break except in 2012 and 2013 due to major CAPEX investment. The shareholders got 11 dividend payments till date. The company also rewarded its shareholders with one Bonus share for every four existing shares. The stock also rallied since 2005.

The company always had independent directors who are Visionaries and ensured that the company steered in the right direction. The company over the years had acquired a huge land bank, strategically located for future expansion.

In the next two years your company plans to increase the weaving capacity and produce more value-added products like yarn dyed shirting, processed and printed fabric. Your company may be one of the exceptional textile mills in India connecting from farmer to finished fabric.

We are in the process of changing our existing name to “Kallam Textiles Ltd”, in line with changing in Business profile.

I want to thank you for your trust and companionship. We will continue to play the long game.

Warm Regards,

Our Values

Kallam Spinning Mills Ltd evolved from Hard working, Consistent and Stood for its Moral Values.

Listing

Kallam Spinning Mills Ltd has been listed in BSE since 1995 and has 100% compliance from inception to till date.

Capex

The Company made a humble beginning in 1995 with commissioning of 12096 ring spinning spindles.

The company grew in capex turnover year on year without set backs.

Over a period of time, it had grown from 12 Cr capex to 500 Cr capex within 23 years.

Corporate Governance

The company always had independent directors who are visionaries and ensured that company is steered in the right direction.

The Company whole time directors are well known for their hard work and integrity.

Quality Commitment

The company is committed to continuously improve the quality of its products and services so that it had met or exceeded customer expectations. Spinning is ISO 9000 certified since 1999.

Grants / Subsidies

Even though company started commercial operations in 1995 there were few or nil subsidies from Indian Govt. The TUF was introduced by Ministry of Textiles, Govt of India in 1999. The company availed TUF for all its term loans. Further to give momentum Govt of Andhra Pradesh sanctioned power subsidy in 2005. This helped Spinning , Open-End and Ginning divisions.

Govt of India for the first time introduced 10% capital subsidy in 2012 for Airjet looms in addition to 5% TUF interest subsidy.

In 2015 Govt of AP introduced Interest subsidy of 8% for weaving and power subsidy of Rs 1.50 / unit for the first 5 years and Rs 2.00 / unit from 6th to 10th year.

The Weaving and Dyeing projects could avail the above facilities. This has helped to reduce the finance and power cost.

Long Term Vision

The Company had chosen vertically integrated value addition so that the raw material fluctuation will have least impact on the finished product and margins of the company.

Vertical integration is not only helping meeting the raw material fluctuations but also engineering the down stream products suiting exactly the up stream process with minimum cost of manufacturing.

Zero Bad Debit Policy

The Company is conservative enough and never took risks on sale of finished products and there are no bad debits for the company during the last 25 years.

Customer Loyalty

The Company had loyal and committed customer base who keep buying company products month on month and year on year basis. simply company had repeat order loyal customers.

Directors of the company visits customers on regular basis both in India and Abroad.

HR Policy

The Company employed committed professionals in manufacturing, technical, marketing, financial departments. The company believed in unmatched and best services to its customers.

The Company was accredited this year under "Pradhan Mantri Kaushal Vikas Yojana " where in we can train all the workers for their skill development under this programme.

Bankers Loyalty

Kallam Group has been doing business with Andhra Bank for the last six decades.

Kallam Spinning Mills Ltd, had never changed its bankers and kept cordial relationship at all times.

The Company since inception had paid all its loan commitments in time and never defaulted on interest and principal repayments.

The bankers had always competing with lower interest rates and extend financial assistance at all times.

Constant Technological Upgradation

The Company invested in latest state of art technology with a view to manufacture best quality products with least man power, least power cost etc.

The Company always invested in new machinery and never resorted in buying second hand machinery.

The average life of the machinery is less than seven years.

Strict Plant Preventive Maintenance Program

The Company follows scheduled preventive maintenance programme for all its equipment with highly skilled Technicians.

Exports

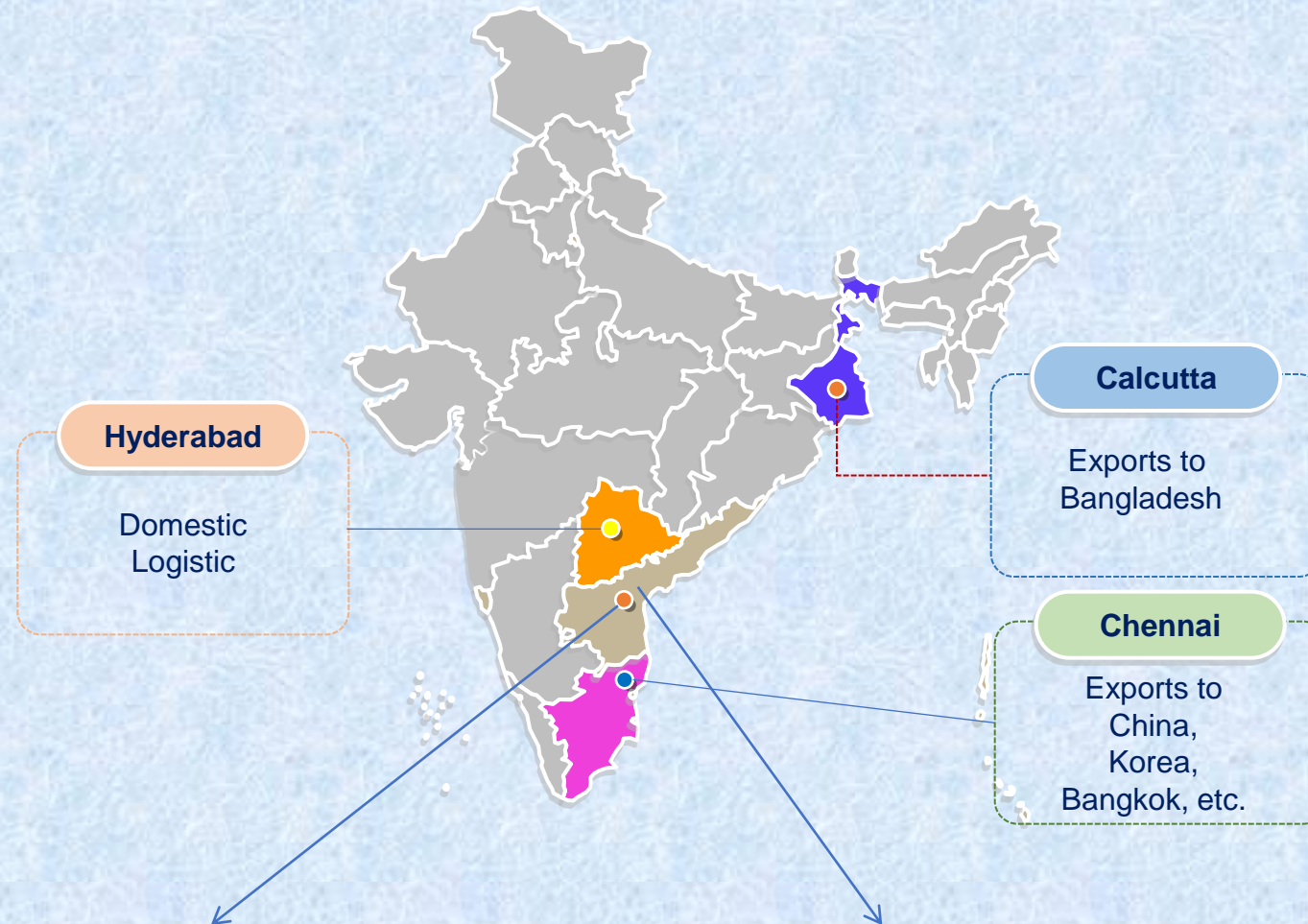
The Company is a star export house recognized by the Ministry of Commerce, Govt of India.

The Company had exported Rs 45 Cr worth of yarn and fabric during the FY 2016 - 17. During the current financial year the exports expects to cross Rs 75 Cr.

There is a 3 % interest subvention on packing credit on export of fabric. Company utilizes the packing credit for 50% of the OCC limits there by reducing interest cost to the company.

Currently yarn fetches 1.2 % duty draw back and fabric export fetches 1.3 % duty draw back of 2.0 % under MEIS scheme.

Strategic plant Locations



Chowdavaram unit 23.14 acres of Spinning is located on the six lane NH5 , Golden Quadrilateral connecting Chennai and Calcutta. The plant is within Guntur Municipal corporation limits and city had grown in and around the factory.

