



KALLAM TEXTILES LIMITED

(Formerly Known as "Kallam Spinning Mills Limited")

CIN - L18100AP1992PLC013860

Chowdavaram, GUNTUR - 522 019. A.P., INDIA.

Ph: 0863-2344016 : Fax:0863-2344000

E-mail: corp@ksml.in

GSTIN: 37AAACK9363M1ZY



Ref: KTL/CS/INV-PRE/2018-19/Q-4

Dt: 11.05.2019

Department of Corporate Services,
Bombay Stock Exchange Limited,
P.J.Towers, Dalal Street,
Mumbai - 400 001.
Ph : 022-22728846

Scrip Code : 530201

Dear Sir/Madam,

Sub: Investor Presentation

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the presentation for the purpose of Investors.

The said presentation is also uploaded on the official website of the Company.

Thanking You,

Yours Sincerely,

For Kallam Textiles Limited,

Nandan Bisoi

Nandan Bisoi

Company Secretary & Compliance Officer

M.No : ACS 54169





Q4 & FY19 Result Presentation

May 2019

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Kallam Textiles Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Company Overview

4

Business Model

9

Strengths & Differentiators

17

Operating Highlights

20

Outlook

24

Financials

26





Company Overview



At a glance



5

20+

Years of operations and
experience

59,000+

Spindles

2,900+

Rotors

5,000 kg

Dyeing everyday

80,000 mtrs

Weaving everyday

11.69%

