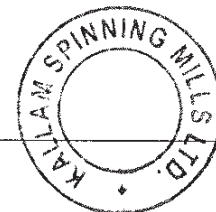




UnAudited Financial Results for the Quarter ended 31st December, 2013

Rs.In Lakhs

| S.N O | PARTICULARS | QUARTER ENDED | | | 9 MONTHS PERIOD ENDED | | YEAR ENDED |
|----------|---|---------------------------------|----------------|----------------|-----------------------|-----------------|-----------------|
| | | 31.12.2013 | 30.09.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 | 31.03.2013 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income from operations | | | | | | |
| | (a) Net Sales / Income from Operations | 5796.16 | 5571.06 | 4890.87 | 16207.85 | 13138.73 | 18302.65 |
| | (b) Other Operating Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Income from operations (a+b) | 5796.16 | 5571.06 | 4890.87 | 16207.85 | 13138.73 | 18302.65 |
| 2 | Expenses | | | | | | |
| | a) Cost of Material Consumed | 3507.61 | 3211.77 | 2,811.97 | 9,650.97 | 8,276.71 | 10,442.87 |
| | b) Purchase of Stock-in-trade | 0.00 | 0.00 | 0.00 | 0.00 | 111.24 | 290.60 |
| | c) Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade | 207.84 | -1.41 | 36.56 | 110.85 | -346.50 | 387.56 |
| | d) Employee benefits expenses | 111.85 | 126.40 | 93.03 | 329.87 | 270.51 | 402.76 |
| | e) Depreciation and amortisation expenses | 197.63 | 196.68 | 189.27 | 586.56 | 563.79 | 757.22 |
| | f) Other Expenses | 958.05 | 925.05 | 1032.51 | 2850.95 | 2400.25 | 3464.03 |
| | Total expenses | 4982.98 | 4458.49 | 4163.34 | 13529.20 | 11276.00 | 15745.04 |
| 3 | Profit from ordinary activities before other income, finance cost and Exceptional items (1-2) | 813.18 | 1112.57 | 727.53 | 2678.65 | 1862.73 | 2557.61 |
| 4 | Other Income | 56.25 | 179.85 | 12.16 | 349.97 | 281.02 | 350.59 |
| 5 | Profit from ordinary activities before finance costs and Exceptional Items (3-4) | 869.43 | 1292.42 | 739.69 | 3028.62 | 2143.75 | 2908.20 |
| 6 | Finance costs | 346.44 | 346.26 | 327.90 | 1050.91 | 1014.35 | 1404.46 |
| 7 | Profit from ordinary activities after finance costs but before exceptional Items (5-6) | 522.99 | 946.16 | 411.79 | 1977.71 | 1129.40 | 1503.74 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 | | 0.00 | -318.82 |
| 9 | Profit from Ordinary Activities before Tax (7+8) | 522.99 | 946.16 | 411.79 | 1977.71 | 1129.40 | 1184.92 |
| 10 | Less/(add) Tax expenses: Current, deferred tax and MAT Credit claim/ | 127.13 | 405.19 | 133.71 | 631.17 | 357.35 | -569.43 |
| 11 | Net Profit from Ordinary Activities after Tax (9-10) | 395.86 | 540.97 | 278.08 | 1346.54 | 772.05 | 615.49 |
| 12 | Extraordinary item (net of tax expense Rs Nil) | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 |
| 13 | Net Profit for the period(11-12) | 395.86 | 540.97 | 278.08 | 1346.54 | 772.05 | 615.49 |
| 14 | Paid - up Equity Share Capital (Face Value of the Share Rs.10/-) | 685.11 | 685.11 | 685.11 | 685.11 | 685.11 | 685.11 |
| 15 | Reserve excluding revaluation Reserves as per balance Sheet of Previous accounting Year | | | | | | 4046.64 |
| 16 | Earning per Share (EPS) | 5.78 | 7.90 | 4.06 | 19.65 | 11.27 | 8.98 |
| | a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized) | | | | | | |
| | b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized) | 5.78 | 7.90 | 4.06 | 19.65 | 11.27 | 8.98 |
| | Part-II | | | | | | |
| A | Particulars of shareholding | | | | | | |
| | Public shareholding | | | | | | |
| 1 | Public shareholding | | | | | | |
| | - Number of shares | 3543007 | 3543007 | 3360327 | 3543007 | 3360327 | 3478627 |
| | - Percentage of Shareholding | 51.71 | 51.71 | 49.05 | 51.71 | 49.05 | 50.77 |
| 2 | Promoters and promoter group | | | | | | |
| | Shareholding: | | | | | | |
| | a) Pledged/Encumbered | | | | | | |
| | - Number of Shares | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| | - Percentage of shares (as a % of the total share Capital of the Company) | - | - | - | - | - | - |
| | b) Non- encumbered: | | | | | | |
| | - Number of Shares | 3308093 | 3308093 | 3490773 | 3308093 | 3490773 | 3372473 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100 | 100 | 100 | 100 | 100 | 100 |
| | - Percentage of shares (as a % of the total share Capital of the Comp | 48.29 | 48.29 | 50.95 | 48.29 | 50.95 | 49.23 |
| B | Particulars | Quarter ended-31.12.2013 | | | | | |
| | Investor Complaints | | | | | | |
| | Pending at the beginning of the quarter | | 0 | | | | |
| | Received during the quarter | | 1 | | | | |
| | Disposed of during the Quarter | | 1 | | | | |
| | Remaining unresolved at the end of the quarter | | 0 | | | | |