The weaving and Dyeing units of 142.35 Acres located near to Chennai – Hyderabad four lane National Highway. It is a trijunction with highway access to Chennai, Hyderabad and Calcutta.

Key Strengths



1

The management team is well experienced with hands on experience in all areas of operations and key members of the team are able to access to trend forecasts and strategic planning at macro and micro levels.

2

Since cotton sourcing is the single most important element in the spinning industry, our focus has been to develop competencies in this area. We source directly from the farmers and have created long-standing relationship with our suppliers. Our international relationships give us the leeway to source instantly from global markets if so desirable.

3

We use the latest machines and equipment, scientifically monitor our labor productivity and have adopted a policy of constant improvement. In addition, we also use MIS tools for operating at optimal efficiency. We have provided adequate attention to many other related areas, like shipping and logistics, spare parts sourcing and financial planning to increase our overall efficiency.

4

Most of our customers are repeat customers. This is testimony to our product quality and standardization. Our aim has been to always lead in the area of product development.

5

Our fair policies and consistent quality have earned us significant goodwill in the markets we operate in, giving us an advantage against competition.

6

By following a proactive labor policy, we have been able to develop a workforce that identifies themselves as a part of a family rather than as mere employees. Our units have enjoyed the distinction of never having suffered any labor unrest from inception.

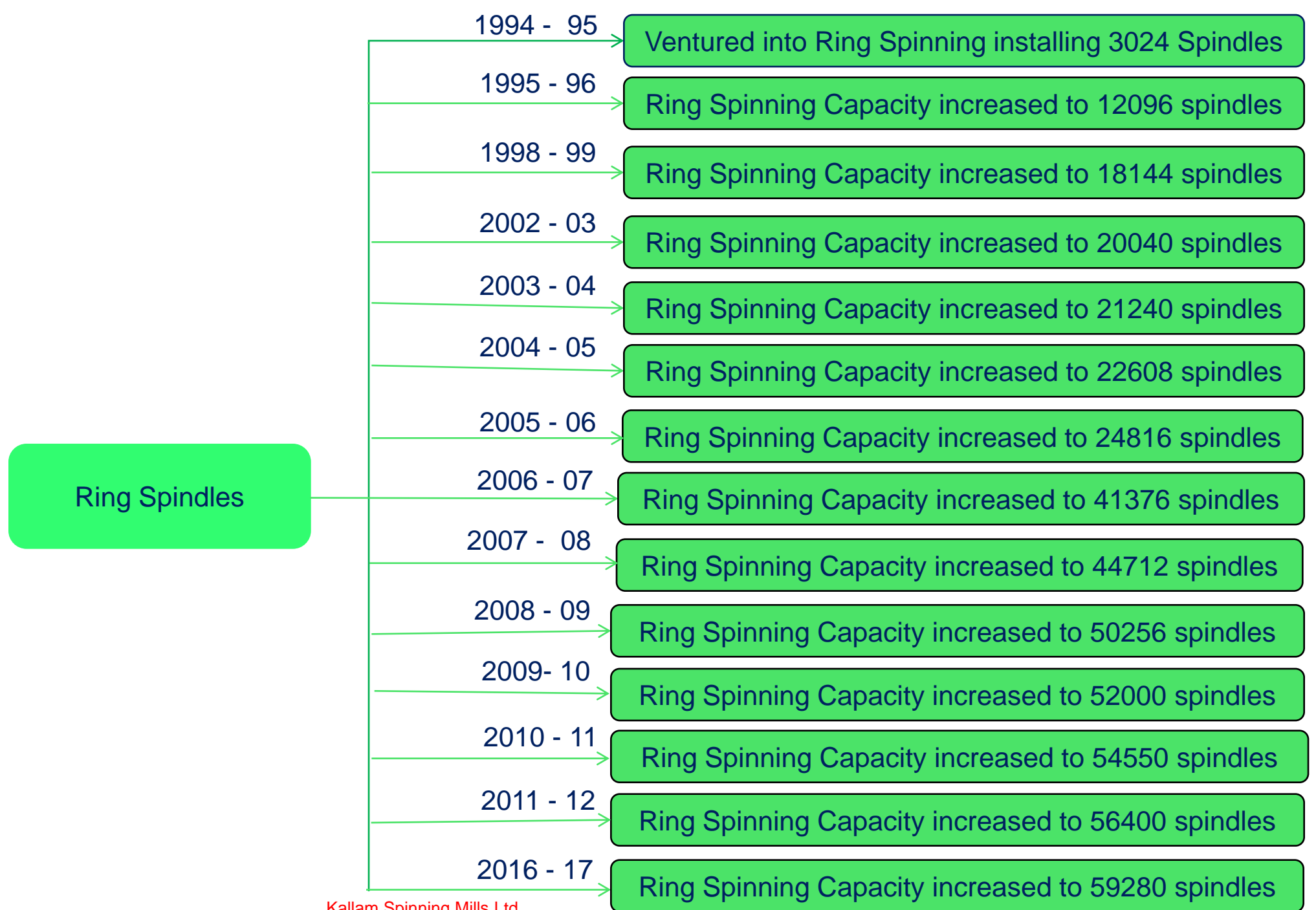
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With our quality yarn we can weave fabric at a competitive price and better quality. We also benefited by reducing packing cost and taxes.

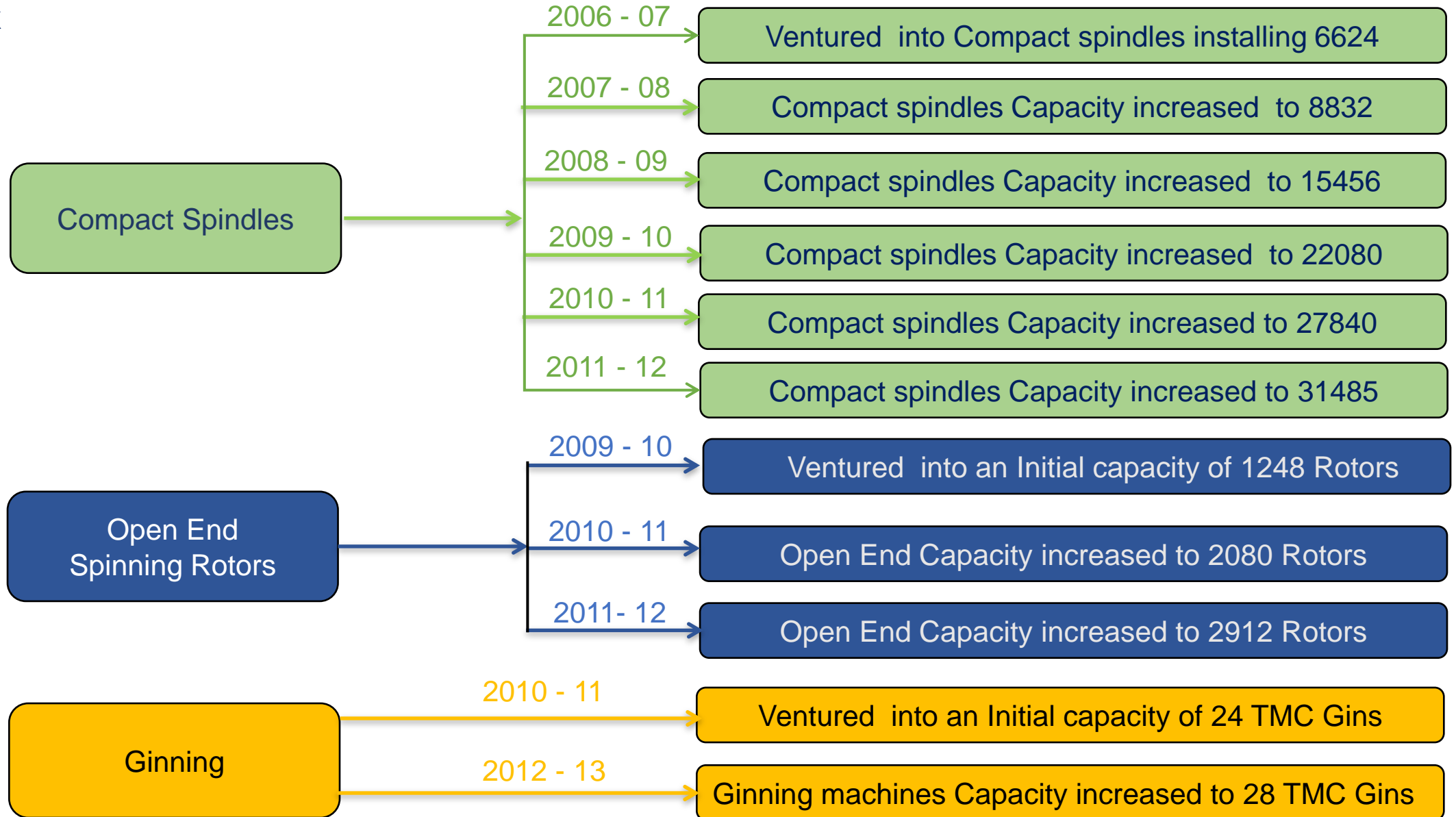
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There is a ample availability of land for future plans..