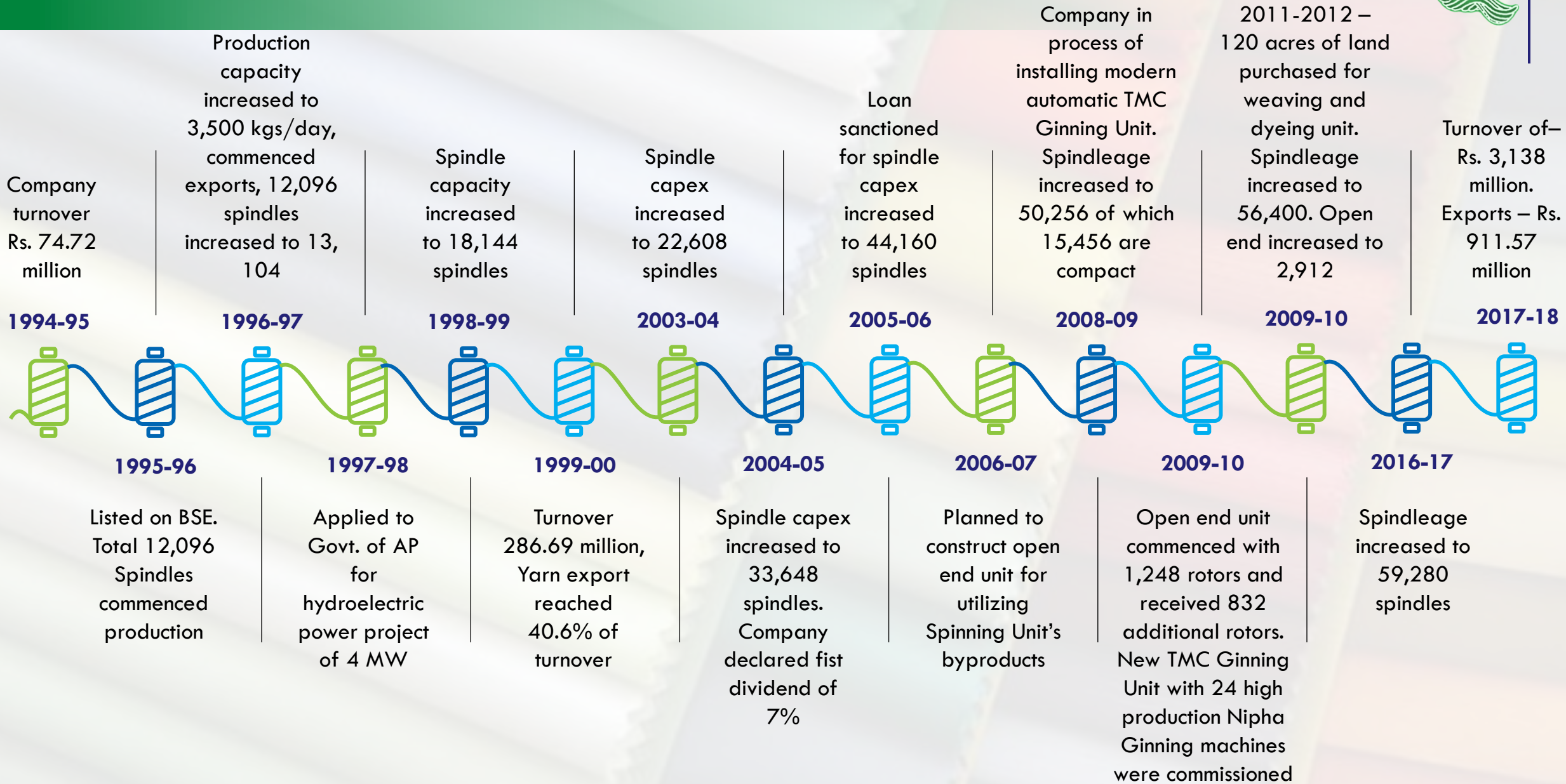
Revenue CAGR 5 years

4.06%

EBITDA CAGR 5 years

Consistent dividend paying company for the last 5 years

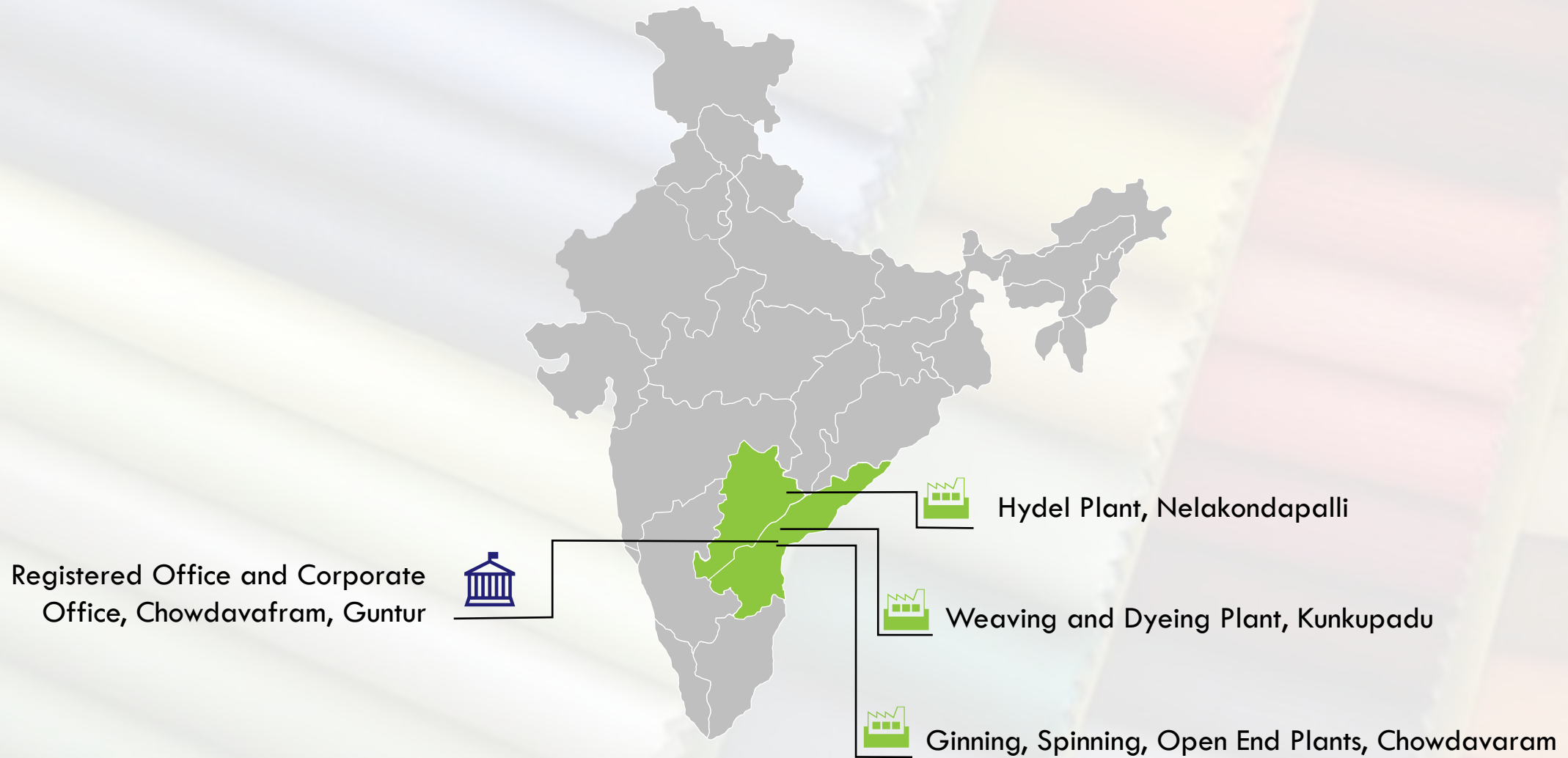
Timeline



Best-in-class facilities



7



Management Team



8



Sri Kallam Haranadha Reddy – Founder

Sri Kallam Haranadha Reddy is the founder of the KSML. He holds a Masters Degree in Arts and graduate in Lam. He has about 45 years of rich experience in cotton and spinning business. Further he has good experience in Ginning, Pressing, Oil Mills, Chilies and Rice.

Sri Kallam Haranadha Reddy is a Director on the Board of M/S Kallam Housing and Real Estates (P) Ltd.



Sri P. Venkateswara Reddy – Managing Director

Mr. P.V. Reddy is the Managing Director of KTL.

Mr. P.V. Reddy, hails from an agricultural family.

He has over 40 years of experience in Cotton, Ginning, Pressing, Spinning, Cotton Seed Oil, Chilies, and Rice.

Mr. P.V. Reddy handles purchase of Raw Cotton and looks after all the Civil Construction Activity of the company.



Mr. G.V.K. Reddy – Joint Managing Director of KTL

Mr. G.V. K Reddy is a graduate in Mechanical Engineering with distinction from Andhra University and also University 1st Rank Holder. He is post graduate in Marine Engineering from Royal Naval Engineering College, Plymouth, UK.

