



KALLAM SPINNING MILLS LIMITED



CIN -L18100AP1992PLC013860
Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
Ph: 0863-2344010,16 (2 Lines) Fax:0863-2344000
E-mail: corp@ksml.in

TIN NO: 37870194036, C.S.T.NO.GNT/07/01/2020 dt: 06.11.1993, ECCNO: AAACK9363M XM001

Ref: KSML/CS/FIN-RESULTS/2017-18

Date: 27-05-2017

To :
The Corporate Relationship Department
Bombay Stock Exchange Limited,
Phiroze Jeejeeboy Towers,
Dalal Street,
MUMBAI - 400 001.

Scrip Code : 530201

Dear Sir/Madam,

Sub: Outcome of Board Meeting pursuant to regulation 30 of the SEBI (LODR) Regulations, 2015 and Submission of Audited financial results for the Year ended 31st March, 2017 under Regulation 33 of the SEBI (LODR) Regulations, 2015.

We are pleased to inform you that the Board of Directors of the Company has, at its meeting held on Saturday, 27th May, 2017 (i.e today) inter alia, considered /deferred the following items:

➤ **Audited Financial Results:**

We are herewith sending the approved Audited financial results for the Quarter and Year ended 31st March, 2017 along with the Independent Auditors' Report and Declaration pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, which are taken on record by the Board of Directors at their Meeting held on 27th May, 2017 at Registered Office of the Company.

➤ **Recommendation of Dividend:**

The Board of Directors has recommended a Dividend of 10% (₹ 0.20) per Equity Share of Face Value of ₹ 2/- each, for the financial year 2016-17, at its meeting held on 27th May, 2017. The proposal for dividend is subject to approval of Shareholders at ensuing Annual General Meeting of the company.

The date of book closure and date of payment of dividend will be intimated later.

➤ **Bonus Issue:**

The Board has decided to defer the proposal of Issue of Bonus Shares for the time being till any further notice.

The Board Meeting Commenced at 03.00 P.M and Concluded at 07.30 P.M

This is for your kind information and records.

With Regards,

For Kallam Spinning Mills Limited.,

P.Venkateswara Reddy

Managing Director

DIN : 00018677



Encl : 1) Audited Financial results approved by the board for the quarter/year ended 31-03-2017

2) Auditor's report on Financial results approved by the board for the quarter/year ended 31-03-2017

3) Declaration pursuant to regulation 33(3)(d) of the SEBI (LODR) Regulations,2015, Audit report with un modified Opinion



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Ref: KSML/CS/ Audit-Observation/2017-18

Date: 27-05-2017

To,
The Corporate Relationship Department
Bombay Stock Exchange Limited,
Phiroze Jeejeeboy Towers,
Dalal Street,
MUMBAI - 400 001.
PH : 022-22721233/34

Scrip Code: 530201

Dear Sir/Madam,

Sub: Declaration Pursuant to Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.

Declaration for Unmodified Opinion

I, P.Venkateswara Reddy, Managing Director of M/s Kallam Spinning Mills Limited having its Registered office at Chowdavaram, Guntur - 522019, Andhra Pradesh, hereby declare that, the M/s Brahmayya & Co., Statutory Auditors of the Company, (Firm Reg No: 000513S), have issued an Audit Report with Unmodified opinion on Audited Financial Results for the Quarter and Year ended 31st March, 2017.

This Declaration is issued in Compliance of Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 as amended vide its Circular No : CIR/CFD/CMD/56/2016 Dated 27th May, 2016.

Thanking You,

Yours Sincerely,

For Kallam Spinning Mills Limited.,

P.Venkateswara Reddy
Managing Director
DIN : 00018677





KALLAM SPINNING MILLS LIMITED

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED 31st MARCH, 2017

(₹ In Lakhs, except per share data)

S.NO	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31-03-2017 Audited (Refer note no.6)	31-12-2016 Unaudited	31-03-2016 Audited (Refer note no.6)	31-03-2017 Audited	31-03-2016 Audited
1	Revenue from operations					
	(a) Net Sales / Income from Operations	8654.25	6950.25	6929.85	28682.78	26916.94
	(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00
	Total Revenue from operations	8654.25	6950.25	6929.85	28682.78	26916.94
2	Other Income	422.24	212.05	248.17	1041.23	693.60
	Total Income (1+2)	9076.49	7162.30	7178.02	29724.01	27610.54
3	Expenses					
	a) Cost of Material Consumed	4336.43	4,163.75	3483.68	15,801.39	14,325.54
	b) Purchase of Stock-in-trade	0.00	0.00	0.00	0.00	87.12
	c) Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade	839.48	-754.37	271.93	-1181.21	-453.61
	d) Employee benefits expenses	469.85	465.21	457.65	1807.34	1538.82
	e) Depreciation and amortisation expenses	344.10	344.40	340.06	1360.90	1294.07
	f) Finance costs (Refer note no.4)	23.65	758.48	722.92	2198.67	2829.82
	g) Other Expenses	2054.13	1925.49	1757.68	7628.12	6924.96
	Total expenses	8067.64	6902.96	7033.92	27615.21	26546.72
4	Profit before Tax (1+2-3)	1008.85	259.34	144.10	2108.80	1063.82
5	Tax Expenses					
	a) Current Tax	78.36	12.02	-16.71	109.87	3.14
	b) Deferred Tax	340.04	202.08	180.59	729.14	469.32
7	Net Profit for the period / year (4-5)	590.45	45.24	-19.78	1269.79	591.36
8	Paid - up Equity Share Capital (Face Value of the Share ₹ 2/-)	685.11	685.11	685.11	685.11	685.11
9	Reserves (Excl. revaluation reserve) as per balance sheet				8029.25	6759.45
10	Earning per equity Share (face value ₹ 2/- each)					
	- Basic	1.72	0.13	-0.06	3.71	1.73
	- Diluted	1.72	0.13	-0.06	3.71	1.73



