



KALLAM TEXTILES LIMITED

CIN -L18100AP1992PLC013860
Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
Ph: 0863-2344010,16 (2 Lines) Fax:0863-2344000
E-mail: corp@ksml.in
GSTIN: 37AAACK9363M1ZY



Ref: KTL/CS/Q-4 FIN-RESULTS (17-18)/2018-19

Date: 28-05-2018

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, 2018 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 Monday, 28th May, 2018 (i.e today) inter alia, considered the following items:

➤ **Audited Financial Results:**

We are herewith sending the approved Audited financial results for the Quarter and Year ended 31st March, 2018 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 28th May, 2018 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 2017-18, at its meeting held on 28th May, 2018. 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.**

➤ **Employee Stock Option Scheme:**

The Board have approved introduction of an equity based scheme called "Kallam Textiles Ltd Employee Stock Option Plan 2018" ("the Plan") for its eligible employees subject to approval of shareholders of the Company.

The Board has delegated necessary power to the Nomination and Remuneration Committee to implement and administer the Plan.

The Board Meeting Commenced at 03.00 P.M and Concluded at 09.00 P.M

This is for your kind information and records.

With Regards,

For Kallam Textiles Ltd.,


P.Venkateswara Reddy
Managing Director
DIN : 00018677



- Encl : 1) Audited Financial results approved by the board for the quarter/year ended 31-03-2018
2) Auditor's report on Financial results approved by the board for the quarter/year ended 31-03-2018
3) Declaration pursuant to regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015, Audit report with un modified Opinion



KALLAM TEXTILES LTD

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakhs, except per share data)

S.NO	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited (Refer Note 4)	Unaudited	Audited (Refer Note 4)	Audited	Audited
1	Income					
	(a) Revenue from Operations	8432.58	8684.60	8654.26	31071.21	28681.13
	(b) Other Operating Income	41.17	68.74	63.79	193.05	182.04
	Total Revenue from operations	8473.75	8753.34	8718.05	31264.26	28863.17
2	Other Income	2.51	55.46	0.79	113.23	101.24
	Total Income (1+2)	8476.26	8808.80	8718.84	31377.49	28964.41
	Expenses					
	a) Cost of Material Consumed	4147.42	4434.29	4336.43	17028.45	15801.39
	b) Purchase of Stock-in-trade	0.00	0.00	0.00	0.00	0.00
	c) Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade	103.85	534.70	839.48	-384.98	-1181.22
	d) Employee benefits expenses	516.37	547.96	467.48	2086.37	1804.96
	e) Depreciation and amortisation expenses	355.87	356.71	345.35	1419.46	1364.89
	f) Finance costs (Refer note no.2)	643.06	509.89	23.65	2188.33	2198.67
	g) Other expenses	1899.84	1712.81	1693.50	6933.02	6857.71
	Total expenses	7666.41	8096.36	7705.89	29270.65	26846.40
4	Profit before Tax and exceptional items (1+2-3)	809.85	712.44	1012.95	2106.84	2118.01
	Add/Less: Exceptional items	0.00	0.00	0.00	0.00	0.00
	Profit before tax and after exceptional items	809.85	712.44	1012.95	2106.84	2118.01
5	Tax expenses					
	a) Current Tax (Net of MAT credit entitlement)	62.84	0.00	78.66	63.10	109.88
	b) Deferred Tax	39.62	200.80	340.62	476.44	729.14
6	Net Profit for the period after tax (4-5)	707.39	511.64	593.67	1567.30	1278.99
7	Other comprehensive Income (Net of tax expense)					
	a) Remeasurement of land at fair value	2844.39	0.00	0.00	2844.39	0.00
	b) Revaluation of Buildings	2193.82	0.00	0.00	2193.82	0.00
	c) Remeasurement of defined employee benefit plans	9.27	0.00	-2.37	9.27	-2.37
	Total comprehensive income	5047.48	0.00	-2.37	5047.48	-2.37
8	Total comprehensive income for the year	5754.87	511.64	591.30	6614.78	1276.62
9	Paid - up Equity Share Capital (Face Value of the Share ` 2/-)	856.38	856.38	685.11	856.38	685.11
10	Reserves (Excluding Revaluation reserves as per Balance Sheet)				9256.09	7933.25
11	Earning per equity Share (Face value ` 2/- each) - Basic & Diluted (Adjusted EPS on enhanced equity for all periods considering bonus issue)	1.65	1.19	1.39	3.66	2.99