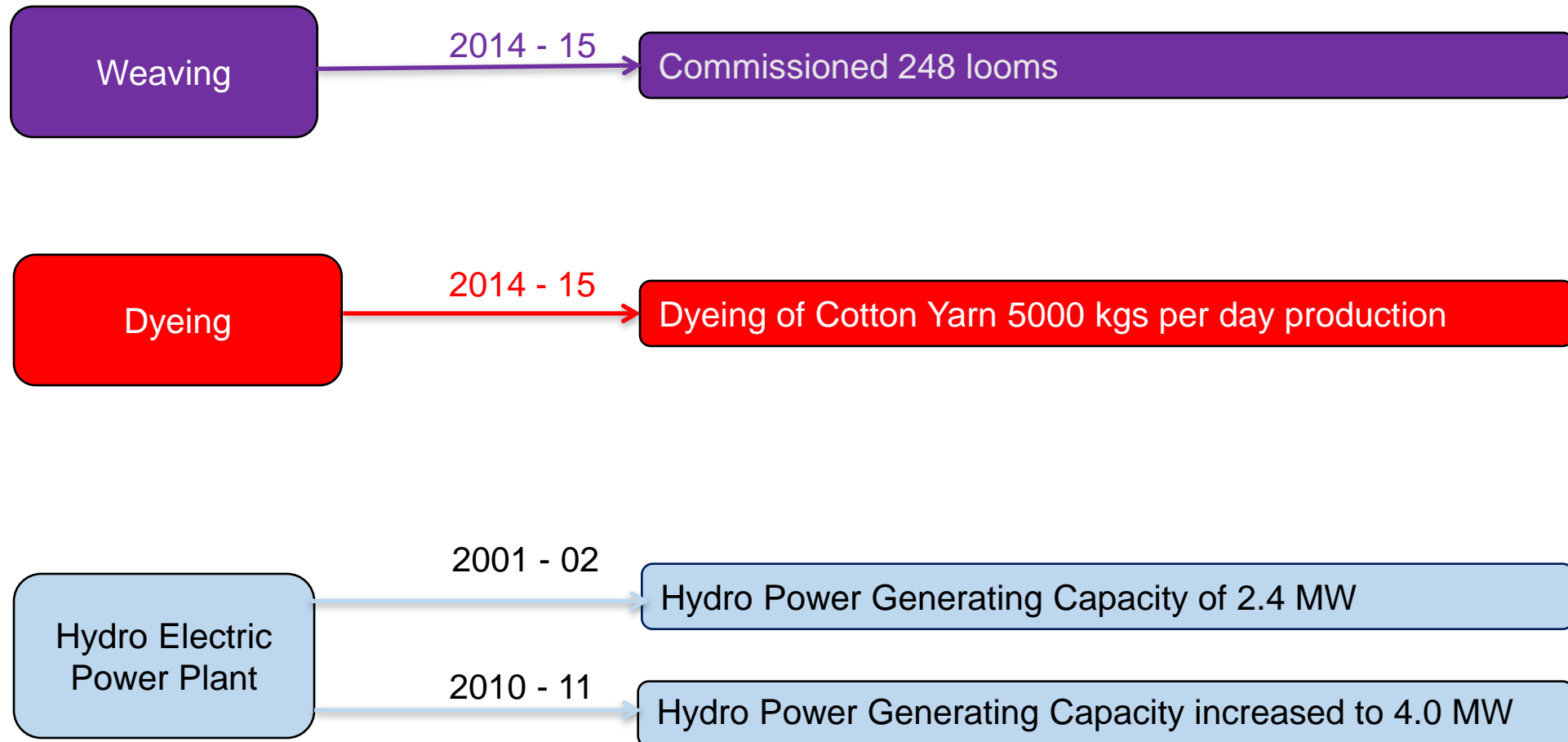
Capex



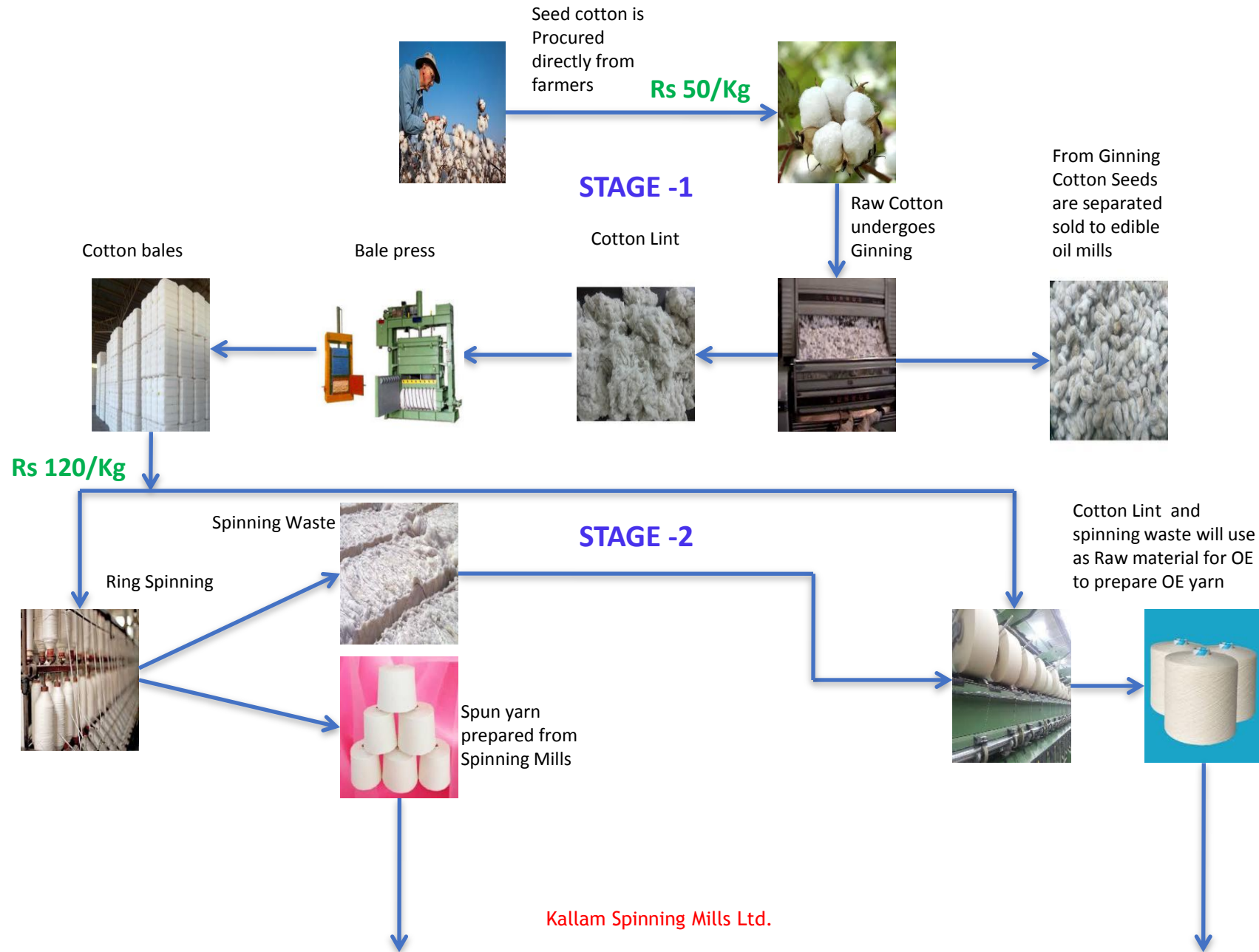
Capex

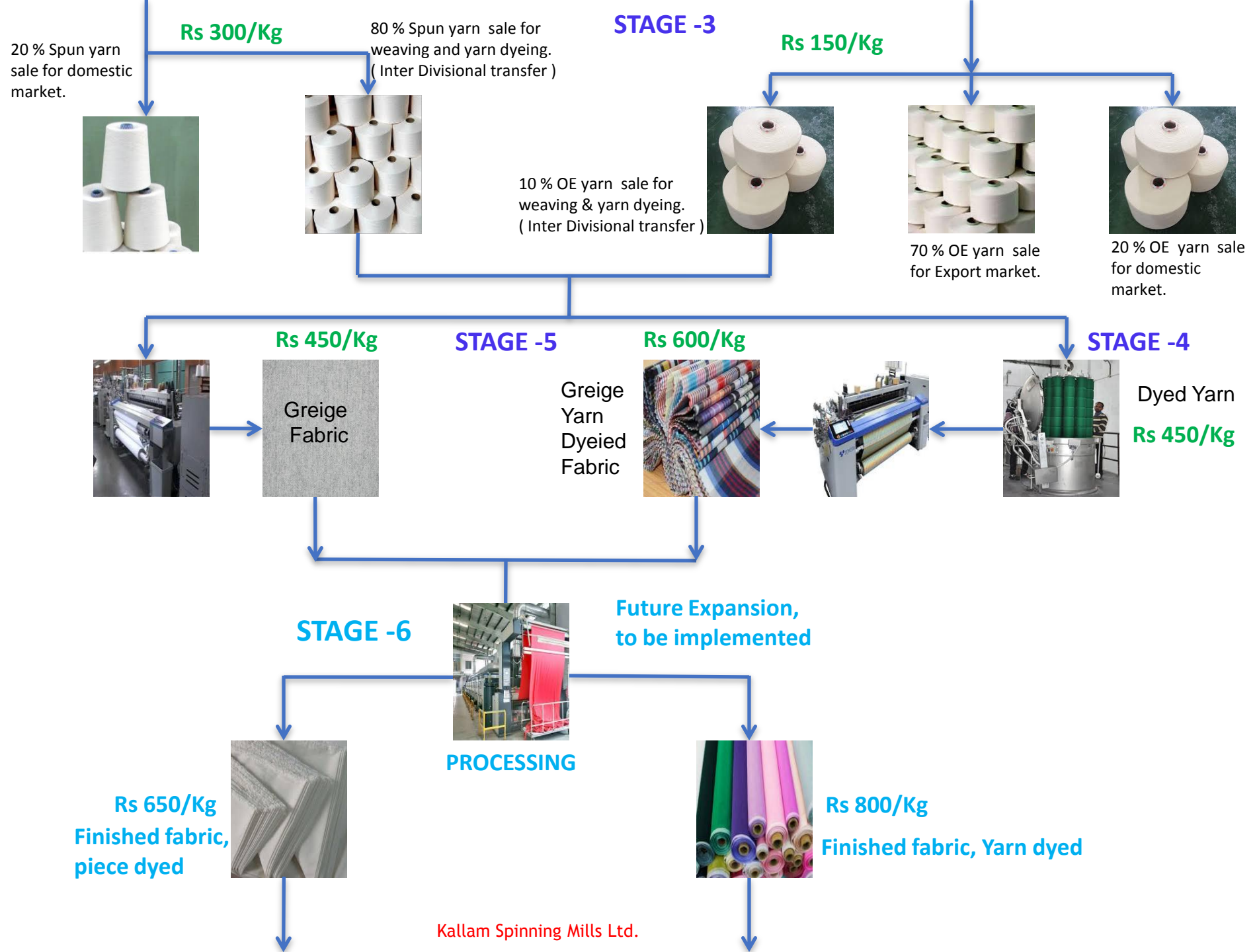


Capex



KALLAM SPINNING MILLS LTD., VALUE ADDITION BUSSINESS







STAGE -7
PRINTING



PROCESSING AFTER PRINTING
Rs 1000/Kg

STAGE -8



GARMENTING
Rs 1500/Kg



Cotton Procurement



Kallam spinning mills Ltd is situated in Guntur. Which is one of the Best quality cotton growing areas in India.

Guntur district produces MCU5 cotton which is long staple and best suited for fine counts.

Kallam group is in cotton Business for more than four decades.

Mr P.V Reddy Managing director was instrumental in development of M/S Chandra Sekhar Ginning Mill In late 70's and 80's.

Mr PV.Reddy purchases cotton on day by day basis.

The farmers bring kapas by tractors to chowdavaram spinning cum ginning plant. The best quality kapas is only purchased from farmers. Farmers prefer on the spot payment, which yields 3% - 5% reduction on procurement price compared to credit of one month. In spot payment process the kapas quality is checked and weightment is done immediately. Once truck is unloaded farmer gets payment on the same day by evening hours. Spot payment not only helps in cost reduction but also gets best quality kapas to ginning unit.

Cotton cultivation starts in July every year with on set of monsoons. Kapas picking from the fields start in November and continues till February. Best quality kapas is procured in the months of Nov - March. 80% of the entire cotton procurement completes by march every year. Since there is pressure on the farmers and ginners to sell the products due to heavy arrivals of kapas, the cotton lint is at its lowest in these cotton procurement months.

Bale Management System and Yarn Engineering



In any spinning mill cotton represent the major share of yarn cost. Cotton constitutes 55% to 75% of yarn price depending on count. Bale Management system is based on the categorizing of cotton bales according to their fiber quality properties. It consist of measurement of the fiber characteristics with reference to each individual bale, the separation of bales into classes, the determination of the mixture proportions and the laying - down of balanced bale mixes based on classes.

In kallam spinning mill the average properties of micronaire , 2.5% span length, Breaking tenacity are maintained same throughout the year. Due to which the properties of yarn spun is kept constant throughout the year. The bale management system is strictly followed at kallam since inception of the mill.