He played a key role in organizing the public issue of the company in 1995. Mr. G.V.K. Reddy takes an active part in day to day management, manufacturing, technical and liasioning with Financial Institutions, Banks and other Govt. Departments of the company. He is also responsible for the Hydro Electric Plant Operation.



Mr. M.V. Subba Reddy - Whole Time Director & Chief Financial Officer (CFO)

Mr M.V Subba Reddy is associated with the company since 1996 as Purchase In charge (raw material).

He is a post graduate in commerce.

He possesses rich experience in the procurement of raw material and sales of yarn.



Business Model



Fully Integrated Business Solution



10



- Guntur district produces MCU5 which is long staple cotton and is suited for fine counts
- Kallam group is in the cotton Business for more than four decades
- The farmers bring kapas by tractors to chowdavaram spinning cum ginning plant.
 - The best quality kappas is procured from farmers. In spot payment process the kapas quality is checked and weighment is done immediately. Once truck is unloaded farmer gets payment on the same day by evening hours. on the spot payment not only helps in cost reduction but also gets best quality kapas to ginning unit
- Cotton packing from the fields start in November and continues till February. Best quality kapas is procured in the months of Nov - March only. 80% of the entire cotton procurement completes by march every year



- #28 ginning machines
- Capacity - 200 bales /day and 50,000 bales in a year
- State of the art machinery – Equipped with modernized Automatic bale pressing unit and auto seed booster compressor to seed storage tank
- Kallam Textiles Limited has been BCI (Known as “Better Cotton Initiative”) certified in December, 2015 for procuring of Better Cotton from the farmers who have been certified by the BCI as a Registered Farmers



Spinning



13

- Commenced operations in 1995, with 12,096 spindles
- Presently operates 59,280 spindles of Ring Spinning out of which 31488 spindles are compact
- Superior Spinning units ensure the supply of consistent quality yarn to manufacture the garments



Open End



14

- Established in 2009-2010 with 1,248 Rotors
- Present capacity – 2,912 rotors
- Most spinning today is done using Break or Open end spinning
- Open end Yarn quality has been proved by repeated orders from international markets
- Premium quality yarn is exported to customers around the world



Dyeing

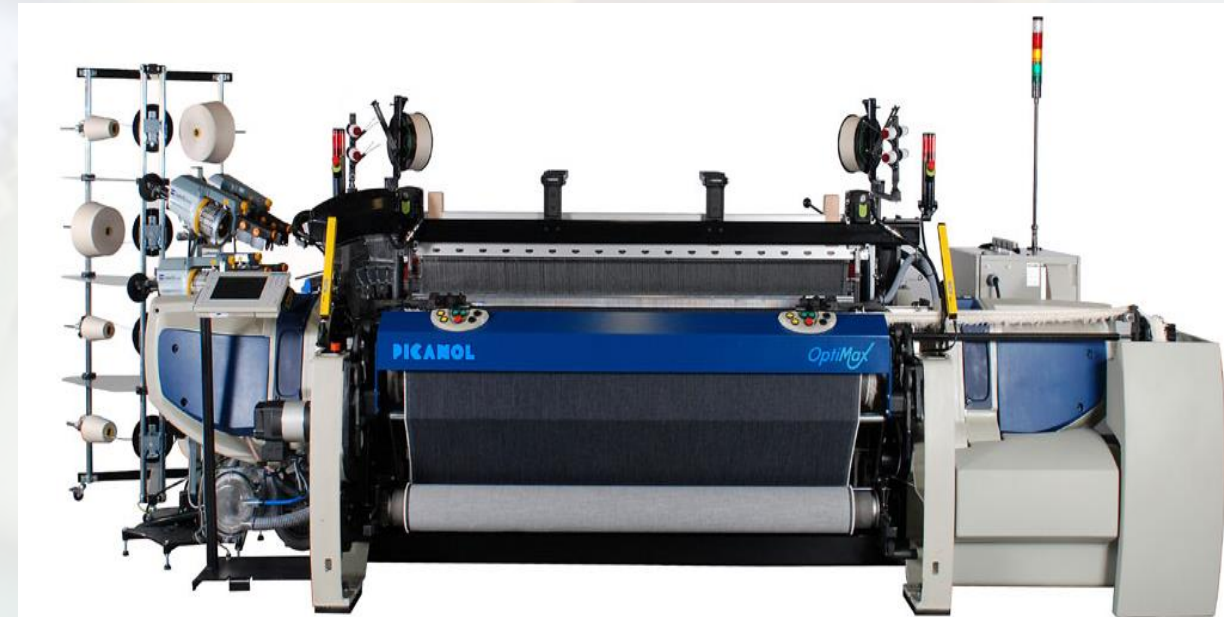


15

- Year Commenced - 2015
- Initial Capacity – 3,000 kgs per day, now expanded to 5,000 kgs per day
- Supplies dyed fabric to several geographies
- Offerings include fabrics with cotton 100% and blended with lycra stretch, polyester, nylon, Linen and viscose fabrics



- Commencement of unit – 2014
- Initial Capacity – 248 looms, 80k meters per day of woven fabric
- Fabric includes - 70% yarn dyed shirting and 30% of bottom weight fabric
- State of art machinery - weaving preparatory, weaving loom shed and sophisticated testing equipment procured from Belgium, Japan, Switzerland, Spain, German, China and Italy
- Strong emphasis on skilling of operators to ensure quality and efficiency