Segment Results for the Quarter and Year Ended 31st March, 2018

S.No.	Particulars	Quarter ended			Year Ended	
		31.03.2018 audited	31.12.2017 Unaudited	31.03.2017 audited	31.03.2018 audited	31.03.2017 audited
1	Segment Revenue:					
	a) Spinning	6603.14	6316.71	6129.59	24834.56	22351.27
	b) Weaving	4796.78	5330.41	5632.54	18794.94	18108.20
	c) Dyeing	1602.65	1028.89	589.73	3869.91	1092.83
	d) Power	62.16	42.50	58.61	116.57	73.95
	Total	13064.73	12718.51	12410.47	47615.98	41626.25
	Less: Inter Segment Revenue	4590.98	3965.17	3692.42	16351.72	12763.08
	Net sales /Income from operations	8473.75	8753.34	8718.05	31264.26	28863.17
2	Segment Results Profit:					
	Before tax and interest from Each segment					
	a) Spinning	859.63	654.90	879.67	2655.37	2861.23
	b) Weaving	551.02	555.32	130.10	1618.51	1498.99
	c) Dyeing	20.91	6.81	12.02	33.84	17.87
	d) Power	21.35	5.30	14.81	-12.55	-61.41
	Total	1,452.91	1,222.33	1,036.60	4,295.17	4,316.68
	Less : Finance costs	643.06	509.89	23.65	2,188.33	2,198.67
	Total Profit Before Tax	809.85	712.44	1,012.95	2,106.84	2,118.01
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Spinning	25460.89	23165.94	22986.86	25460.89	22986.86
	b) Weaving	15883.63	12139.37	12324.79	15883.63	12324.79
	c) Dyeing	1270.65	795.83	852.04	1270.65	852.04
	d) Power	1432.32	1543.74	1647.31	1432.32	1647.31
	Total	44047.49	37644.88	37811.00	44047.49	37811.00

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 28th May 2018. These results are as per 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.
- The finance costs for the Quarter ended 31.03.2018 is net after adjusting subsidy received under TUF scheme and interest subsidy claimed from AP government under IDP scheme 2015-20 aggregating to Rs.3.95 crores (Previous Quarter ended 31.12.2017 Rs.3.72 crores).
- The company adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017 with transition date 1st April, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, as prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued and other accounting principles generally accepted in India.
- The figures for the current quarter ended 31st March, 2018 are the balancing figures between the audited figures for full financial year ended 31st March, 2018 and the published year to date figures upto third quarter ended 31st December, 2017.
- The reconciliation of the Statement of Profit and loss and Other comprehensive income in accordance with the requirements of Ind AS-101 First time adoption of Indian Accounting Standards (Ind AS 101) is as under..

(Rs. In lakhs)

Particulars	Quarter ended	Year ended
	31st March, 2017	31st March, 2017
Net profit after tax as reported under Previous GAAP	590.45	1269.79
Add: a) Effect of change in method of recognition of Government grants	2.11	10.81
b) Remeasurement of employee defined benefit plan	2.38	2.38
	594.94	1282.98
Less: a) Depreciation charged to statement of profit to the extent of grant recognised	1.26	3.99
	593.68	1278.99
Less: a) Remeasurement of employee defined benefit plan through OCI	2.38	2.38
	591.30	1276.61
Total comprehensive income for the quarter/year under Ind AS		

- Reconciliation between Total Equity previously reported under GAAP and Ind AS in accordance with the requirements of Ind AS-101 is as under:

(Rs. In lakhs)

Particulars	As at	As at
	31 st March, 2017	1 st April, 2016
Total Equity as per Previous GAAP	14,796.22	7,444.56
Add/Less: Adjustments		
a) Treatment of Investment subsidy as per Ind AS 20	-102.81	-102.81
b) Amortisation of Deferred government grant over the useful life of the asset to which such grant is sanctioned	10.82	-
c) Depreciation on assets for which grant is treated as per Ind AS 20	-3.99	-
d) Proposed Dividend and tax	-	82.46
e) Revaluation of Land on adoption of fair value model on first time adoption of Ind AS transition provisions under Ind AS-101	-	6,081.87
Total adjustment to Equity	-95.99	6,061.51
Equity as per Ind AS	14,700.23	13,506.07

For KALLAM TEXTILES LTD.

(P. VENKATESWARA REDDY)
Managing Director



7) The Board of directors at its meeting held on 28.05.2018 have recommended a dividend Rs. 0.20/ share of face value of Rs. 2/- each (ie 10% dividend) for the financial year ended 31.03.2018. The above is subject to approval at the ensuing Annual general meeting of the company.