Quality of yarns and Fabric manufactured is the single most important factor that will take a company forward in its success story. Your company has been aware of the said importance from its inception and the progress that it has made through the years was mainly because of the strict adherence to the quality of its yarns and Fabric which has resulted in the company reaping the best possible price for its yarns and Fabric, both in the internal and international markets.

Ginning Division

KSML has HVI instrument from uster Inc.
2.5% Span Length, Microniere, G Tex, Uniformity Ratio, Color Grade.

Spinning & Open End Divisions

AFSI, Uster Tester 5, Tenso jet, Tenso Rapid, Cascade, TPI Tester, Trash analyzer, Cartoon & Cone collapsing tester, Bursting Strength Tester.

Dyeing Division

Tecnorama robot sample dyeing machine, Data colors spectrophoto meter, Data Color matching cabinet, Washing Fastness Tester, Rubbing Fastness Tester, Sax Knitting, Perspiration tester, Color Matching Cabinet, Infrared Color Machine, Water Bath.

Weaving Division

GSM Tester, Tearing Strength Tester, TPI Tester, Warp Reel, Washing Tester, Micro woven, Sampling Cutter.





CONSERVATION OF ENERGY A collective effort

Energy Conservation Measures

→ Energy Audit by SITRA on regular basis.

→ Reduction of compressed air pressure in looms from 6 bar to 4 bar there by reducing power cost by 7.5 lakhs / month.

→ Use of LED lamps where ever possible.

→ Frequent testing and tuning of equipment by OEM manufactures.

→ Proper regular preventive maintenance of Machinery.

→ Use of correct grade of lubricating oils and greases.

→ Use of IE3 motors in all places.

→ Correct use of belts and transmission equipment

→ All employees are trained in energy conservative measures.

→ Optimizing performance of steam boilers



**CORPORATE
SOCIAL
RESPONSIBILITY**

Company had committed to plan in 2% of the profit in CSR activity as per the present Govt of India guidelines.

Quality Accreditations

ISO: 9001



- Spinning certified since - 1999
- Weaving & Dyeing unit since - 2017



- Spinning and Weaving units are certified since - 2016



- Certified since - 2017



- Certified since 2018



Apart from in process inspection system, mill has adopted very stringent final inspection procedure before dispatching yarn to its customers.

We maintain regional quality test center, do extensive testing of cotton yarn for mills in and around Guntur. The quality testing department is a profit center on its own.



