



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/FIN-RESULTS/RIGHTS ISSUE/DIV/2021-22/Q-4

Date: 27-05-2022

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 held on 27.05.2022

Pursuant to Regulation 30 and 42 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that the Board of Directors in their meeting held on May 27, 2022 has considered and approved the following matters, subject to necessary approvals, including approval of the Shareholders, wherever applicable, along with the other items of Agenda :

1. Audited financial statements for the quarter / year ended March 31, 2022. Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 (Copy Enclosed)
2. Audit Reports Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 (Copy Enclosed)
3. Declaration pursuant to Regulation 33(3) d of the SEBI (LODR) Regulations, 2015.(Copy Enclosed)
4. **Recommendation of dividend:** A dividend of Rs 0.20/- share of face value of Rs 2- each (i.e., 10% dividend) for the financial year ended 31.03.2022 subject to approval of shareholders at the ensuing Annual General Meeting.
5. **Rights issue** of 99,91,187 Rights Equity Shares of face value on Rs. 2/- each at an **issue price** of **Rs. 10/-** per Rights Equity Share (including premium of Rs. 8/- per Rights Equity Share) for an amount aggregating to Rs. 999.12 lakhs to all the existing equity shareholders of the Company as on Record Date (defined below) on a rights basis ("Rights Issue"). Full amount is to be paid on application. Other terms with respect to the Rights Issue is given below:
 - **Rights Entitlement:** Rights Entitlement Ratio is fixed at a **ratio of 7:30** [7 (Seven) Equity Shares for every 30 (Thirty) Equity Shares] held by the eligible shareholders of the Company whose name appears on the Register of Members as at the end of business hours of the Record Date.
 - **Record Date:** Record Date for determining the shareholders eligible for receiving Rights Entitlement in the Rights Issue is **June 03, 2022**
 - **ISIN for Rights Entitlement:** INE629F20017



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- **Outstanding Equity Shares prior to Rights Issue:** 4,28,19,375 Equity Shares of Rs.2 each
Outstanding Equity Shares post Rights Issue (assuming full subscription): 5,28,10,562 Equity Shares of Rs. 2 each.
- **Issue Schedule:**
 - a) **Rights Issue Opening Date:** June 23, 2022
 - b) **Rights Issue Closing Date*:** July 07, 2022

*Our Board or a duly authorized Right Issue committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from the Rights Issue Opening Date (inclusive of the Rights Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date

Additionally, the Board also approved the Letter of Offer and Abridged Letter of Offer to be filed with Securities and Exchange Board of India and BSE Limited, as applicable. The detailed terms of the Rights Issue including the procedure for applying in the Rights Issue and fractional entitlements are specified in the Letter of Offer.

The Board Meeting Commenced at 10.00 AM and Concluded at 01.00 P.M

This is for your kind information and records.

Thanking you,

Yours Sincerely,
For Kallam Textiles Limited.,



Golagani Ramesh Kumar
Company Secretary & Compliance Officer
M.No: ACS 39635





Kallam Textiles Limited

CIN : L18100AP1992PLC013860 & GST No.37AAACK9363M1ZY
 Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
 Ph: 0863-2344010,16 Fax: 0091 - 863 - 2344000
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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

(Rs. In Lakhs, except per share data)

S.NO	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited (Refer Note 4)	Unaudited	Audited (Refer Note 4)	Audited	Audited
1	Income					
	(a) Revenue from Operations	11887.54	12666.79	9727.94	44572.78	23992.04
	(b) Other Operating Income	331.79	83.83	28.90	517.04	69.93
	Total Revenue from operations	12219.33	12750.62	9756.84	45089.82	24061.97
2	Other Income	23.63	26.39	90.32	94.13	164.56
	Total Income (1+2)	12242.96	12777.01	9847.16	45183.95	24226.53
3	Expenses					
	a) Cost of Material Consumed	8503.87	8276.32	6115.90	29818.23	15173.07
	b) Purchase of Stock-in-trade	21.15	0.25	63.55	21.58	131.70
	c) Changes in inventories of Finished goods, Work-in-Progress and Stock-in-trade	(890.09)	(7.76)	(381.42)	(1436.84)	(156.60)
	d) Employee benefits expenses	602.88	495.57	536.01	2068.26	1420.77
	e) Depreciation and amortisation expenses	390.44	394.21	389.96	1569.93	1524.92
	f) Finance costs	822.52	899.54	666.47	3360.78	2496.56
	g) Other expenses	2029.12	2086.48	1700.71	7463.99	4973.70
	Total expenses	11479.89	12144.61	9091.18	42865.93	25564.12
4	Profit/(Loss) before Tax and exceptional items (1+2-3)	763.07	632.40	755.98	2318.02	(1337.59)
	Less: Exceptional items	0.00	(18.51)	0.00	142.81	0.00
	Profit/(Loss) before tax and after exceptional items	763.07	650.91	755.98	2175.21	(1337.59)
5	Tax expenses					
	a) Current Tax	139.48	119.66	0.78	386.21	0.78
	b) Deferred Tax charge/(Credit) (Net of MAT Credit entitlement)	248.18	190.45	129.24	608.00	(548.75)
6	Net Profit/(Loss) for the period after tax (4-5)	375.41	340.80	625.96	1181.00	(789.62)
7	Other comprehensive Income (Net of tax expense)					
	a) Deferred Tax on revaluation of properties	12.34	12.34	12.34	49.35	49.35
	b) Remeasurement of defined employee benefit plans	44.54	0.00	29.02	44.54	29.02
	Total comprehensive income	56.88	12.34	41.36	93.89	78.37
8	Total comprehensive income/(Loss)	432.29	353.14	667.32	1274.89	(711.25)
9	Paid - up Equity Share Capital (Face Value of the Share Rs. 2/-)	856.38	856.38	856.38	856.38	856.38
10	Reserves (Excluding Revaluation reserves as per Balance Sheet)				8976.58	7751.24
11	Earning per equity Share (Face value Rs. 2/- each) - Basic & Diluted	0.88	0.80	1.46	2.76	(1.84)



