



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@kallamtextiles.in

GSTIN: 37AAACK9363M1ZY



Ref: KTL/CS/Annual report 2023-24

Date: 03-08-2024

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,

In terms of provisions of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the 32nd Annual Report for the FY 2023-24 along with the Notice of 32nd, Annual General Meeting of the Company to be held on **Thursday, 29th August, 2024 at 03:00 P.M at the Registered Office of the Company, Chowdavaram, Guntur – 522019, Andhra Pradesh.**

The same will also be made available on the Company's website www.ksml.in & weblink <http://ksml.in/wp-content/uploads/2024/08/Annual-report-2023-24.pdf>

Kindly take the same on record

Thanking you,

For Kallam Textiles Limited

Golagani Ramesh Kumar
(Company Secretary & Compliance Officer)
ACS 39635

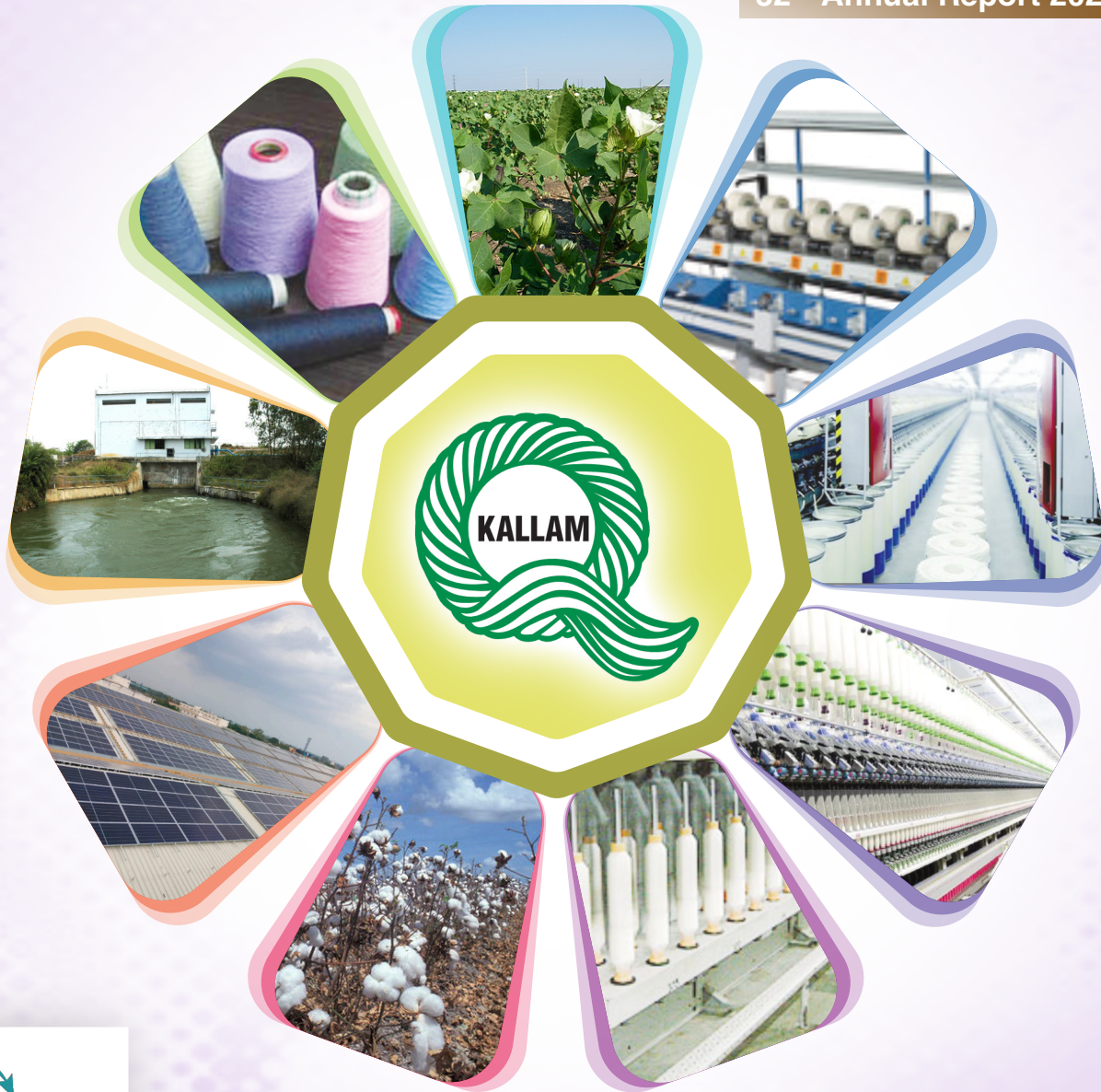




KALLAM TEXTILES LIMITED



32nd Annual Report 2023-24



Towards excellence in Spinning, Yarn Dyeing and Weaving

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32nd Annual General Meeting

Date : 29-08-2024

Time : 3 p.m.