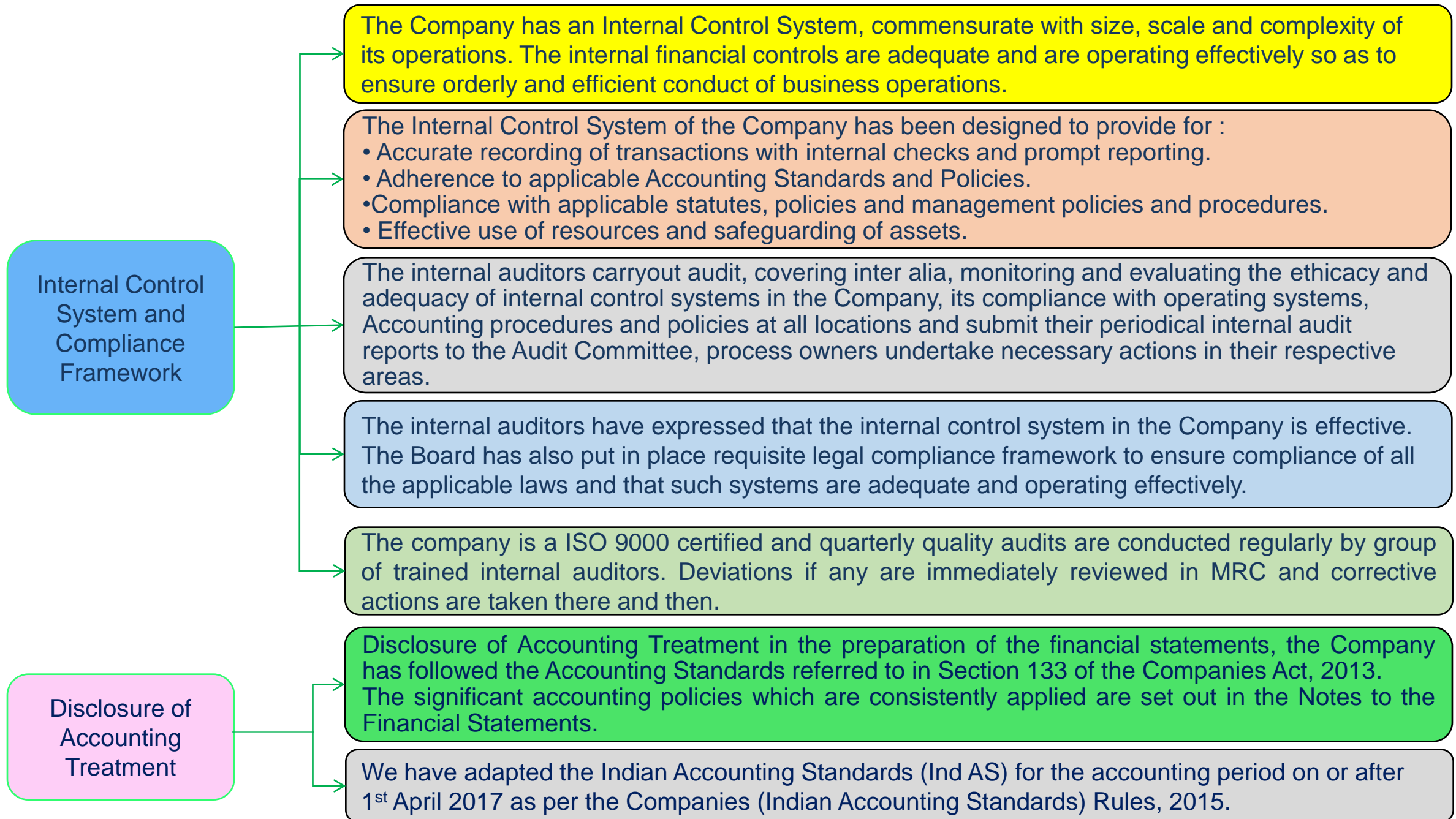
Town Ships

The Company's beautiful, self-contained and cosmopolitan township provides residential facilities for our employees and their families. Along with its lush green environment and lush green parks, employee cooperative society, ATM facility, Kindegarden School, Bus facility for school children.

The Spinning town ship is accommodating appx 500 families by no.of apartments and quarters at Chowdavaram.

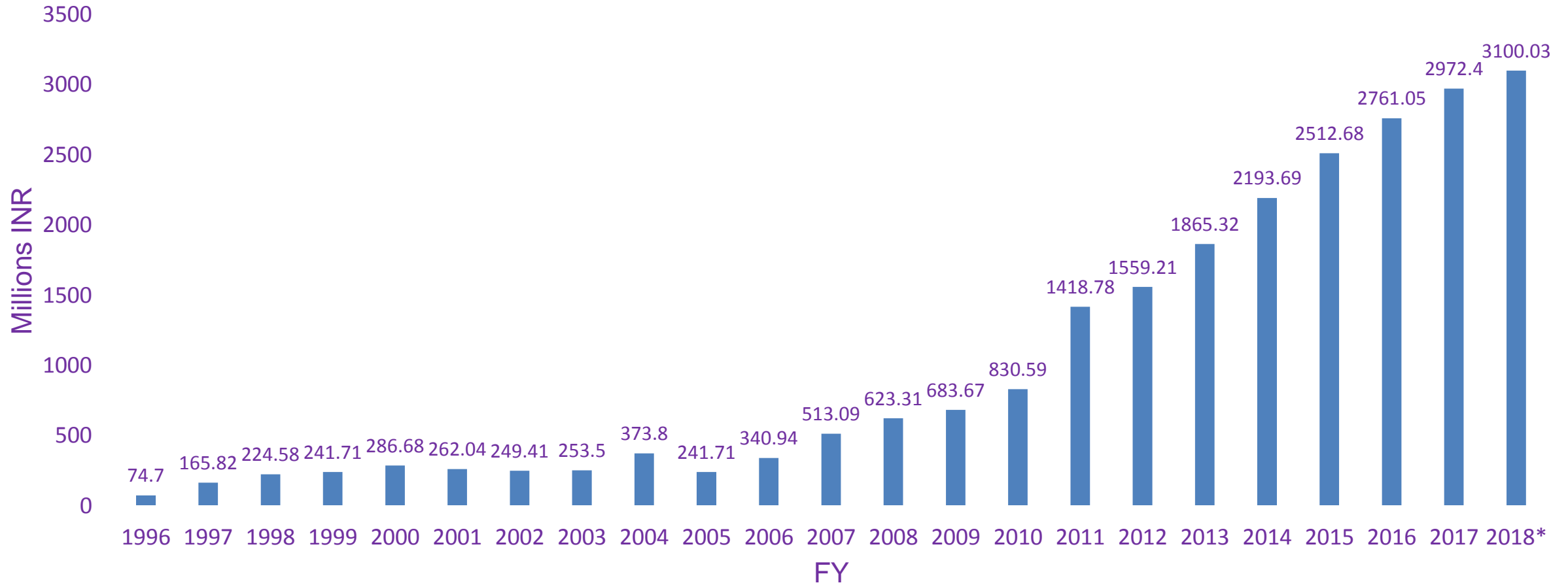
The Weaving town ship is accommodating appx 400 families by no.of apartments.
The Hydel Town ship is accommodating 10 families.





Sales

Our growth year on year





Thrust on Exports

The company is recognized by the Govt of India as Star Rated of Export House. The company has good export records both for yarn and fabric.

Yarn is being exported to Bangladesh, china, Japan, Korea, Bangkok, Srilanka, Vietnam etc..

Fabric being exported to Korea, Bangkok, Bangladesh, Srilanka, china etc..

Govt provided following incentives for exports

- 1) Duty draw back on yarn and fabric
- 2) MEIS for Fabric
- 3) 3 % interest subvention on the packing credit for export of fabric.

The exports rendered since inception is enclosed.