KALLAM TEXTILES LIMITED

Statement of Assets and Liabilities as at 31st March, 2022

Rs. in lakhs

	Particulars	As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
	ASSETS		
1	Non-Current Assets		
(a)	Property, Plant and Equipment	37842	39401
(b)	Intangible Assets	4	6
(c)	Capital Work-in-progress	1074	263
(d)	Financial Assets		
(i)	Investments	13	13
(ii)	Loans	-	-
(ii)	Other financial assets	651	573
(e)	Other Non-current Assets	31	5
	Total Non-Current assets	39,615	40,261
2	Current Assets		
(a)	Inventories	11,689	10,262
(b)	Financial Assets		
(i)	Trade Receivables	2,336	1,919
(ii)	Cash and cash equivalents	14	379
(iii)	Other Bank balances	43	18
(iv)	Loans	7	15
(v)	Other financial assets	7	7
(c)	Current tax assets (Net)	-	13
(d)	Other Current assets	3,820	6,943
	Total Current assets	17,916	19,556
	Total Assets	57,531	59,817
	EQUITY AND LIABILITIES		
1	Equity		
(a)	Equity Share Capital	856	856
(b)	Other Equity	20,294	19,019
		21,150	19,875
2	Liabilities		
	Non-current liabilities		
(a)	Financial Liabilities		
(i)	Long-term borrowings	16,194	15,369
(ii)	Other financial liabilities	-	-
(b)	Provisions	198	205
(c)	Deferred Tax Liabilities (Net)	2,434	1,875
(d)	Other non-current liabilities	773	819
	Total Non-current liabilities	19,599	18,268
3	Current liabilities		
(a)	Financial Liabilities		
(i)	Short-term borrowings	14,769	19,681
(ii)	Trade payables	543	831
(iii)	Other financial liabilities	1,000	862
(b)	Other current liabilities	187	288
(c)	Provisions	10	12
(d)	Current tax Liabilities (Net)	273	-
	Total Current liabilities	16,782	21,674
	Total Liabilities	36,381	39,942
	Total Equity and Liabilities	57,531	59,817



Kallam Textiles Limited

Segment Results for the Quarter and Year ended 31st March, 2022

S.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022 Audited	31.12.2021 Unaudited	31.03.2021 Audited	31.03.2022 Audited	31.03.2021 Audited
1	Segment Revenue:					
	a) Spinning	7978.12	8299.45	5514.34	29441.21	14851.19
	b) Weaving	5940.70	5851.25	4735.70	19984.07	10194.75
	c) Dyeing	972.53	1046.62	545.53	3005.26	1386.05
	d) Solar Power	70.12	55.74	93.06	301.08	93.06
	e) Hydel Power	66.21	67.03	85.09	194.00	215.47
	Total	15027.68	15320.09	10973.72	52925.62	26740.52
	Less: Inter Segment Revenue	2808.35	2569.47	1216.88	7835.80	2678.55
	Net sales /Income from operations	12219.33	12750.62	9756.84	45089.82	24061.97
2	Segment Results Profit/(Loss):					
	Before tax and interest from each segment					
	a) Spinning	1072.30	696.23	842.04	3710.52	518.38
	b) Weaving	471.68	688.08	425.93	1652.30	461.80
	c) Dyeing	24.77	76.02	25.64	126.36	26.04
	d) Solar Power	45.76	29.28	76.80	209.38	76.80
	e) Hydel Power	(28.92)	42.33	52.03	(19.77)	75.95
	Total	1585.59	1531.94	1422.44	5678.79	1158.97
	Less : Finance costs	822.52	899.54	666.46	3360.77	2496.56
	Total Profit/(Loss) before Tax	763.07	632.40	755.98	2318.02	(1337.59)
3	Capital Employed (Segment Assets - Segment Liabilities)					
	a) Spinning	25062.74	28197.80	25731.16	25062.74	25731.16
	b) Weaving	23853.78	22611.82	25260.95	23853.78	25260.95
	c) Dyeing	941.19	628.70	1566.64	941.19	1566.64
	d) Solar Power	1033.92	1228.08	1128.17	1033.92	1128.17
	e) Hydel Power	1226.67	1062.84	1238.04	1226.67	1238.04
	Total	52118.30	53729.24	54924.96	52118.30	54924.96