Venue : Registered Office of the Company, NH-5,
Chowdavaram, Guntur Dist.-522 019.

e-mail : corp@kallamtextiles.in

Ph. : 0863-2344016

Disclaimer

This document contains statements about expected future events and financials of Kallam Textiles Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements. Accordingly, this document is subject to the disclaimer and Qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Sri P. Venkateswara Reddy

Managing Director

Sri G.V. Krishna Reddy

Joint Managing Director & CEO

Sri M.V. Subba Reddy

Whole Time Director & CFO

NON EXECUTIVE DIRECTORS

Sri VSN Murthy

CGM APIDC (Rtd.) Independent Director

Smt. Vangala Bhargavi

Chartered Accountant, Independent Woman Director

Sri Petluri Srinivas

Retd. MD & CEO, United Bank of India

Retd. Member, WDRA

Independent Director

Smt. L. Sandhya Rani (w.e.f. 29-05-2024)

Cost Accountant

Independent Director

Sri V.Raghavendra Reddy (w.e.f. 01-08-2024)

Tax Consultant

Independent Director

AUDITORS

STATUTORY AUDITORS

M/s Brahmayya & Co

Chartered Accountants, Guntur.

COST AUDITORS

M/s Sairam & Associates

Cost Accountant, Guntur

SECRETARIAL AUDITORS

M/s K.Srinivasa Rao & Co.,

Company Secretaries, Guntur

INTERNAL AUDITORS

M/s Mastanaiah & Co.,

Chartered Accountants, Guntur.

STOCK EXCHANGE LISTING

Bombay Stock Exchange Ltd

Scrip Code - 530201

ISIN: INE629F01025

REGISTRARS AND SHARE TRANSFER AGENT

Big share Services Pvt. Ltd

306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. Ph No.040-23374967. E-mail : bsshyd@bigshareonline.com

BANKERS

Union Bank (Formerly known as Andhra Bank)
Indian Bank
Bank of Baroda

Registered and Corporate Office :

NH-5, Chowdavaram, Guntur-522019 Phones: 0863-2344010, 2344016 Fax: 0863-2344000

E-mail: corp@kallamtextiles.in Website : www.ksml.in CIN No- L18100AP1992PLC013860

Works :

Ginning, Spinning, Open End Plants :

NH-5, Chowdavaram, Guntur-522019

Weaving and Dyeing Plants :

Kunkupadu, Addanki, Bapatla (Dist), Andhra Pradesh-523264

Hydel Plants :

Nelakondapalli(M)-507160,khammam (Dist),Telangana,India-507160



Mr. Poluri Venkateshwara Reddy
Managing Director



Mr. Gurram Venkata Krishna Reddy
Joint Managing Director & CEO



Mr. Movva Venkata Subba Reddy
Whole Time Director & CFO

Mr. Poluri Venkateshwara Reddy, aged 73 years is the Managing Director of our Company since September 28, 2002. He handles purchase of Raw cotton, Ginning, Civil Construction and Administration of Spinning Unit at Chowdavaram. He had been instrumental in setting up and developing Ginning Business and has in depth knowledge in selection of Kapas and Cotton Lint. Mr. PV Reddy is brother-in-law of Mr. Kallam Harinadha Reddy, one of the founder of our Company.

Mr. Gurram Venkata Krishna Reddy, aged 67 years, is Joint Managing Director & CEO of our Company. He is a graduate in Mechanical Engineering from Andhra University and completed his M.Sc (Engg) (Marine Engineering) from Royal Naval Engineering College, Plymouth, UK. He is a fellow member of Institute of Engineers and Institute of Marine Engineers.

Mr. GVK Reddy has served in Indian Navy for over fifteen years in a number of positions, before joining our Company in 1993. He was instrumental in commissioning of three Hydro Electric plants of our Company, and currently, he looks after day to day administration of Weaving and Dyeing Units, and Marketing and Finance Management of our Company.

Mr. Movva Venkata Subba Reddy, aged 67 years is the Whole Time Director and Chief Financial Officer of our Company. He is associated with the Company since 1996. He is Post Graduate in Commerce from Andhra University, Visakhapatnam. He is responsible for overall finance, accounts and taxation functions of our Company. He is also involved in raw material procurement and looking after day to day administration at Spinning and Ginning Unit at Chowdavaram.

M Share Transfer Committee

M Stakeholders Relationship Committee

M Stakeholders Relationship Committee

C Corporate Social Responsibility Committee

M Corporate Social Responsibility Committee

C Share Transfer Committee

M Share Transfer Committee



Mr. Suryanarayana Murty Vaddadi
Independent Director



Mr. Srinivas Petluri
Independent Director



Mrs. Bhargavi Vangala
Independent Director

Mr. Suryanarayana Murty Vaddadi, aged 84 years is the Independent Director of the Company. He is a Post Graduate in Commerce from Andhra University, Visakhapatnam. He joined Andhra Pradesh Industrial Development Corporation Ltd (APIDC) and was actively associated in various diversification programmes of APIDC. In 1997, he retired as Chief General Manager in APIDC.