- Kallam Textiles Limited has 3 hydroelectric plants with 4.0 MW capacity
- First two projects of 0.8 MW and 1.6 MW were commissioned in Jan 2002 and third hydro electric plant of 1.6 MW was commissioned in March 2011
- All located at Nelakondapally Mandal, Khammam District of Andhra Pradesh
- Hydel power generation solely dependent on the canal water flow





Strengths & Differentiators



Our Strengths and Differentiators



19

1

Strengths

- Integrated Player with presence across value chain - ginning, spinning, weaving and dyeing
- Backward integrated – Assured raw material availability at economical rates helps in cost control and reduction in lead times across operations
- Strong connect with farmers enabling sourcing of superior quality cotton fibre
- Cutting edge machinery across divisions - scientifically monitor our labor productivity and have adopted a policy of constant improvement
- 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.
- Strong and credible management team with over 5 decades of experience and expertise within the industry
- Thrust on exports; seen to be growing exponentially in the last few years with increasing demand and repeat orders
 - India seen as one of largest exporters of yarn in international market

2

Differentiators

- Dedicated to quality of products and customer satisfaction which is evident in investments in machinery
- Zero bad debt policy: strict financial control on receivables and set policies with respect to cash collection the company has ensured maintaining zero bad debts
- Consistently paying dividends for last 5 years
- Caters to most leading domestic and global players
- Fair policies and consistent quality have earned us significant goodwill in the markets we operate in, giving us an advantage against competition
- With quality yarn the Company can weave fabric at a competitive price and better quality. The Company is also benefited by reducing packing cost and taxes
- There is a ample availability of land for future plans



Operational Highlights



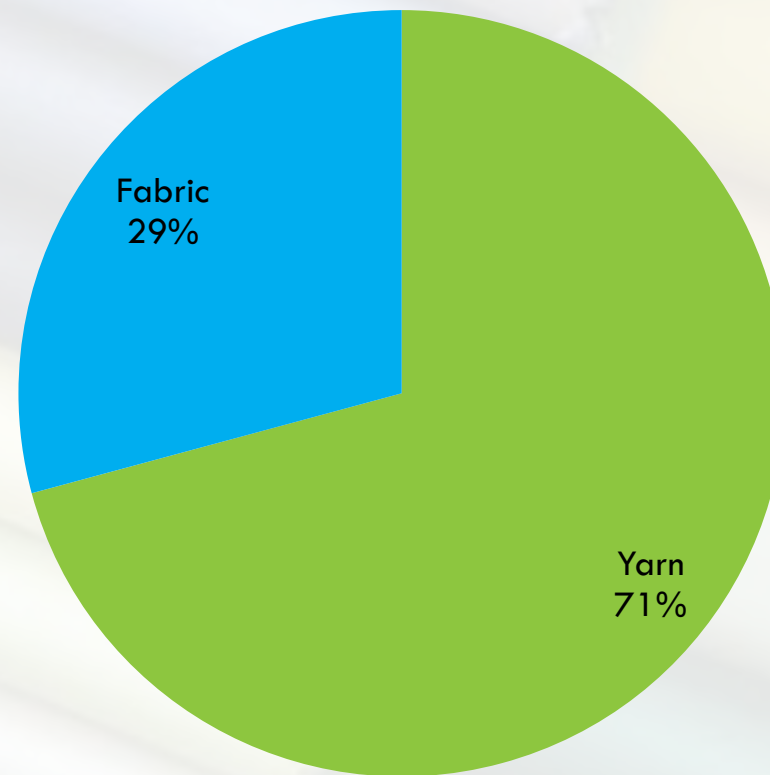
5 Year Performance



Rs. In Crore

Particulars	FY15	FY16	FY17	FY18	FY19
Revenue	244.14	269.14	287	313	311
Other Income	7.13	6.97	10.4	1.13	1.40
Total Income	251.27	276.11	297	314	312
Expenditure	-210.13	-224.23	-263	-279	-279
Interest	-23.17	-28.3	-22	-22	-20
PBDT	17.96	23.58	34.7	35.3	27.63
Depreciation	-9.93	-12.94	-14	-14	16
PBT	8.03	10.64	21.1	21.1	11.95
Tax	--	-4.73	-8.4	-5.4	5.3
Net Profit	8.03	5.91	12.7	15.7	6.65
Equity	6.85	6.85	6.85	8.56	8.56
EPS	11.72	8.63	3.71	3.66	1.55

Product wise split export - FY2019





Outlook



Growth plans: FY2019-2020



25

Adding captive power generation to reduce costs. Looking into of Solar/Wind. Increasing captive power generation will help us strengthen PAT in the future

In process of expansion of looms which will increase volumes by 20-25%. Setting up of process house will help in selling processed fabric to brands, garmenters and exporters. Turnover and margins in this segment will increase by 25-35% Additional capacity to feed yarn to weaving plant. The Govt's are offering capital and interest subsidies.