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, 2022. These results are as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The statutory auditors have carried out an audit of these financial results and have issued an unmodified opinion on these results.
- Exceptional items of Rs.142.81 lakhs as shown in the financial results for the year ended 31.3.2022 represents liability provided and paid in respect of enhanced wheeling charges as per the demand raised by APCPDCL consequent to the decision rendered by Hon'ble Supreme Court of India.
- The board of directors of the company recommended a dividend of Rs.0.20 per equity share of Rs.2/- each for the year ended 31st March, 2022 subject to the approval of shareholders at the ensuing Annual general meeting of the company.
- The figures for the quarter ended 31st March, 2022 and 31st March, 2021 are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures upto the end of 3rd quarter of the relevant financial year.
- Figures for the previous periods have been regrouped and reclassified wherever necessary to conform to current period classification.

Place :Chowdavaram
Date :27.05.2022



(Signature)
(P. VENKATESWARA REDDY)
MANAGING DIRECTOR.
DIN: 00018677

KALLAM TEXTILES LIMITED
CASH FLOW STATEMENT FOR YEAR ENDED 31.03.2022

PARTICULARS	Amount In Lacs	
	For year ended 31.03.2022 (Audited)	For year ended 31.03.2021 (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	2,175.20	(1,337.59)
Add/Less: Adjustments for		
Depreciation	1569.93	1,524.92
Interest expense	3360.78	2,496.56
Interest income	(29.18)	(29.54)
Amortisation of Govt. grants	(46.03)	(46.03)
Remeasurement of employee defined benefit plans	44.54	29.02
(Profit)/Loss on on sale of assets	0	0.11
Operating profit before working capital changes	7,075.24	2,637.45
Add/Less: Adjustments for working capital		
Inventories	(1,426.91)	(1,166.97)
Trade and other receivables	2,608.70	(677.72)
Trade and other payables	1,948.59	(1,051.05)
Cash generated from operations	10,205.62	(258.29)
Less: Direct taxes paid	134.87	(3.18)
Net cash from/(used) in operating activities (A)	10,070.75	(255.11)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in PPE and capital works	(857.62)	(604.85)
Investment in securities	-	(13.00)
Proceeds from sale of fixed assets	38.41	0.10
Margin Money deposit with banks and other balances	(24.61)	134.23
Interest received	29.18	29.54
Net cash used in Investing activities (B)	(814.64)	(453.98)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings	(6,296.06)	3,545.46
Dividend and tax paid	0	-
Interest and finance charges	(3,325.54)	(2,497.00)
Net cash from/(used in) financing activities (C)	(9,621.60)	1,048.46
Net Increase/(Decrease) in cash and cash equivalents	(365.49)	339.81
Cash and cash equivalents at the beginning of the Year	379.14	39.33
Cash and cash equivalents at the end of the Year	13.65	379.14
Net increase/(decrease) in cash and cash equivalents	(365.49)	339.81



INDEPENDENT AUDITORS' REPORT ON AUDIT OF QUARTERLY AND ANNUAL FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

KALLAM TEXTILES LIMITED

Report on the audit of the financial results

Opinion

We have audited the accompanying financial results for the Quarter ended March 31, 2022 (refer 'Other Matters' section below) and Financial Results for the Year ended March 31, 2022 of **KALLAM TEXTILES LIMITED** ("the Company"), ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the financial results for the Quarter and year ended March 31, 2022:

- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net Profit and total comprehensive Income and other financial information of the Company for the Quarter and year ended March, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial results for the Quarter and year ended March 31, 2022 under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the financial results

This Statement which includes the financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The financial results for the quarter and year ended March 31, 2022 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the financial results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive Income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with



Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the financial results for the quarter and year ended March 31,2022

Our objectives are to obtain reasonable assurance about whether the financial results for the quarter and year ended March31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable as assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with SAs will always detects a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to



CHEVUTURI ASSOCIATES
Chartered Accountants

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the results for the current and previous quarter ended March 31, 2022 and March 31, 2021 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current and previous financial year which were subject to limited review by us. Our report on the financial results is not modified in respect of this matter.

Place: Guntur,
Date: 27.5.2022

For CHEVUTURI ASSOCIATES
Chartered Accountants

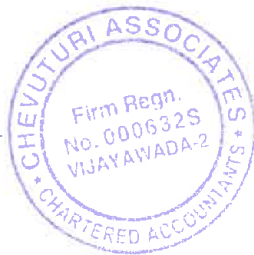
Firm's Registration No. 000632S

B. Raghunadha Rao
Raghunadha Rao Balineni

Partner

Membership No. 028105

UDIN:22028105AJSMFH1994





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GSTIN: 37AAACK9363M1ZY



Ref: KTL/CS/ Audit-Observation/ 2021-2022

Date: 27.05.2022

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

Scrp 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, 2022.

Thanking You,

Yours Sincerely,

For Kallam Textiles Ltd

P Venkateswara Reddy
Managing Director
DIN: 00018677