Mr. Srinivas Petluri is aged 68 years. He has Graduate in B E, Andhra University, 1978 With nearly four decades of experience in public sector banking which includes over 4 years of experience at the board level in banks, including the 2nd largest PSU bank of the country. Have witnessed and contributed to the transition and transformation of the Indian Public Sector banking and financial service towards its unification with global perspectives. Extensive expertise in areas of finance, accountancy, banking, insurance, technology, risk management, payment systems and administration of large engagement. Post superannuation in PSB, handled the regulatory role as Member & Chairman (i/c) of Warehousing Development & Regulatory Authority for more than four years.

Mrs. Bhargavi Vangala, aged 38 years, is the Independent Director of our Company. She graduated in B.Com and is also F.C.A, DISA (Diploma in Information System Audit). She is a practicing Chartered Accountant. Mrs. Bhargavi qualified as a CA in the year 2011 and is practicing in Guntur, in the areas of Taxation, Auditing & Banking. Her Area of Specialization is Indirect Taxes. She is a Secretary for the Guntur Branch of SIRC (Southern India Regional Council) of ICAI.

C Audit Committee

M Nomination & Remuneration Committee

M Audit Committee

M Nomination & Remuneration Committee

M Corporate Social Responsibility Committee

M Audit Committee

C Nomination & Remuneration Committee

C Stakeholders Relationship Committee

MANUFACTURING FACILITIES IN AP & TELANGANA STATES



BOARD'S REPORT

TO

THE MEMBERS OF THE KALLAM TEXTILES LTD,

Your Directors take pleasure in presenting the 32nd Annual Report covering the highlights of the finance, business, and operations of your Company together with Standalone Audited Financial Statements prepared in compliance with Ind AS accounting standards, for the financial year ended March 31, 2024.

1. FINANCIAL RESULTS :

The financial results for the year ended 31st March 2024 are summarized below:

Particulars	2023-24 (₹in Lakhs)	2022-23 (₹in Lakhs)
Net Sale / Revenue from operation	36738.19	41286.99
Other income	108.87	132.65
Total	36847.06	41419.64
Operating Expenditure	40859.72	42090.57
Profit before Depreciation and amortization expense	(4012.66)	(670.93)
Depreciation and amortization expense	1598.95	1570.92
Profit before Exceptional Items and tax	(5611.61)	(2241.85)
Exceptional items		841.55
Profit / (Loss) before tax	(5611.61)	(3083.40)
Provision for income tax		
i) Current year Tax	-	0.25
ii) Deferred Tax	(1866.81)	(954.47)
Profit / (Loss) after tax	(3744.79)	(2129.18)
Earnings per share (₹ 2/-)	(7.09)	(4.23)

2. FINANCIAL PERFORMANCE STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

For the period under review (FY 2023-24), the turnover of the company was Rs 368.47 Crores as against Rs. 414.19 Crores in the previous Financial Year. The Net loss after tax was Rs.37.44 Crores as against net Loss Rs. 21.29 Crores in the previous financial year.

During the year the company made defaults in repayment of term loan instalments. The banks classified these loans as NPA and issued notices for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. The banks also taken possession of the properties offered as security u/s 13(4) of the Act. The company applied for restructure of these loans which is pending.

More details are available in Management Discussion & analysis report placed at **Annexure –I** to this report

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion & Analysis Report in line with Regulation 34(3) read with Schedule-V of the SEBI (LODR) Regulations, 2015 is placed at Annexure-I to this report.

DIVIDEND

During the year company has not recommended any dividend due to losses incurred by the company.

AMOUNTS TRANSFERRED TO RESERVES

There is no transfer amount to the reserves for the period under review.

ANNUAL RETURN:

Annual Return of the Company pursuant to Section 92 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, in the prescribed Form MGT-7, is available at the weblink <http://ksml.in/wp-content/uploads/2023/08/MGT-9-2023-24.pdf> as Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024.

3. NUMBER OF MEETINGS HELD OF THE BOARD:

The Board of Directors met 5 (Five) times during the year 2023-24. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) During the year the shareholders has confirmed the re-appointment of Sri. Mr.M.V. SubbaReddy (Din: 0018719) as a Whole Time Director of the company for a period of one year w.e.f 01.06.2023.

(ii) Re-appointment of Director under retire by rotation:

(ii) During the year the shareholders at the 31st AGM held on 28.08.2023 has approved the re-appointment of Sri. P.Venkateswara Reddy as a Director of the Company under the retire by rotation as per the provisions of the Companies Act, 2013.

(iii) Resignation of independent director during the financial year 2023-24

Mr.Varanasi Ramgopal, (DIN: 02889497) had resigned from the office of non executive independent director of the Company with effect from 30-04-2023 due to personal reasons.

(iv) Appointment of Independent Director during the Financial Year 2023-24

Mr. Srinivas Petluri (DIN: 02836590), appointed as independent Director of the company for a period of five years w.e.f 14.06.2023 as per the recommendation of the Nomination and Remuneration Committee

(v) Appointment of Independent Director

Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year to be appointed”: Subject to approval of shareholders at the ensuing Annual General Meeting of the company, the Board has proposed to appoint Smt.V L Sandhyarani (DIN: 10627130) , as independent Director of the company for a period of five years w.e.f 29.05.2024 in their Board meeting held on 29th may,2024 , for appointment as per the recommendation of the Nomination and Remuneration Committee, his reappointment for a term of another 5 (five) consecutive years effective from 29.05.2024 is very much beneficial to the company and therefore it is desirable to continue to avail his services as an Independent Director. Accordingly it is proposed to appoint Smt.V L Sandhyarani (DIN: 10627130) as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company and also necessary special resolution are appended in AGM Notice item no 3.