Year	1996 - 97	1997 - 98	1998 - 99	1999 - 00	2000 - 01	2002 - 03	2003 - 04
Exports	9.19	56.93	71.32	116.42	41.27	11.36	118.57

Year	2004 - 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11
Exports	45.01	13.36	99.45	162.05	177.04	91.90	234.50

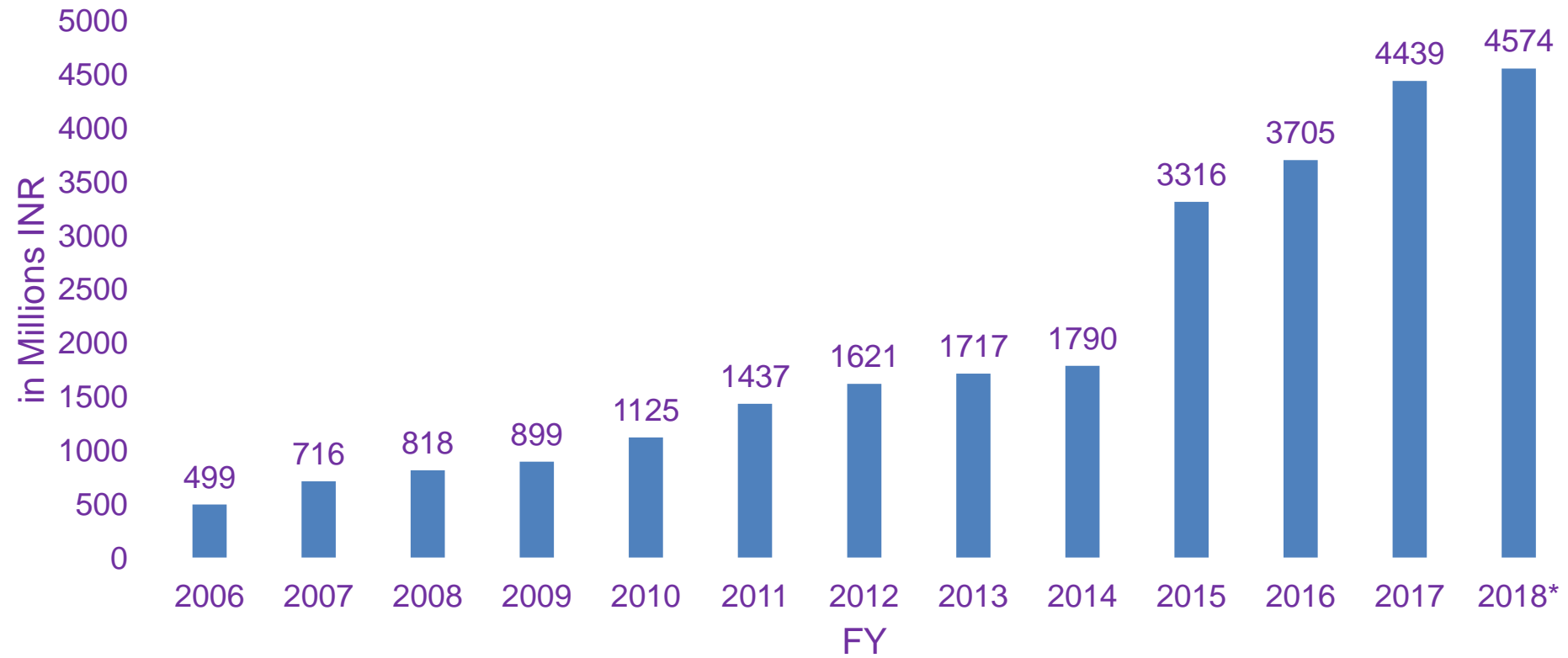
Year	2011 - 12	2012 -13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
Exports	142.27	333.82	390.53	410.98	350.95	445.90	775.22 *