- The figures of the previous periods are reclassified/regrouped to confirm to the current periods classification.

KALLAM TEXTILES LIMITED

Statement of assets and Liabilities as at 31st March, 2018

Rs. in lakhs

	Particulars	As at 31st March. 2018	As at 31st March .2017	As at 31st March .2016
	ASSETS			
1	Non-Current Assets			
(a)	Property, Plant and Equipment	41,569	35738	35649
(b)	Capital Work-in-progress	590	448	460
(c)	Financial Assets			
(i)	Loans	645	625	491
(ii)	Other financial assets	-		
(d)	Other Non-current Assets	15	225	8
	Total Non-Current assets	42,818	37,035	36,607
2	Current Assets			
(a)	Inventories	9,287	8722	7571
(b)	Financial Assets			
(i)	Trade Receivables	2,278	3106	2434
(ii)	Cash and cash equivalents	76	78	18
(iii)	Other Bank balances	54	55	30
(iv)	Loans	5	19	23
(v)	Other financial assets	4,091	2762	1481
(c)	Other Current assets	1,886	1210	757
	Total Current assets	17,677	15,952	12,314
	Total Assets	60,496	52,988	48,922
	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share Capital	856	685	685
(b)	Other Equity	20,376	14015	12821
		21,232	14,700	13,506
2	Liabilities			
	Non-current liabilities			
(a)	Financial Liabilities			
(i)	Long-term borrowings	17,565	19430	18415
(ii)	Other financial liabilities	-		
(b)	Provisions	125	104	71
(c)	Deferred Tax Liabilities (Net)	4,251	2596	1867
(d)	Other non-current liabilities	874	981	901
	Total Non-current liabilities	22,815	23,111	21,254
3	Current liabilities			
(a)	Financial Liabilities			
(i)	Short-term borrowings	11,606	11528	10625
(ii)	Trade payables	839	280	561
(iii)	Other financial liabilities	3,504	2851	2692
(b)	Other current liabilities	182	107	98
(c)	Provisions	6	0	0
(d)	Current tax Liabilities (Net)	312	411	186
	Total Current liabilities	16,449	15,177	14,162
	Total Liabilities	39,264	38,288	35,416
	Total Equity and Liabilities	60,496	52,988	48,922



Auditor's report on Quarterly 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 TEXTILES LIMITED,
(Formerly known as Kallam Spinning Mills Limited)
Guntur.

1. We have audited the accompanying statement of Ind AS Financial results of KALLAM TEXTILES LIMITED ('the Company') for the quarter and year ended 31st March, 2018 ("the Statement"), 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.

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the company has been compiled from the Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Ind AS financial statements.

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

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.

We believe that that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. Our audit of the Statement has been restricted to the figures shown in the column headed "Quarter ended 31st March, 2018" and "Year ended 31st March, 2018 – Audited" and our review of the



CHEVUTURI ASSOCIATES
Chartered Accountants

Statement has been restricted to the figures shown in the column headed "Quarter ended 31st December, 2017- Unaudited". The figures shown in the column headed " Quarter ended 31st March, 2017 and Year ended 31st March, 2017 – Audited" have been reviewed/Audited by the other Auditors.

- i. In our opinion and to the best of our information and according to the explanations given to us the Statement:
- i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the Circular No.CIR/CFD/FAC/62/2016 dt. 5th July, 2016: and
 - ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information for the quarter and year ended 31st March, 2018.
- ii. Further, we report that the figures for the Quarter ended March 31, 2018 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 ended 31st December, 2017 of the current financial year which were subject to limited review by us.



For Chevuturi Associates
Chartered Accountants
Firm Registration No.000632S

B. Raghunadha Rao
(Raghunadha Rao Balineni)
Partner
(Membership No: 028105)

Place:Camp: Guntur
Date : 28.5.2018



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Ref: KTL/CS/Audit-Observation/2018-19

Date: 28-05-2018

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 Textiles Ltd (formerly known as "Kallam Spinning Mills Ltd") having its Registered office at Chowdavaram, Guntur - 522019, Andhra Pradesh, hereby declare that, the M/s Chevuturi Associates., Statutory Auditors of the Company, (Firm Reg No: 000632S), have issued an Audit Report with Unmodified opinion on Audited Financial Results for the Quarter and Year ended 31st March, 2018.

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 Textiles Ltd,


P.Venkateswara Reddy
Managing Director
DIN : 00018677