(vi) Appointment of Independent Director

Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year to be appointed”: Subject to approval of shareholders at the ensuing Annual General Meeting of the company, the Board has proposed to appoint Sri V. Raghavendra Reddy (DIN : 10704660), as independent Director of the company for a period of five years w.e.f 1st August, 2024 in their Board meeting held on 1st August, 2024, for appointment as per the recommendation of the Nomination and Remuneration Committee, his reappointment for a term of another 5 (five) consecutive years effective from 1st August, 2024 is very much beneficial to the company and therefore it is desirable to continue to avail his services as an Independent Director. Accordingly it is proposed to appoint Sri V.Raghavendra Reddy (DIN : 10704660) as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company and also necessary special resolution are appended in AGM Notice item no 4.

(vii) Directors seeking re-appointment under Retirement by rotation:

Mr.M.V.Subba Reddy , Director of the Company who is liable to retire by **rotation** at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible has offered himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

(viii) Statement on Declaration by the Independent Directors of the Company.

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company www.ksml.in.

(ix) Performance Evaluation of the Board, its Committees and Separate meeting of Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details are available in the Corporate Governance Report which forms part of this report.

- (x) **Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;**

Your Company has formulated the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR Regulations, 2015. The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this report.

- (xi) **Managerial Remuneration**

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in **Annexure –II** to this report.

5. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of section 124 of the companies Act, 2013, the declared dividends which remained un paid or unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government. The details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF is available in Corporate Governance report which forms part of this report.

During the year the company has transferred unclaimed dividend of Rs. 2, 35, 131 and to IEPF authority with respect to the dividend year 2015-16.

Disclosure with respect to Demat Suspense Account / unclaimed suspense account:

Your Company does not have any Unclaimed Shares

6. COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

- A.** Audit Committee
- B.** Nomination and Remuneration Committee
- C.** Stakeholders' Relationship Committee
- D.** Corporate Social Responsibility Committee.
- E.** Share Transfer Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

7. RISK MANAGEMENT :

The Company has implemented an integrated risk management framework, through which the Board and Audit Committee periodically reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of internal controls in place. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. More details on the same are given in the Report on Corporate Governance

8. DETAILS OF ADEQUACY INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements and the Company has effective risk-mitigation system keeping in view the size and nature of the business. Your company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are timely approved by the Audit Committee in consultation with the Statutory Auditors.

The main objective of internal control system and process is to test and review controls, appraisal of risks in business processes, and benchmarking controls with best practices in the industry. The Internal Audit function is entrusted to M/s Mastanaiah & Co., Chartered Accountants, Guntur, who submit their reports to the Joint Managing Director & CEO and has direct access to the Audit Committee and they participated in the meetings of the Audit Committee of the Board of Directors of your Company.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. The Internal Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence of the Internal Audit functions.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made there under and also SEBI (LODR) Regulations, 2015, your Company has in place a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s)/employee(s) who avail the mechanism and also provide for direct access to the Corporate Governance Officer/Chairman of the Audit Committee. The Whistle Blower Policy is also available on your Company's website (www.ksml.in). We confirmed that no person has been denied access to the audit committee.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and Rules made there under. Details on loans or investment are provided in financial statements section of this Annual Report. There were no Loans, Guarantees, Investments and securities given/made/provided by the Company during the Year

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, no transaction of material nature has been entered into by the Company with its Promoters, the Directors or relatives, etc, that may have a potential conflict with the interests of the Company. All related party transactions are placed before the Audit Committee and also for approval of Board on quarterly basis. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of repetitive nature and entered in the ordinary course of business and are on arm's length basis.

A Statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, is placed before the Audit Committee and the Board of Directors for their approval/ratification on a quarterly basis.

The Register of Contracts containing transactions, in which directors are interested, if any, is placed before the Audit Committee/Board regularly. The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Policy as approved by the Board is uploaded on the Company's website at www.ksml.in.

The details of the related party transactions as per Accounting Standard- 18 are set out in Notes to Accounts (Note No: -35) of the Financial Statements, forming part of this report

The details of the Related Party Transactions in prescribed Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed as Annexure -III to this Report.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is set out herewith as **Annexure -IV** to this report.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, your Company has put in place a Corporate Social Responsibility Committee which comprises of Mr. G.V.Krishna Reddy as Chairman and Mr. Srinivas Petluri, Mr M.V.Subba Reddy as members. The provisions of section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company during the year.

The Annual Report under CSR Activities is annexed to this report as **Annexure -V** to this Report.

The details relating to the meetings convened, etc. are furnished in the Report on Corporate Governance.