Segment Results for the Quarter ended 31st December, 2013

Rs.in Lakhs

| S.No | Particulars | Quarter ended | | | 9 MONTHS PERIOD ENDED | | Year Ended |
|------|---|-----------------|-----------------|-----------------|-----------------------|-----------------|-----------------|
| | | 31.12.2013 | 30.09.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 | 31.03.2013 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Revenue: | | | | | | |
| | a) Spinning | 5761.65 | 5549.17 | 4886.44 | 16148.01 | 13134.30 | 18280.22 |
| | b) Power | 179.94 | 105.51 | 36.88 | 305.70 | 170.06 | 194.50 |
| | Total | 5941.59 | 5654.68 | 4923.32 | 16453.71 | 13304.36 | 18474.72 |
| | Less: Inter Segment Revenue | 145.43 | 83.62 | 32.45 | 245.87 | 165.63 | 172.07 |
| | Net sales /Income from operations | 5796.16 | 5571.06 | 4890.87 | 16207.84 | 13138.73 | 18302.65 |
| 2 | Segment Results Profit: | | | | | | |
| | before tax and interest from Each segment | | | | | | |
| | a) Spinning | 716.69 | 1212.57 | 728.16 | 2805.19 | 2097.10 | 2565.89 |
| | b) Power | 152.74 | 79.85 | 11.53 | 223.43 | 46.65 | 23.49 |
| | Total | 869.43 | 1,292.42 | 739.69 | 3,028.62 | 2,143.75 | 2,589.38 |
| | Less: Finance costs | 346.44 | 346.26 | 327.90 | 1,050.91 | 1,014.35 | 1,404.46 |
| | Total Profit Before Tax | 522.99 | 946.16 | 411.79 | 1,977.71 | 1,129.40 | 1,184.92 |
| 3 | Capital Employed | | | | | | |
| | (Segment Assets - Segment Liabilities) | | | | | | |
| | a) Spinning | 21820.26 | 18114.83 | 14712.91 | 21820.26 | 14712.91 | 14348.80 |
| | b) Power | 2061.33 | 1951.25 | 2058.60 | 2061.33 | 2058.60 | 1948.82 |
| | Total | 23881.59 | 20066.08 | 16771.51 | 23881.59 | 16771.51 | 16297.62 |

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 5th February, 2014.
- The Statutory auditors of the company have carried out a Limited review of the results for the Quarter ended 31.12.2013
- Weaving Division Trial runs was started from 12.12.2013.
- The figures for the Quarter ended 31.12.2013 are the balancing figures between unaudited results for the 9 Months period ended 31.12.2013 and figures for quarter ended 30.06.2013 and 30.09.2013
- The figures for the previous quarter have been regrouped/rearranged wherever necessary in conformity with current quarter classification.

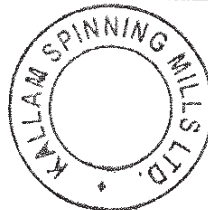
For and on behalf of the Board of Directors

(P. VENKATESWARA REDDY)

MANAGING DIRECTOR.

Place :Chowdavaram

Date :05.02.2014.



LIMITED REVIEW REPORT OF THE UNAUDITED FINANCIAL RESULTS OF
KALLAM SPINNING MILLS LIMITED
PURSUANT TO CLAUSE 41 OF THE LISTING AGREEMENT

Review Report to:

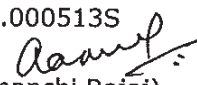
The Board of Directors,
KALLAM SPINNING MILLS LIMITED,
GUNTUR.

- 1) We have reviewed the accompanying statement of unaudited financial results of **KALLAM SPINNING MILLS LIMITED** for the quarter ended 31st December, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on 5th February, 2014. Our responsibility is to issue a report on these financial statements based on our review.
- 2) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified under the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place :Guntur
Date : 5.2.2014



For Brahmayya & Co
Chartered Accountants
Firm Regn.no.000513S


(Karumanchi Rajaj)
ICAI Memb.No.202309
Partner