Segment Results for the Year ended 31st March, 2017

₹ in Lakhs

S.No	Particulars	Quarter ended			Year Ended	
		31-03-2017 Audited	31-12-2016 Unaudited	31-03-2016 Audited	31-03-2017 Audited	31-03-2016 Audited
1	Segment Revenue:					
	a) Spinning	6118.08	5136.27	5260.27	22266.72	20708.56
	b) Weaving	5580.25	4457.28	4376.29	18012.36	15644.98
	c) Dyeing	589.73	308.79	10.32	1092.83	63.86
	c) Power	58.61	13.88	0.00	73.95	250.89
	Total	12346.67	9916.22	9646.88	41445.86	36668.29
	Less: Inter Segment Revenue	3692.42	2965.97	2717.03	12763.08	9751.35
	Net sales /Income from operations	8654.25	6950.25	6929.85	28682.78	26916.94
2	Segment Results Profit:					
	Before tax and interest from Each segment					
	a) Spinning	875.57	629.81	674.24	2852.02	2447.29
	b) Weaving	130.10	393.09	270.16	1498.99	1404.52
	c) Dyeing	12.02	3.89	-49.28	17.87	-25.46
	c) Power	14.81	-8.97	-28.10	-61.41	67.29
	Total	1,032.50	1,017.82	867.02	4,307.47	3,893.64
	Less : Finance costs	23.65	758.48	722.92	2,198.67	2,829.82
	Total Profit Before Tax	1,008.85	259.34	144.10	2,108.80	1,063.82
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Spinning	22908.89	23053.49	14925.61	22908.89	14925.61
	b) Weaving	12324.79	12423.96	11270.80	12324.79	11270.80
	c) Dyeing	852.04	866.02	928.82	852.04	928.82
	b) Power	1647.31	1494.46	1594.71	1647.31	1594.71
	Total	37733.03	37837.93	28719.94	37733.03	28719.94

Notes:

- The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meeting held on 27th May, 2017.
- During the year, the company has sub-divided its equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each.
- During the year, the company has revalued its land at various locations at fair value of Rs.6081.86 lakhs and the difference amount has been credited to revaluation surplus.
- The finance costs for the Quarter ended 31-03-2017 and year ended 31-03-2017 is net after adjusting subsidy received under TUF scheme and interest subsidy claimed from AP government under IDP scheme 2015-20.
- The figures for the previous year/ quarter have been regrouped/rearranged wherever necessary in conformity with revised schedule III of Companies Act.,2013.
- The figures for the Quarter ended 31st March 2017 and 31st March 2016 are the balancing figures between audited figures in respect of the full financial year and the year to date published figures up to the Quarter ended 31st December 2016 and 31st December 2015 respectively.
- The statement is as per the Regulation 33 of the SEBI(Listing obligations and disclosure requirements) Regulations, 2015.
- The Board has decided to defer the proposal of Issue of Bonus Shares for the time being till any further notice.
- The Board of Directors has recommended a Dividend of 10% (₹ 0.20) per Equity Share of Face Value of ₹ 2/- each, for the financial year 2016-17. The proposal for dividend is subject to approval of Shareholders at ensuing Annual General Meeting of the company.



For and on behalf of the Board of Directors

(P. VENKATESWARA REDDY)
MANAGING DIRECTOR.

DIN : 00018677

Place : Chowdavaram

Date : 27-05-2017

KALLAM SPINNING MILLS LIMITED

CHOWDAVARAM, GUNTUR - 522019

Statement of Assets and Liabilities

(₹ In Lakhs)

Particulars	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES :		
1. Shareholders' Funds		
(a) Share Capital	685	685
(b) Reserves & Surplus	14111	6760
	14796	7445
2. Deferred Government Grants	807	840
3. Non-current liabilities :		
(a) Long-term borrowings	19430	18415
(b) Deferred Tax Liability (Net)	2596	1867
(c) Long-term Provisions	103	71
	22129	20353
4. Current liabilities:		
(a) Short-term borrowings	11528	10625
(b) Trade payables	280	561
(c) Other current liabilities	2913	2748
(d) Short-term provisions	1382	964
	16103	14898
Total-Equity and Liabilities	53835	43536
II. ASSETS:		
Non-current assets		
1. (a) Fixed Assets		
(i) Tangible assets	35614	29568
(ii) Capital work-in -progress	448	460
(b) Long- term loans and advances	850	499
	36912	30527
2. Current assets		
(a) Inventories	8722	7571
(b) Trade receivables	3106	2435
(c) Cash and cash equivalents	133	47
(d) Short term Loans And advances	4908	2913
(e) Other current assets	54	43
	16923	13009
Total Assets	53835	43536



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015.

To
The Board of Directors,
KALLAM SPINNING MILLS LIMITED.

We have audited the quarterly financial results of KALLAM SPINNING MILLS LIMITED for the quarter ended 31st March, 2017 and the year to date results for the year ended 31st March, 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by circular No.CIR/CFD/FAC/62/2016 dt.5th July, 2016. These quarterly financial results as well as the year to date financial results have been prepared from interim financial statements which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting AS-25, prescribed, under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts), Rules 2014 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair representation of the statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.



In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results :

- i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;
- ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2017 as well as the year to date results for the year ended 31st March, 2017.
- iii) The statement includes the results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the end of the third quarter of the current financial year.

Place:Guntur
Date:27.05.2017



For Brahmayya & Co.,
Chartered Accountants
Firms' regd.no.000513S
(Signature)
(Karumanchi Rajaj)
Partner
M.No.202 309