14. AUDITORS**(i) Statutory Auditors And Their' Report:**

M/s. Brahmayya & Co., Chartered Accountants (ICAI Registration No. 000513S) were appointed as statutory auditors at the AGM Held on 27th September, 2022 for term of five years till the conclusion of the 35th AGM to be held in the year 2027.

Auditors' Report

The Auditors' Report to the Members for the year under review is unmodified/ clean. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3) (f) of the Act. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

(ii) Cost Auditor:

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your

Company has been carrying out audit of cost records relating to Textile and Power Divisions every year. There is no adverse remark, qualification, reservation or disclaimer in the Cost Audit Report submitted by M/s. Sairam & Associates, Cost Accountant for the financial year ended 31.03.2024.

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 29th May, 2024 had appointed M/s. Sairam & Associates, Cost Accountant, (Membership No. 41948) as the Cost Auditor of your Company to carry out audit of cost records relating to Textile and Power Divisions as required under the Companies Act, 2013 for the financial year 2024-25 at a remuneration of Rs 30,000/-, plus applicable taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. SAIRAM & ASSOCIATES, Cost Accountant, to act as the Cost Auditor to carry out the audit of the cost records for the financial year 2024-25 a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

MAINTENANCE OF COST RECORDS:

Cost Audit is applicable to the Company. The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE COST AUDITOR IN HIS REPORT:

The Cost Auditor's report for the year ended 31.03.2024 does not contain any qualification, reservation or adverse remark or disclaimer in his report

(iii) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed K. Srinivasa Rao & Co, Company Secretaries, Guntur to undertake the Secretarial Audit of the Company for FY 2023-24. Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s. K.Srinivasa Rao & Co, Company Secretaries, Guntur has issued the Annual Secretarial Compliance Report, confirming compliance by the Company

of the applicable SEBI Regulations and circulars / guidelines issued there under. The Secretarial Audit Report & Annual Secretarial Compliance report are appended as "Annexure -VI" to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITORS IN HIS REPORT:

The Auditor's report for the year ended 31.03.2024 does not contain any qualification, reservation or adverse remark or disclaimer in his report

(iv) Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed by the Company or by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013.

15. MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2024 and the date of the Directors' Report

CASES FILED/DISPOSED PENDING UNDER IBC:

There were no cases filed/disposed/pending against the company under IBC code.

CHANGES IN SHARE CAPITAL

During the current year, there is no change in the capital Structure of the company.

16. CORPORATE GOVERNANCE:

A report on Corporate Governance in line with Regulation 34 read with Schedule-V of SEBI (LODR) Regulations, 2015 is appended and annexed as a separate section to this report.

The Statutory Auditors of the Company have issued a certificate on Corporate Governance which is appended to the Corporate Governance Report.

17. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

Our Company does not have any material Subsidiary Company in terms of Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015. Accordingly, the financial statements of our Company are not required to be consolidated in accordance with the applicable Indian Accounting Standards

Company has neither any Associates nor any Joint Ventures as on March 31, 2024

18. PUBLIC DEPOSITS :

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There is no material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

20. ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure the compliances of environmental regulations and preservation of natural resources for future Generations.

21. OBLIGATION OF YOUR COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

To prevent sexual harassment of women at work place, The Central Government notified "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". Under the said Act every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Director's hereby confirm that they have adopted a policy for prevention of Sexual Harassment of Women at Workplace and have constituted Internal Complaints Committees (ICC). During the year 2023-24, there was no Complaints Received in this regards.

22. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), your Directors hereby confirm that:

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2024, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there are no material departures from the same;
- (b) For the financial year ended 31st March, 2024, the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2024 and of the profit and loss of the Company for the financial year ended 31st March, 2024;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) Financial statements have been prepared on a "going concern" basis;
- (e) Proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

23. APPRECIATIONS AND ACKNOWLEDGEMENTS:

Your Directors sincerely convey their appreciation for the unbelievable commitment, support, dedication, hard work, enthusiasm and significant contribution made by employees in ensuring sustained growth of the Company. Your Directors also take this opportunity to thank all shareholders, Clients, Vendors, Bankers, Government and Regulatory Authorities and Stock Exchanges for their continued co-operation.

For and on behalf of Board of Directors

Date : 01-08-2024

Place : Chowdavaram, Guntur

Sd/-

G.V. Krishna Reddy
Joint Managing Director
DIN: 00018713

Sd/-

P. Venkateswara Reddy
Managing Director
DIN : 00018677

MANAGEMENT DISCUSSION AND ANALYSIS

TEXTILE INDUSTRY

GLOBAL

The Global Textile market is anticipated to rise at a considerable rate due to factors such as the continued increase in global population and urbanization, the rapid expansion of e-commerce, heightened expenditure on leisure activities, the growing retail penetration, increased internet accessibility and smartphone usage, and a rising preference for contactless delivery solutions. Notable trends expected in the forecast period include a shift towards adopting digital textile printing, focus on utilizing nonwoven fabrics, an emphasis on the use of organic fibers, a spotlight on sustainable fibers, adoption of digital platforms for textile supply chain management.