* Estimated

Millions - INR

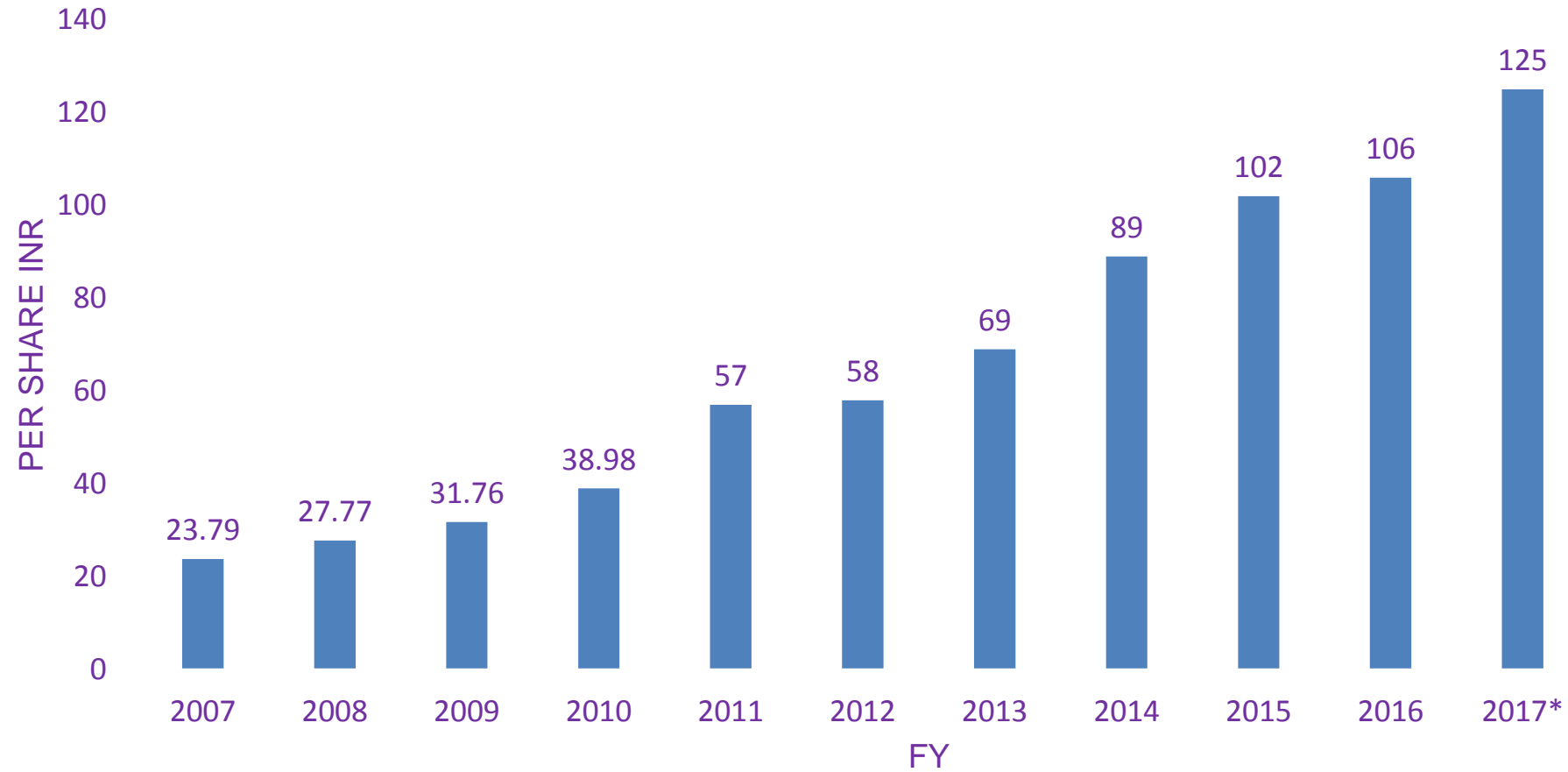
Fixed Assets

Gross Block



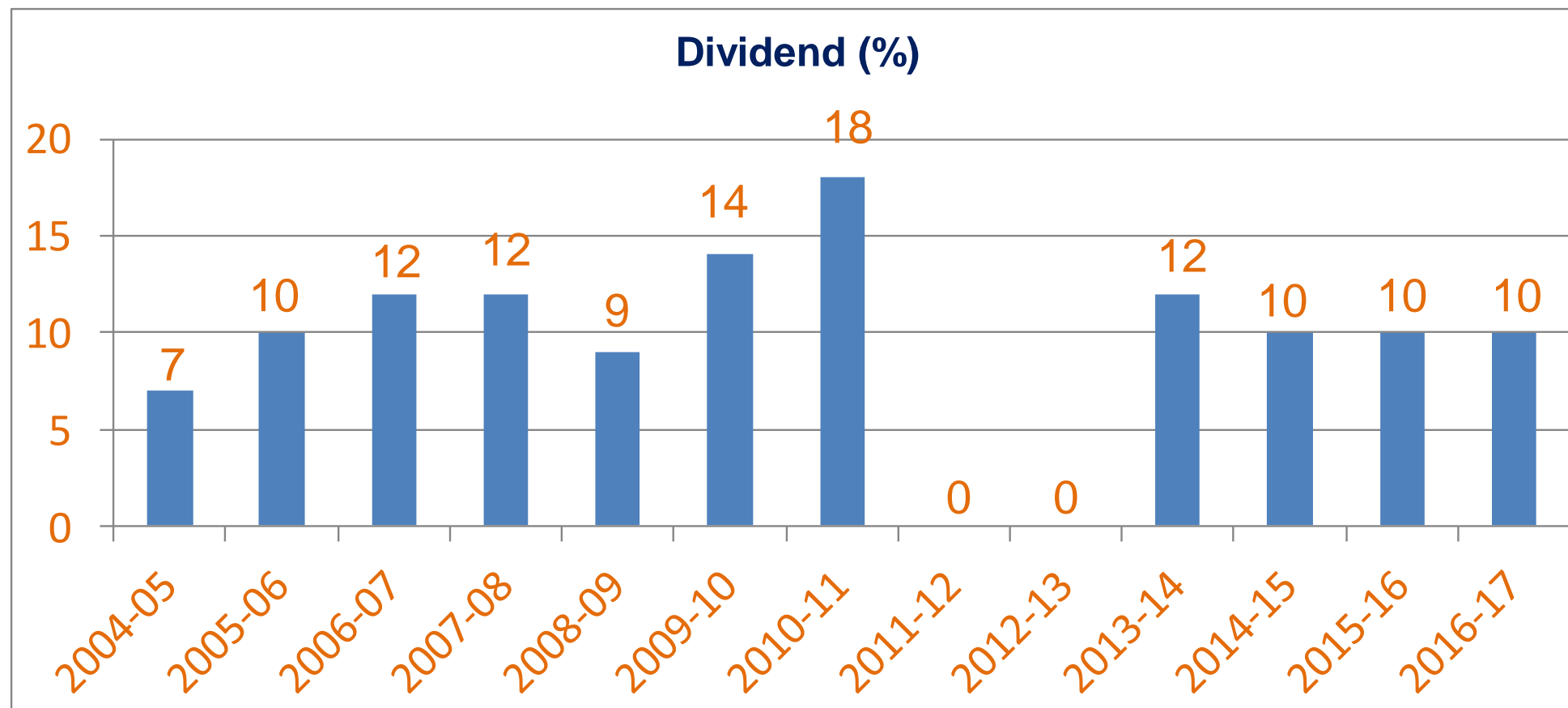
* Note On FY 2018 : Estimated

Book Value



* In 2017 Book Value is Calculated on the Face Value of Rs 10 /- per share

Dividend History



Share Price Moment

Year	Open Price	High Price	Low Price	Close Price
2005	11.50	44.90	8.59	29.20
2006	30.00	37.20	13.10	19.25
2007	20.85	29.00	14.70	25.85
2008	27.40	34.85	10.55	12.00
2009	11.03	29.80	9.06	25.70
2010	25.00	72.75	21.20	56.85
2011	58.25	71.85	22.05	24.50
2012	23.55	40.00	23.05	36.20
2013	36.25	42.50	18.45	33.00
2014	31.80	70.90	29.70	52.55
2015	52.55	100.00	40.55	89.90
2016	83.00	139.90	51.00	115.05
2017	115.00	135.40	19.55	23.15
2018	23.00	27.85	19.40	24.65

2017: The Equity Shares of Rs.10/- each were Sub division into 5 Equity Shares of Rs.2/-and issue of Bonus shares in the proportion of 1 (one) equity share for every 4 (Four) existing equity shares.

2018: Price movement as taken up to 12-02-2018.

Source : bseindia.com

Mr. P Venkateswara Reddy – Managing Director



- Mr. P Venkateswara Reddy aged 67 years and he was appointed as Managing Director w.e.f 28th September, 2002. Mr.PV Reddy hails from Agricultural family from Ramanayapalem, Prakasam Dist.
- Mr. PV Reddy is Brother-In-Law of Mr.K.Haranadha Reddy, Chairman Emeritus and he joined Ginning Business in the year 1977. He had been instrumental in developing Ginning Business from the scratch. He was partner in Chandra Sekhara Ginning Mill and Siddhardha Cotton Pressing Unit.
- Prior to Joining M/s. Kallam Spinning Mills Limited, he was Managing Director of M/s.Kallam Agro Products & Oils Ltd. He has in depth knowledge in selection of Kappas and Cotton Lint. He is very conservative by nature. After Joining in M/s Kallam Spinning Mills Limited, he was actively involved in civil construction works. He is highly dedicated, hard working and a much disciplined personality.
- Mr. PV Reddy handles purchase of Raw cotton, Ginning, Civil Construction, Administration of Spinning Unit at Chowdavaram.

Mr GVK Reddy - Joint Managing Director & CEO



- Mr GVK Reddy is the Joint Managing Director of Kallam Spinning Mills Limited and aged 60 Years. He is a graduate in Mechanical Engineering with Distinction and 1st Rank holder from Andhra University, Visakhapatnam. He did his M.Sc (Engg) (Marine Engineering) from Royal Naval Engineering College, Plymouth, UK. He is also 1st Rank holder in UK and awarded Medal by Her Majesty the “Queen of England”.
- He was commissioned in Indian Navy in 1977. He served in various Indian Naval Ships namely INS Udaygiri, INS Kiltan, INS Kavarathi and INS Rana. He served in shore establishments like INS Shivaji and IAT Pune. He served in Gas Turbine Research establishment, Bangalore from 1990 to 1993 and instrumental in conceptualizing Kaveri Gas Turbine Engine for Marine applications. He took premature retirement as commander to start the Spinning Mill in 1993. In the same year he extensively toured in India with Mr. Kallam Haranadha Reddy to select suitable Machinery for Spinning Unit.
- He took the lead role in design, construction of Spinning Unit and erection of machinery in a record time of 9 months. He organized Public Issue of the Company in 1995.
- He is actively involved in day to day running of the Company, Financial Management, Liaisoning with Financial Institutions, Banks, Government Departments, Selection of Machinery and Marketing of Finished Products.
- In 1999, He had surveyed extensively with Mr N.Prabhakara Rao, Ex Director of the Company, for locating Hydel Plants. AP Govt that time had allowed Hydro electric plants under Private Management. Three Hydro Electric plants were constructed under his leadership from selection of Plant and Machinery, Erection to Commissioning.
- He is a long term and strategic visionary. At Spinning Unit all the Land of 22 acres was filled up by 2010. It was envisaged to have at least 100 acres at one place to meet all the future requirements. Suitably 120 acres of Land was purchased at Kunkupadu near Addanki and Weaving and Dyeing Units were Commissioned.
- Mr GVK Reddy looks after day to day administration of Weaving and Dyeing Units. In addition to the above, he also looks after the Marketing and Finance Management of entire company.
- Being a Highly Qualified Engineer, he goes minutely in selection of Machinery. He is Fellow Institute of Engineers and Fellow Institute of Marine Engineers.

Mr. MV Subba Reddy – Whole Time Director & CFO



- Mr. MV Subba Reddy, age 60 years is the Whole Time Director of Kallam Spinning Mills Limited. He hails from Agricultural family and native of Modukuru Village, Guntur Dist.
- He is associated with the Company since 1996. He is Post Graduate in Commerce from Andhra University, Visakhapatnam. He assists Managing Director in purchase of cotton. He gained excellent knowledge in procurement of Raw material and sale of Cotton Waste.
- He is also having experience in accounts and looking after day to day administration at Spinning Unit at Chowdavaram.
- He also looks after Accounts Department and Ginning Unit. He is also Chief Financial Officer (CFO) of the Company.

Mr. VSN Murthy : Nominee Director, IREDA



- Mr. VSN Murthy, 79 Years is a Nominee Director by IREDA. He is a Post Graduate in Commerce with distinction from Andhra University, Visakhapatnam.
- He joined Singareni Collieries Limited in the year 1963 as Junior Officer and worked for seven years in various departments like Internal Audit, Main Accounts and Compilation.
- In the Year 1970, He joined APIDC Ltd as Accountant and was promoted as Deputy Manager in 1976 in Finance and Accounts Department.
- He was promoted as Senior Deputy Manager in 1978 and as Manager (Accounts) in 1980.
- He was shifted to Refinance & Monitoring Division in 1983 where he performed various activities like Disbursement of Term Loans under IDBI Refinance Scheme and Monitoring the units under implementation. Apart from disbursements, he was also responsible for obtaining refinance sanctions to Term Loans and drawl of refinance from IDBI, preparation of Business Plan and Resource Forecast (BPRF) and relevant correspondence with IDBI and the review of BIFR on a periodical basis.
- He was designated as Manager (Finance) in 1986 and in the same year, While continuing in the Finance Department, he was promoted as Deputy General Manager (Finance), he was transferred to the Monitoring & Recoveries Division in the 1989. He was also involved in drawing up relevant measures for reviewing potentially viable sick units.
- He promoted as General Manager (Finance & Accounts) in 1992.
- He promoted as Head of Financial Services Division in 1994. He actively associated in various diversification programmes of APIDC such as Bill Discounting, Merchant Banking etc. In November 1997, He retired as Chief General Manager (Finance & Accounts).
- He is Nominated as Director by IREDA on the Boards of Kallam Spinning Mills Limited and Janapadu Hydro Power Project Limited.