Pipe line for ground water from Gundlakama river to Weaving unit has been laid. Waiting for inauguration



Financials

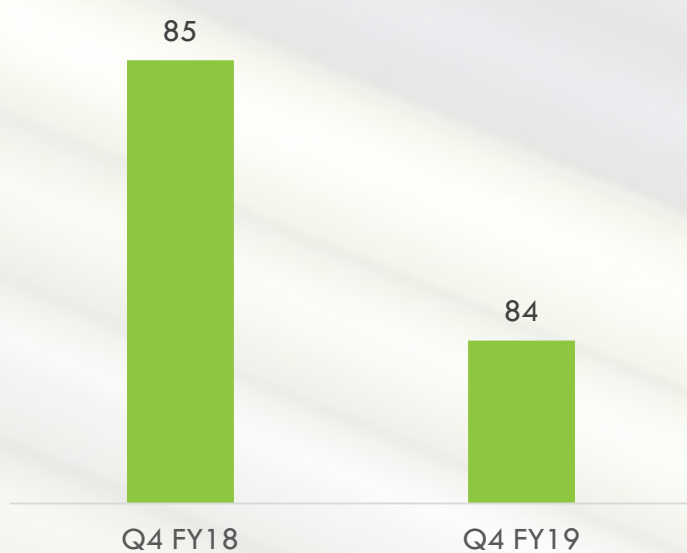


Q4 FY19 vs Q4 FY18

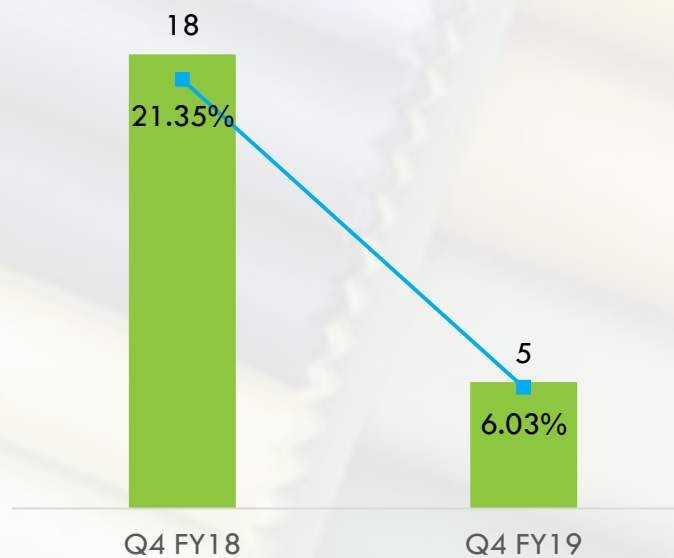


27

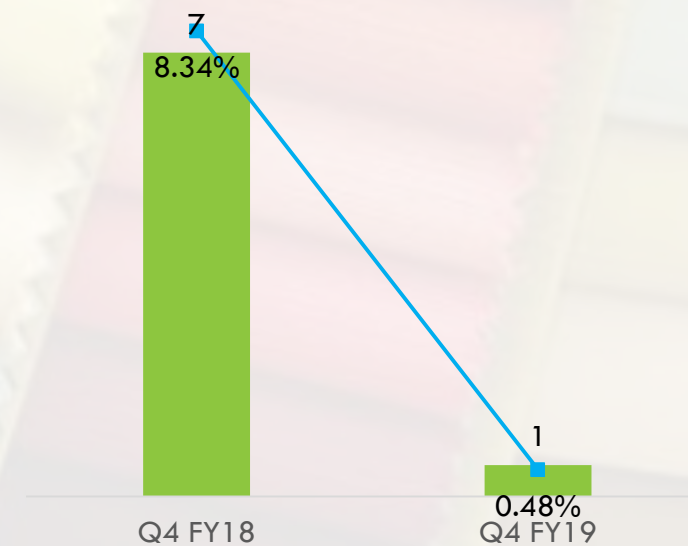
Revenue (Rs. Cr)



EBITDA (Rs. Cr) — Margin (%)



PAT (Rs. Cr) — Margin (%)