INDIA

The textile industry in India is largest industry after agriculture and is also highly labour intensive offering the largest volume of employment. India is among the world's largest producer of textiles and apparels. The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

The global cotton yarn market size is projected to grow from \$86.11 billion in 2024 to \$117.79 billion by 2032, at a CAGR of 4.0% during the forecast period.

COMPANY OVERVIEW

During the year the company made defaults in repayment of term loan instalments. The banks classified these loans as NPA and issued notices for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. The banks also taken possession of the properties offered as security u/s 13(4) of the Act. The company applied for restructure of these loans which is pending.

Reasons for sickness:

The volatility in cotton and cotton yarn prices, non availability of regular power supply for mills, increase in cost of private power and increase in finance cost were the reasons for decline in profits which are overall industry specific reasons.

Besides the company has been suffering with specific problems, which are very well known to the bank authorities.

To narrate the main reasons- , Under utilization of high end facilities procured by the company which enable to produce Combed and compact yarn which is not able to produce due to lack of demand, Labour migration, blocking of funds receivable from Govt. Power rebate and delay in getting TUF rebate are the main reasons.

In light of the above, as the company is already facing financial crisis, it is very difficult to honour the commitments regularly to the banks for next 2 years.

It enables the company to consolidate and strengthen in 2 years. In future the performance will be improved in light of the expected favorable conditions of the state particularly for power and projected better environment for industries with the help of Central and State Govt. policies, as the both the Governments are interested to develop manufacturing sector in our country.

The above stated reasons had adverse impact on the performance of the company which resulted into decrease in profitability of the company in FY 2023-24.

OPPORTUNITIES & THREATS [SWOT ANALYSIS]**(i) Opportunities**

The textile Industry scenario continues to be difficult and anticipated recovery process is at slow pace.

- High volatility in cotton price eroded the working capital of the Textile units, including spinning mills a part from affecting the profitability.
- MPEI is "yarn selling price – clean raw material cost", i.e., conversion cost + profit. A considerable reduction in this value is continuing, indicating the slow recovery from stress faced by textile units.
- Our First Quarter ended with Loss and Second quarter is also expected to end with loss, though it may be in declining trend.
- Textile units are mostly under stress due to low profitability and slow pace recovery of the industry.
- Also, there is still no parity between the raw material price and the yarn selling price. The segment performed well when there was parity between the two factors
- The spinning mills, are operating at low-capacity utilization due to low demand in international market due to:
 - Russia-Ukraine war
 - Recession in major international markets
 - Moving customer preference from traditional textiles to recycled textiles
 - High raw material cost
 - High volatility in raw material cost, etc.
- Disruptions in Raw Materials Supply
 - Declining cotton production from the level of 398 lakh bales to 320 to 330 lakh bales; India has become a cotton deficit country from state of net exporter of cotton.
 - India might require over 400 lakh bales to meet 360 lakh bales for domestic consumption and remaining for exports.
 - Man Made Fiber (MMF) Quality Control Orders stalled imports and disrupted supply of key MMF raw materials like Viscose Staple Fiber and Polyester Staple Fiber including specialty fibers (functional finish fibers, Bamboo, etc.) not produced in the country

Threats

- safety and health of the workers and staff;
- disrupted supply chains
- lack of demand or the fear significant drop in demand
- Lack of liquidity.
- Cotton contamination and quality problem.
- Increased pressure on prices.
- Competition from international brands.

OUR COMPETITIVE STRENGTHS:***Manufacturing facility with locational advantage and state-of-the-art machinery to deliver quality products***

We have two manufacturing facilities in the state of Andhra Pradesh and our hydro power plant is located in the state of Telangana. Our manufacturing facility located in Guntur, AP enjoys locational advantage since Guntur is a major and one of the best quality cotton growing areas in India that produces MCU5, which is long staple cotton and is suited for fine counts. It is also a major centre for cotton breeding in southern zone. Our Guntur unit is located NH16, Golden Quadrilateral connecting Chennai and Calcutta and in proximity to Krishnapatanam port and Vishakhapatnam port which helps in saving logistics cost for export operations. Further, our weaving and dyeing units are located near to tri-junction with highway access to Chennai, Hyderabad and Calcutta. All the manufacturing facilities are well equipped to deliver quality products.

Quality control measures

Our Company has implemented stringent quality control measures to produce superior quality yarn and fabric for our domestic and international customers. As the quality of our products depends on the raw material quality, so we source the superior quality raw material from farmers/suppliers. We carry raw material inspection on Uster HVI Spectrum and Uster Afis Pro -2 for 2.5% SL, uniformity, MIC, Strength, Short fiber content % and neps /grm. Bale management system is followed for consistent superior yarn quality, and for this, cotton stock is maintained for 5-6 months. Carding and combing process is optimized for NRE of 75% to 85% and 65% to 70% respectively. RIETER D35 /D40 / D45 draw frames are maintained for less than 0.50%. In ring frame breakages are maintained below 5 to 6 breaks per 100-spindle hour. In auto coner utmost care is taken for achieving 85% splice strength with defect-free packages.

Further, apart from in process inspection system, our mill has adopted stringent final inspection procedure before dispatching yarn to its customers.