Mr. S Pulla Rao – Non- Executive & Independent Director



- S Pulla Rao is a graduate in B.Com from Andhra University and B.L. from Nagarjuna University. He joined in income tax Department in 1966. Categorizing his performance as “outstanding” he was promoted from the post of Income tax Inspector to income tax Officer overlooking 75 seniors in 1984.
- He worked in various places in Andhra Pradesh. During his tenure as Income Tax Officer his performance was rated as “outstanding” and conferred IRS in 1993 and was promoted as Assistant Commissioner Of Income Tax. He worked as Assistant Commissioner Of Income in Chennai, Vijayawada and Rajahmundry. He got promotion as Deputy Commissioner Of Income Tax in 1998 and worked as Deputy Commissioner Of Income Tax in Guntur and Khammam.
- He got promotion as Joint Commissioner Of Income Tax in 2003 and retired as Joint Commissioner Of Income Tax in June 2005 on super annuation because of his sincerity and dedication in work, his service in Income Tax Department. He was rated all through as “outstanding”. He has got very good knowledge in Income Tax laws and allied laws.
- After retirement S. Pulla Rao registered himself as an advocate in the composite Andhra Pradesh High Court. As an advocate he is rendering legal services to the Income tax assesses. This also he has taken up more as social service. Seeing the plight of handloom weavers he promoted the idea of starting a ‘Non Governmental Organization (NGO)’ and became the founder of “Padmasali International Welfare Association”.
- Till now, this NGO has got a Corpus Fund of Rs. 120 lakhs and the NGO did help to the extent of Rs.150 lakhs by way of giving scholarships, books, medical help and monetary help to the poor weavers who are in distress. S. Pulla Rao is the President of this organization.
- He was also elected as president of “Taxation Bar Association”, Vijayawada twice and worked as president for 9 years. He participated in many seminars on taxation.

Mr.Ajeya Kallam – Non- Executive & Independent Director



- Mr Ajeya Kallam, IAS, Retired as Chief Secretary to the Govt of Andhra Pradesh. He is a 1983 batch IAS officer and a post graduate in Agriculture with a Masters in Business Administration from Australia had put in 34 years in Indian Administrative Service.
- Mr Kallam had handled many important assignments in his career both in State and Central governments. He worked as Sub collector and PO, ITDA in Nalgonda and Khammam Districts.
- He was District Collector & Magistrate for West Godavari and Vizag Districts.
- He spent nearly 7 years in Agriculture sector as Head of the departments of Horticulture and Agriculture besides working as principal secretary, Agriculture. He was instrumental in building horticulture department as its first HOD. He gave a new direction to Agriculture extension with farming situation specific strategies. He was also Vice-chancellor of the Agriculture university.
- He was Commissioner of Endowments and later posted as Executive Officer, Tirumala Tirupathi Devasthanam Board. During his tenure in TTD, he brought significant reforms. In the Infrastructural sector, he worked as CMD, Transco as well as Chairman, Vizag Port Trust.
- He was principal secretary to the then Chief Minister. Subsequently, he handled the State's Finance and Revenue departments as Special Chief Secretary. On 31st March, 2017, He retired as Chief Secretary to Government of AP during 2017.

Mr.V Ramagopal – Non- Executive & Independent Director



- Mr. V Ramagopal is aged 65 years. He has a Masters Degree in Bio-Chemistry. He joined as Probationary Officer in Indian bank in 1973, before moving to Andhra Bank in 1976.
- In senior positions he served as Zonal Manager (DGM) in Zonal Office, Kolkata and Guntur besides other assignments in Andhra Bank. On promotion to General Manager, he was General Manager in- charge of Investments and International Banking Division in Andhra Bank. He also served as General Manager in Head office, Andhra Bank.
- Mr.Ramagopal was appointed as Executive Director of Indian Bank and served from December 7, 2009 to December 31, 2011. He was Nominated as Chairman and Director of Indian Bank Housing Ltd., and Indian Bank Merchant Banking Services Ltd., subsidiaries of Indian Bank during his tenure as ED in the years 2010 and 2011.
- During 2011, he was Nominee Director by Indian Bank on the Board of Reliance Asset Management Company Ltd. Mr.Ramagopal was nominated as member of Risk Management Committee of Indian Banks Association during 2010 and 2011.

Mrs. Bhargavi Vangala – Non- Executive & Independent Director



- Mrs. Bhargavi Vangala, B.Com, F.C.A, DISA is a Independent and Woman Director of Kallam Spinning Mills Limited and aged 31 years. She is a practicing Chartered Accountant . Mrs. Bhargavi qualified as a CA in the year 2011 and started practicing in Guntur, in the intricate areas of Taxation, Auditing & Banking.
- She is a Gold Medalist and awarded as a “ Best Out Going Student” at her College Level. She is a faculty with various CA institutions for Both Direct and Indirect Taxes and has guided many students in tackling the subject of taxation.
- Her Area of Specialization is Indirect Taxes and She is one amongst the best advisors in Guntur For the GST. She addresses in many trade and professional associations , including Government Organizations regarding tax issues and latest GST matters. She is a Managing Committee member for the Guntur Branch of SIRC of ICAI.
- She is the member of Audit Committee in M/s KSML. She gives suggestion during the Board Meetings in the areas related to both Direct and Indirect Taxes.

Capex Plan from 2018 to 2020

These will increase the turnover from existing Rs 3000 to Rs 5000 Million.

These facilities will involve a capex of Rs 1300 Million.

→ Increase the no of looms from 248 to 310

→ Increase in yarn dyeing capacity from 5000 Kg per day to 8000 Kg per day

→ Setting up process house for piece dyeing and yarn dyed shirting for a capacity of 1,00,000 meters per day With printing and surface treatment.

Future Plan of Action 2018 - 20

1) Change of name to "Kallam Textiles Ltd" in line with change in activities of the company.

2) Put up another 62 Airjet looms with a capital cost of Rs 36 Cr

Justifications

- a) The spinning unit is having excess yarn producing capacity then consumed by weaving unit. Additional weaving capacity will help in absorbing excess yarn produced by spinning unit.
 - b) Civil works already done except for trenches and flooring.
 - c) Humidification plants, ducting already in place.
 - d) Govt of India offering 20 % capital subsidy on looms.
 - e) Draft G.O of Govt of Andhra Pradesh offering further 20 % capital subsidy , 8 % interest subsidy, power subsidy of Rs 2.50 per unit.
- To be eligible for above min 25 % of additional looms and 25 % of capital cost to be employed.

3) Putting up process house with a capacity of one lakh meters/day for piece dyeing and yarn dyed shirting. This involves a capital outlay of Rs 80 Cr.

Justifications

- a) We are producing already 80,000 meters/day greige fabric. the expansion of looms will give 1,10,000 meters/day production.
- b) Processing is a value addition to fabric. processing increases the average value of cloth from Rs 70 / meter to Rs 150/meter.
- c) Presently the grey fabric is sold to intermediaries and traders. Setting up of process house will help in selling processed fabric to brands, garmenters and exporters. This will help in improving bottom line of the company.



Future Plan of Action
2018 - 20

4) Laying below ground pipe line from Gundlakama river to Weaving unit.

Justifications

Govt of AP G.O for drawing water from Gundlakama river to weaving unit. The water is required for process house, yarn dyeing plant and Residential town ship.

a) Land to an extent of 22 cents was purchased for setting up pump house on the banks of Gundlakama river.

b) APSPDCL sanctioned 11 KV power line and execution is under process.

c) Procurement of HDPE pipe lines of 3 k.m completed and material in place.

d) Pipe line laying is being planed in the month of the March.

We have developed a mega reservoir of 20,000 Sq.meters and 20 feet deep for storing the water at weaving unit.

5) Putting up additional dyeing vessels to remove bottlenecks in production process.

This will increase dyeing capacity to 8 Tons per day and involves capital outlay of Rs 10 Cr.

6) Setting up of ETP facility to treat additional effluents from Dyeing and processing.

7) Construction of residential quarters for operators in the existing town ship of weaving.



Company Information



For Further information please contact

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