



# KALLAM SPINNING MILLS LIMITED

CIN : L18100AP1992PLCO13860  
Chowdavaram, GUNTUR - 522 019, A.P., INDIA.  
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## Unaudited Financial Results for the Quarter ended 30th September, 2014

Rs.In Lakhs

S.N O	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2014 Unaudited	30.06.2014 Unaudited	30.09.2013 Unaudited	30.09.2014 Unaudited	30.09.2013 Unaudited	31.03.2014 Audited
1	<b>Income from operations</b>						
	(a) Net Sales / Income from Operations	5885.19	5580.88	5571.06	11466.07	10411.68	21464.04
	(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Income from operations (a+b)</b>	<b>5885.19</b>	<b>5580.88</b>	<b>5571.06</b>	<b>11466.07</b>	<b>10411.68</b>	<b>21464.04</b>
2	<b>Expenses</b>						
	a) Cost of Material Consumed	3583.42	3725.32	3,211.77	7,308.73	6,143.35	13,625.80
	b) Purchase of Stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
	c) Changes in inventories of Finished goods, Work-in -Progress and Stock-in-trade	230.71	(69.52)	(1.41)	161.18	(96.99)	(396.53)
	d) Employee benefits expenses	164.05	99.25	126.40	263.31	218.02	443.31
	e) Depreciation and amortisation expenses	268.25	196.66	196.68	464.91	388.92	780.62
	f) Other Expenses	1231.90	972.82	925.05	2204.73	1892.90	3897.96
	<b>Total expenses</b>	<b>5478.33</b>	<b>4924.53</b>	<b>4458.49</b>	<b>10402.86</b>	<b>8546.20</b>	<b>18351.16</b>
3	<b>Profit from ordinary activities before other income, finance cost and Exceptional items (1-2)</b>	406.86	656.35	1112.57	1063.21	1865.48	3112.88
4	Other Income	191.90	124.76	179.85	316.66	293.72	472.96
5	<b>Profit from ordinary activities before finance costs and Exceptional Items (3-4)</b>	598.76	781.11	1292.42	1379.87	2159.20	3585.84
6	Finance costs	483.38	404.76	346.26	888.14	704.47	1474.26
7	<b>Profit from ordinary activities after finance costs but before exceptional Items (5-6)</b>	115.38	376.35	946.16	491.73	1454.73	2111.58
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	<b>Profit from Ordinary Activities before Tax (7+8)</b>	115.38	376.35	946.16	491.73	1454.73	2111.58
10	Less/(add) Tax expenses: Current, deferred tax and MAT Credit claim/	0.00	0.00	405.19	-	504.04	644.68
11	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	115.38	376.35	540.97	491.73	950.69	1466.90
12	Extraordinary item (net of tax expense Rs Nil)	0.00	0.00	0.00	0.00	0.00	0.00
13	<b>Net Profit for the period(11-12)</b>	115.38	376.35	540.97	491.73	950.69	1466.90
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						5513.24
16	Earning per Share (EPS)	1.68	5.49	7.90	7.18	13.88	21.41
	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)	1.68	5.49	7.90	7.18	13.88	21.41
<b>Part-II</b>							
A	<b>Particulars of shareholding</b>						
	<b>Public shareholding</b>						
1	Public shareholding						
	- Number of shares	3545059	3543869	3543007	3545059	3543007	3543007
	- Percentage of Shareholding	51.74	51.73	51.71	51.74	51.71	51.71
2	<b>Promoters and promoter group Shareholding:</b>						
	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	3306041	3307231	3308093	3306041	3308093	3308093
	- 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	48.26	48.27	48.29	48.26	48.29	48.29
B	<b>Particulars</b>	<b>Quarter ended-30.09.2014</b>					
	Investor Complaints						
	Pending at the beginning of the quarter			0			
	Received during the quarter			0			
	Disposed of during the Quarter			0			
	Remaining unresolved at the end of the quarter			0			



**Segment Results for the Quarter ended 30th September, 2014**

Rs.in Lakhs

S.No	Particulars	Quarter ended			HALF YEAR ENDED		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment Revenue:</b>						
	a) Spinning	5736.36	5578.05	5549.17	11314.42	10386.35	21366.99
	b) Weaving	953.66	0.00	0.00	953.66	0.00	0.00
	c) Power	56.51	58.46	105.59	114.97	125.76	488.91
	Total	6746.53	5636.51	5654.76	12383.05	10512.11	21855.90
	Less: Inter Segment Revenue	861.34	55.63	83.62	916.98	100.43	391.86
	<b>Net sales /Income from operations</b>	<b>5885.19</b>	<b>5580.88</b>	<b>5571.14</b>	<b>11466.07</b>	<b>10411.68</b>	<b>21464.04</b>
2	<b>Segment Results Profit/(loss):</b>						
	before tax and interest from each segment						
	a) Spinning	596.49	759.65	1212.57	1356.14	2088.50	3256.71
	b) Weaving	(18.29)	0.00	0.00	(18.29)	0.00	0.00
	c) Power	20.56	21.46	79.85	42.02	70.70	329.13
	Total	598.76	781.11	1,292.42	1,379.87	2,159.20	3,585.84
	Less : Finance costs	483.38	404.76	346.26	888.14	704.47	1,474.28
	<b>Total Profit Before Tax</b>	<b>115.38</b>	<b>376.35</b>	<b>946.16</b>	<b>491.73</b>	<b>1,454.73</b>	<b>2,111.58</b>
3	<b>Capital Employed</b>						
	(Segment Assets - Segment Liabilities)						
	a) Spinning	14352.30	13831.63	14124.92	14352.30	14124.92	13588.66
	b) Weaving	11831.99	12118.54	3989.91	11831.99	3989.91	11783.83
	c) Power	1945.17	1945.29	1951.25	1945.17	1951.25	1971.26
	<b>Total</b>	<b>28129.46</b>	<b>27895.46</b>	<b>20066.08</b>	<b>28129.46</b>	<b>20066.08</b>	<b>27343.75</b>