Wide range of products across cotton yarn and woven fabrics businesses

We have continuously expanded our range of products to cater to the customized requirements of our customers. Our product range includes Ring Spun combed yarn (from Ne.30s to Ne.80s combed warp / compact), TFO ring spun yarn, Open End yarn (from Ne10s to Ne20s), TFO open end yarn,, BCI certified yarn and woven fabric such as yarn dyed shirting and bottom weight fabric. Our yarn dyed shirting includes cotton range and blended products.

Experienced management team with strong industry expertise

Our Managing Director, Mr. Poluri Venkateshwara Reddy, has been instrumental in developing Ginning Business of our Company. He has in depth knowledge in selection of Kapas and Cotton. Mr. Gurram Venkata Krishna Reddy, Joint Managing Director and CEO, has vast experience in Manufacturing of Cotton Yarn. He also looks after the day-to-day affairs of the Company.

OUR STRATEGY**Improvement in range of our Products:**

We are focusing on development of more specialized and customized grades for specific applications in conjunction with our Customers. For this purpose, we are also focusing on improving our technical expertise to support customers and market development.

Customer relationship, sales, and distribution strategy

In India, we have been selling our products mainly to customers in South and Western India. Furthermore, our growth also depends on our ability to attract additional fabric and garment manufacturers, and distributors. Accordingly, we intend to continue to focus on developing and strengthening our sales and distribution network, and introducing integrated solutions for the benefit of our customers. As a part of our sales and distribution strategy, we propose to penetrate the domestic market further and at the same time we propose to continue our endeavor to establish a global presence for our products through the export market in the near future by further developing strategic relationships with key clients.

Captive power: Clean/Green Energy

We are working on reducing electricity cost. SITRA report on Energy monitoring is submitted. Operational Cost Optimization-Captive Power Electricity is one of our biggest costs by adding captive power generation will reduce our operational costs. Increasing our captive solar power generation will help us strengthen our PAT in the future. We have total requirement of 4.0 MW solar power to feed all the units so far we are executing net metering project under HT metering GNT 509, GNT3035& ONG 828 totaling 3MW capacity.

Our fabric made of organic or BCI cotton in combination with clean energy will make our fabric more sustainable and attract clothing brands in the future.

RISK & AREAS OF CONCERNS:

The Key factor in determining a company's performance is the company's ability to manage the risks in it business/ environment effectively. Many risks exist in a company's operating environment and they emerge on a regular basis,Viz Currency Risk, Commodity price Risk and Human Resource Risk. Risk management is embedded in operating framework of your Company. The risk management framework defines the risk management approach of the Company and also includes the periodical review of such risks. Your Company believes that managing risks helps in maximizing returns. The Board and the Audit Committee review the risk management framework periodically.

Other risk, factors include:

Rising input costs
Labor availability
Weak economic environment and consumer sentiment
Competition
Trade Barriers

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS AND RISK MANAGEMENT PRACTICES.

The Details regarding adequacy of internal control system is available in the Directors' Report, which should be treated as forming part of this Management Discussion and Analysis Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED***i. Safety, Health And Environment:***

Safety, Health and Environment is one of the primary focus areas for your Company. We are conducting our business with respect and care for people and the environment. We have the responsibility towards the utilization of natural resources.

Your Company will always set the objectives and targets that result in continuous improvement of our Safety, health and environmental performance. Your company has Complying with agreed corporate requirements that embrace the duty of care, including compliance with applicable laws.

ii. Human Resources And Industrial Relations:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Industrial relations were cordial throughout the year.

During the Year under review 580 employees were employed in various activities of the company

DISCLOSURE OF ACCOUNTING TREATMENT:

Disclosure of Accounting Treatment in the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies, which are consistently applied, are set out in the Notes to the Financial Statements.

MARKETING APPROACH AND MARKETING SET UP

Our team including Directors through their relevant experience and good rapport with our customers due to the timely delivery of quality products has played an instrumental role in creating and expanding a work platform for our Company. We have dedicated teams of Marketing Personnel in our Ring Spinning and Open End Division as well as Weaving and Dyeing Division. The Marketing division has well trained team with six officials for spinning division and seven in weaving division. The marketing division is headed by an official of the rank of Vice President and is directly under control of our executive Directors. The sales and marketing of Yarn and fabric is based on factors such as quality, easy availability and competitive pricing of the products. Our client base includes reputed corporate houses in the India textile industry and in the global markets we export our products to a number of countries as well. Some of our major domestic corporate clients include Universal Cottex, Gimatex Industries Limited to whom we sell our Yarn and Jhakaria Fabrics to whom we sell fabric. We also export our products to Paramount Textiles Limited in Bangladesh, Zhejiang Zhongda Group International Trading Co. and Xiamin ITG Group Co. Ltd. in China. Our Company has loyal and committed customer base who keep buying company products from time to time.