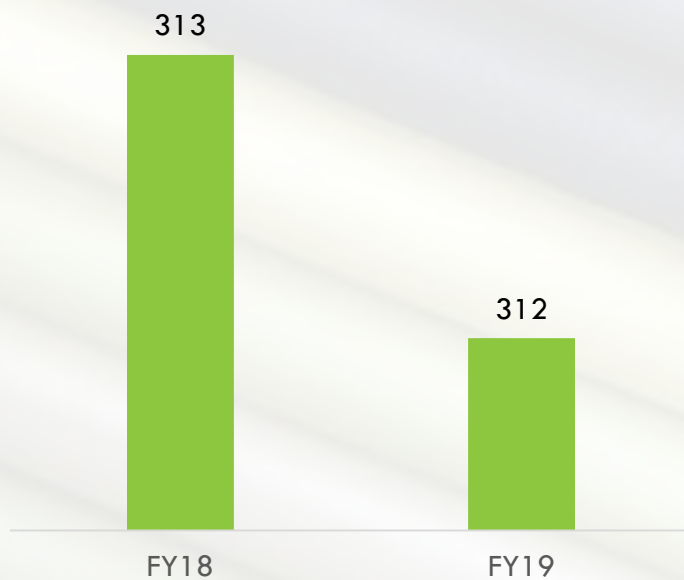


FY19 vs FY18

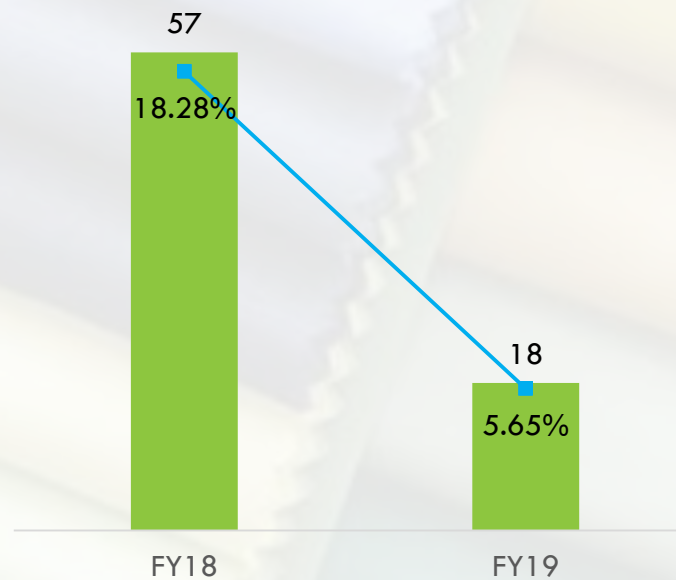


28

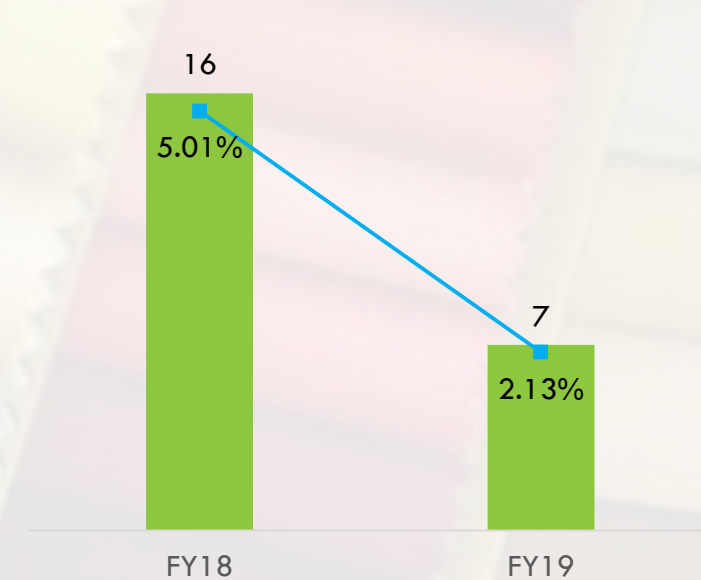
Revenue (Rs. Cr)



EBITDA (Rs. Cr) — Margin (%)



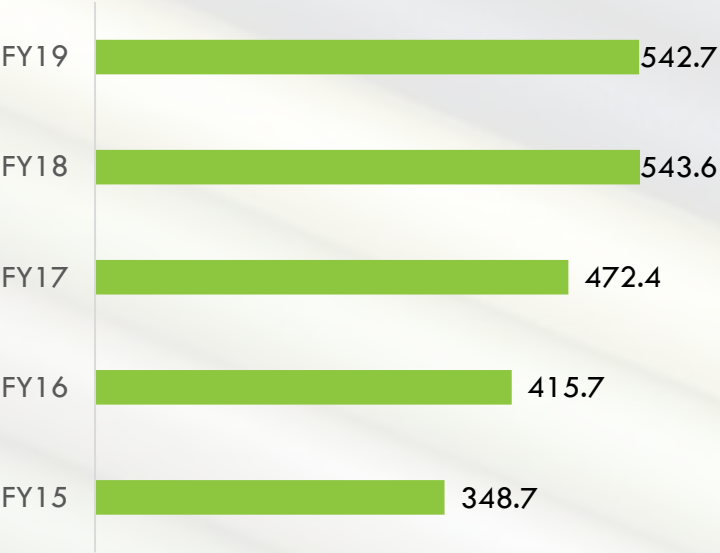
PAT (Rs. Cr) — Margin (%)



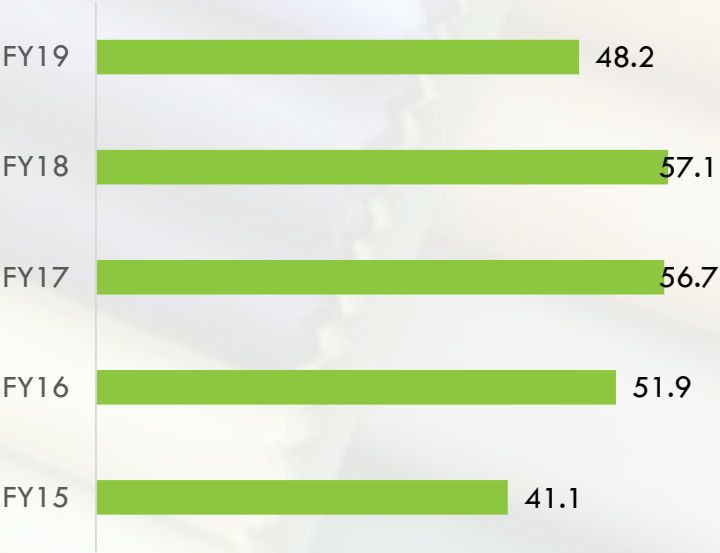
Performance Highlights



Revenue (Rs Cr)



EBITDA (Rs. Cr)