**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 13th November, 2014.
- The Statutory auditors of the company have carried out a Limited review of the results for the Quarter ended 30.09.2014
- The figures for the previous quarter have been regrouped/rearranged wherever necessary in confirmaty with current quarter classification.
- Provisions towards current tax and deferred tax will be considered at the end of the year.
- Weaving project was commenced the commrecial production from 1<sup>st</sup> September 2014.

For and on behalf of the Board of Directors

*(Signature)*

Place :Chowdavaram

(P. VENKATESWARA REDDY)

Date :13.11.2014.

MANAGING DIRECTOR.



Statement of Assets and Liabilities		(Rs. In Lakhs)	
Particulars	30.09.2014	31.03.2014	
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	685	685	
(b) Reserves & Surplus	6695	5417	
	<b>7380</b>	<b>6102</b>	
<b>2. Non-current liabilities :</b>			
(a) Long-term borrowings	20142	19568	
(b) Deferred Tax Liability (Net)	1541	1541	
(c) Long-term Provisions	36	36	
	<b>21719</b>	<b>21145</b>	
<b>3. Current liabilities:</b>			
(a) Short-term borrowings	6727	6242	
(b) Trade payables	635	904	
(c) Other current liabilities	1942	2466	
(d) Short-term provisions	747	843	
	<b>10051</b>	<b>10455</b>	
<b>Total-Equity and Liabilities</b>	<b>39150</b>	<b>37702</b>	
<b>II. ASSETS:</b>			
<b>Non-current assets</b>			
<b>1. (a) Fixed Assets</b>			
(i) Tangible assets	27240	12733	
(ii) Capital work-in -progress	2009	15214	
<b>(b) Long- term loans and advances</b>	532	589	
	<b>29781</b>	<b>28536</b>	
<b>2. Current assets</b>			
(a) Inventories	4454	5916	
(b) Trade receivables	1384	702	
(c) Cash and cash equivalents	547	156	
(d) Short term Loans And advances	2947	2344	
(e) Other current assets	36	48	
	<b>9369</b>	<b>9166</b>	
<b>Total Assets</b>	<b>39150</b>	<b>37702</b>	



**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** ("the Company"), for the quarter ended **30<sup>th</sup> September, 2014** ("the statement") being submitted by the company pursuant to the requirement of Clause 41 of the Listing agreement with the stock exchange, 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 their meeting held on 13.11.2014. 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, we report that :
  - i) During the quarter under review, except on fixed assets of its weaving division, the company has provided depreciation at the rates specified under Schedule XIV of the Companies Act, 1956 as against the useful lives as specified under Schedule II read with Section 123 of the Companies Act, 2013 which the companies are required to adopt from 1<sup>st</sup> April, 2014. In the absence of amount of depreciation arrived at based on useful lives specified under said schedule, its impact on the results for the quarter and half year under review cannot be ascertained.
  - ii) In respect of its weaving division, the company has provided depreciation on its fixed assets based on the useful lives specified under Schedule II read with Section 123 of the Companies Act, 2013 except in respect of its plant and machinery where depreciation was provided based on useful life different from the useful live specified under the said schedule. In the opinion of the management, the adoption of such life on its plant and machinery is reasonable considering the factors of useful life of identical machines in the past.

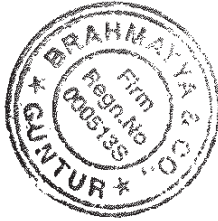


**BRAHMAYYA & CO**  
Chartered Accountants

iii) The company has not made any provision towards Current Income-tax and deferred tax for the quarter under report which, we have been informed by the management, will be made on annual basis.

4) Referring to the para 3 (ii) above and subject to point mentioned in (i) and (iii) above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dt. 13<sup>th</sup> September, 2013 of the Ministry of Corporate affairs) and other recognized 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 : Vijayawada  
Date : 13.11.2014



For Brahmayya & Co  
Chartered Accountants  
Firm Regn.no.0005135

(Karumanchi Rajaj)  
ICAI Memb.No.202 309  
Partner