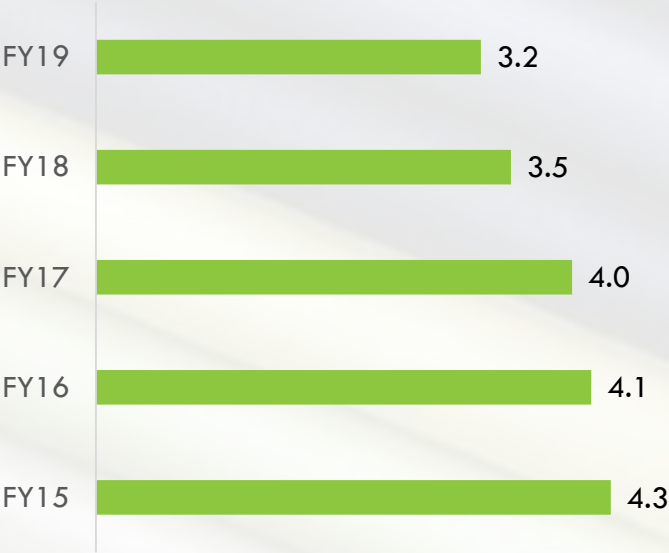
PAT (Rs. Cr)



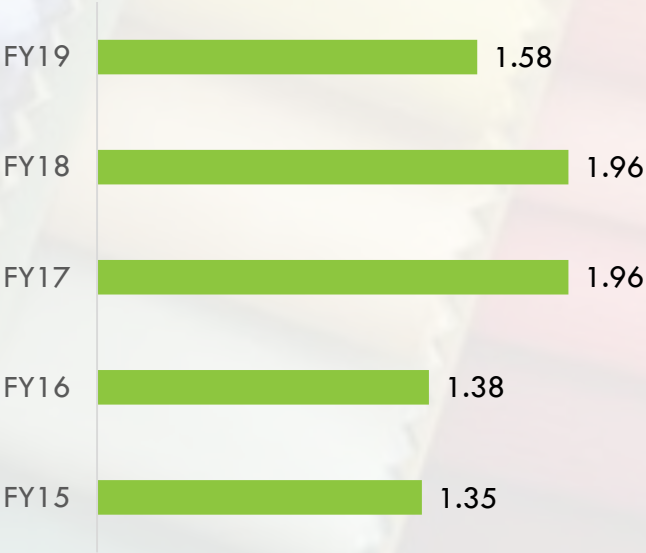
Balance Sheet Ratios



Debt/Equity



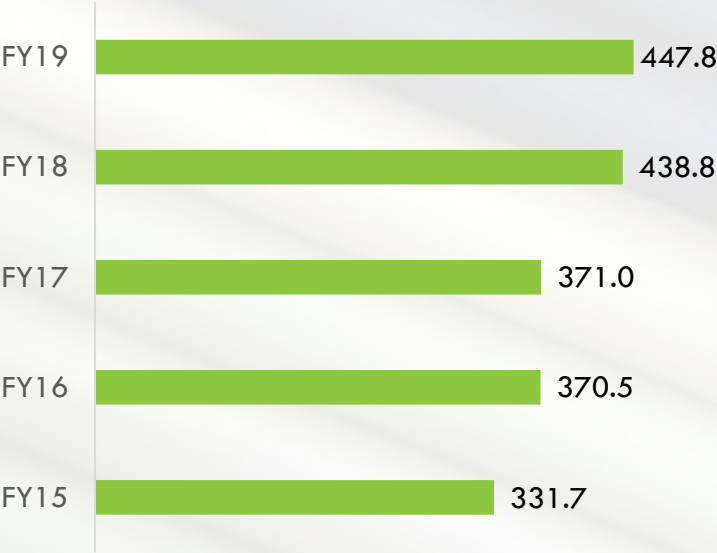
Interest Coverage Ratio



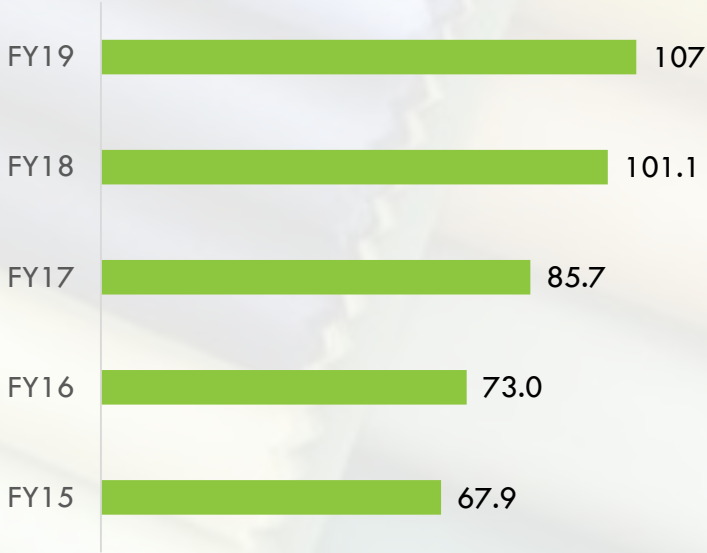
Balance Sheet Ratios



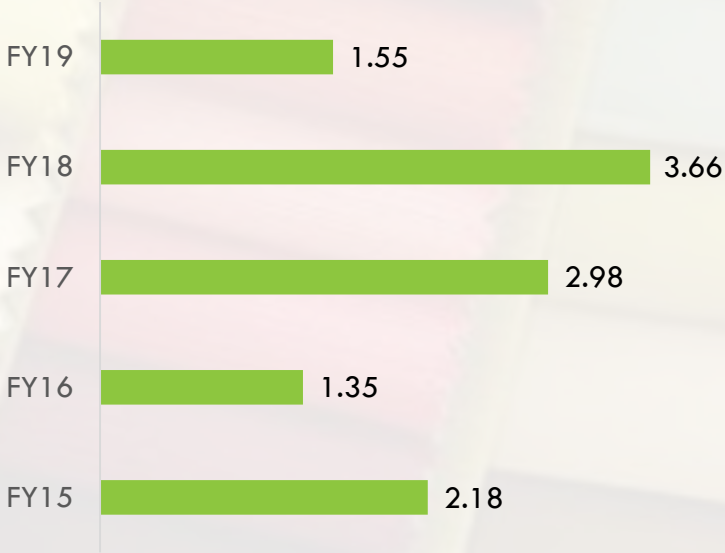
Gross Block (Rs Cr)



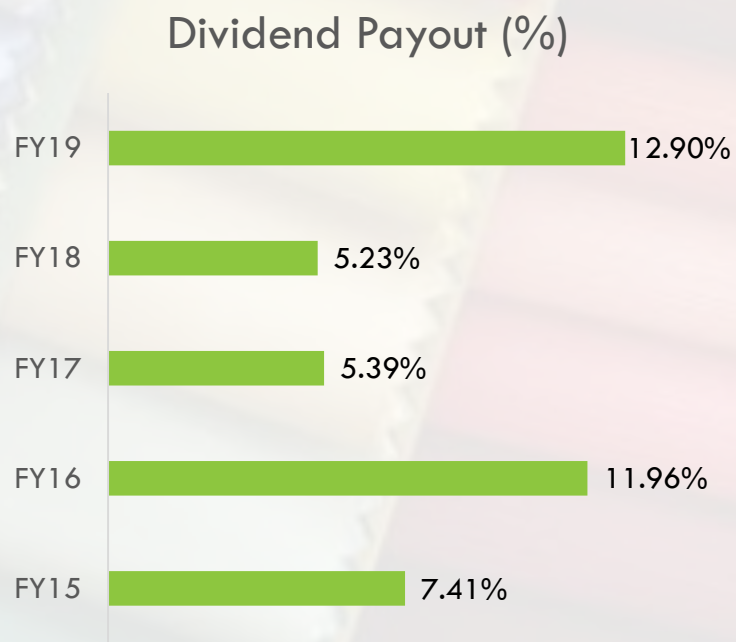
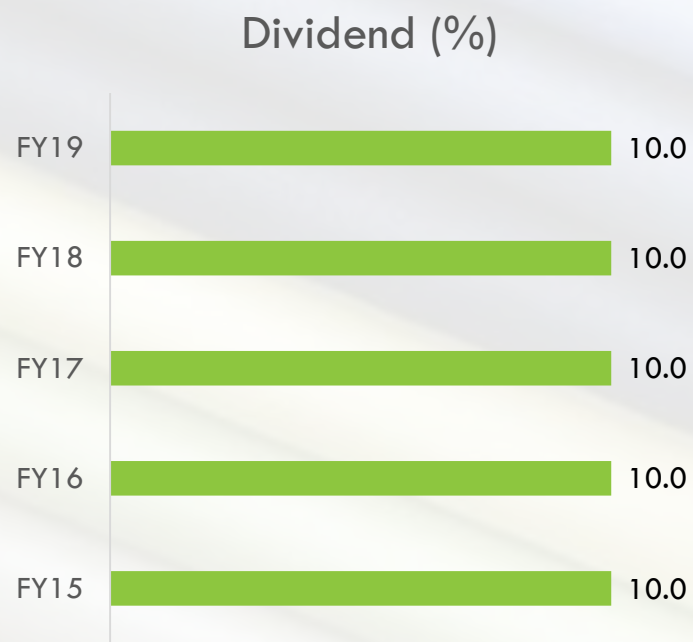
Net Worth (Rs. Cr)



Adjusted EPS (in Rs.)



Balance Sheet Ratios



About Us



Kallam Textiles Limited was established in 1994 with an initial capacity of 12,000 spindles.

The Company is engaged in the business of Ginning of Cotton, Ring spinning of cotton yarn, Open End rotor yarn, Yarn dyeing, Grey fabric and grey yarn dyed Fabric along with Hydro Electric Power. The Company commenced its commercial production on 22 March 1995. Over two decades of growth we have expanded to 59,280 ring spindles & 2,912 rotors, 28 high capacity Gins, 248 Airjet & Raper Looms, 500 kgs/ day yarn dyeing plant, 4.0 MW hydel power generation.

The Company emphasizes on state of the art infrastructure. Today, Kallam Textiles has carved a niche for itself on the textile map of the country. It exists to provide Superior customer satisfaction – developing solid, long-term relationships with its customers.

Contact Us:

GVK Reddy, JMD & CEO
Kallam Textiles Limited

Tel: +91 863 234 4002

Email: jmd@ksml.in

Gavin Desa / Rishab Barar
CDR India

Tel: +91 22 6645 1237 / 1235

Email: gavin@cdr-india.com

rishab@cdr-india.com

For more information please visit us at www.ksml.in

Thank You