Kallam Textiles Limited**MANUFACTURING FACILITIES:**

The details of our manufacturing facilities are as given below:

Ginning, Spinning & Open End Plants – Our Ginning, Spinning and Open End plants are located at NH 16, Chowdavaram, Guntur -522 019, Andhra Pradesh, spread in an area of 23.14 acres. We operate 59,280 spindles of Ring Spinning out of which 34,416 are compact & 24,864 are Non-Compact and 2,912 rotors for manufacturing open end yarn. Ginning Division has a capacity to press 6,000 bales per month. Ring Spinning Division has a production capacity of 420 tons per month whereas our Open end Division has a capacity of 500 tons per month.

Weaving & Dyeing Plants – Our weaving and dyeing divisions are located at Kunkupadu village - 523265, Addanki mandel, District – Bapatla, Andhra Pradesh spread in an area of 134.01 acres. Our Weaving division has production capacity of 248 looms whereas our dyeing division has a capacity of 3,000 kgs per day.

Hydel Plants – Your Company has three hydroelectric plants with a total capacity of 4.0 MW, two with the capacity of 1.6 MW each and one with 0.8 MW. The plants are located at Nelakondapalli - 507160, District - Khammam, Telangana spread in an area of 39.06 acres. These plants are on 16th & 17th branch canal of Nagarjuna Sagar project left to main canal..

Solar Plants – Your Company had established 2.0 MW AC at spinning unit, chowdavaram and 1.0MW AC at weaving unit, kunkupadu , addanki. The generation had been very encouraging. We plan to increase solar capacity in the next financial year. your company is expanding solar plant at Guntur by 1.0 MWAC and at Weaving palny by 0.6 MWAC

The details of sale of our products for FY 2023 - 2024 is as under:

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Quantity (in Kgs)	Revenue (in Rs.)	Quantity (in Kgs)	Revenue (in Rs.)
i) Cotton Yarn	63,19,651	15,307.94	48,02,069	14,390.81
ii) OE Yarn	34,79,712	6,081.53	44,19,415	8,622.84
iii) Cotton PC Yarn	12,672	21.95	6,09,339	1,218.39
iv) Cotton PV Yarn	35,742	64.21	2,36,992	455.00
v) Cotton Waste	11,05,605	874.89	11,32,653	1,020.38
vi) OE Waste	7,32,957	182.62	10,39,817	245.42
vii) Cotton Seed	14,45,101	423.45	22,35,304	758.24
viii) Cotton Lint	7,48,917	1,197.36	11,80,965	2,212.41
ix) Sale of Gray Fabric (Mtrs)	1,94,29,905	12,690.11	1,75,09,761	13,301.87
x) Sale of Fabric Waste	1,19,328	42.70	98,937	43.15
xi) Sale of Dyed Fabric (Mtrs)	29,74,306	3,390.54	28,61,878	3,651.63
xii) Sale of Dyed Yarn (Kgs)	5,05,008	1,997.49	5,25,201	2,528.29
xiii) Gray Yarn	-	-	-	-
xiv) Sale of Solar Power (KWH)	96,06,375	432.29	83,15,253	374.19
xv) Sale of Power (KWH)	2,88,250	16.56	54,25,842	297.93
		42,723.64		49,120.56
Less: Inter divisional transfers				
Cotton Yarn	7,15,966	2,312.60	4,52,325	1,769.77
OE yarn	50,450	94.79	53,820	132.09
Dyed yarn	5,05,008	1,997.49	5,25,201	2,528.29
Gray Yarn	-	-	-	-
Cotton Waste	8,34,501	665.07	9,43,514	892.04
Cotton Lint	7,48,917	1,197.36	11,80,965	2,212.41
Solar Power	96,06,375	432.29	83,15,253	374.19
		6,699.59		7,908.78
TOTAL		36,024.05		41,211.77

CAPACITY AND CAPACITY UTILISATION:

Manufacturing Facility	Fiscal 2023-24		Fiscal 2022-23		Fiscal 2021-22	
	Installed capacity	Capacity Utilization	Installed capacity	Capacity Utilization	Installed capacity	Capacity Utilization
Ginning Division	28 Gins	31.7	28 Gins	44.1	28 Gins	27.35
Spinning Division	59,280 Spindles	80.86	59,280 Spindles	76.49	59,280 Spindles	90.31
Open End Division	2,912 Rotors	92.42	2,912 Rotors	90.33	2,912 Rotors	96.32
Weaving Division	248 Looms	85.73	248 Looms	72.03	248 Looms	81.62
Dyeing Division	3,000 KG/P.A	57.49	3,000 KG/P.A	47.18	3,000 KG/P.A	49.06
Hydel Plant	4MW	NIL	4MW	20.63	4MW	13.77

Sl. No.	Particulars	Formula	Year Ended March 31, 2024 (Audited)	Year Ended March 31, 2023 (Audited)	Variance (in %)	Reason for variance
1	Current ratio - [no. of times]	Current assets / current liabilities	0.52	0.81	-35.81%	Increase in utilisation of working capital during the year
2	Debt-equity ratio - [no. of times]	(Non-current borrowings (+) current borrowings) / Equity	6.34	3.54	-78.91%	Increase of debt and decrease in profitability
3	Debt service coverage ratio ('DSCR') - [no. of times]	(Profit after tax before depreciation, amortisation, finance costs) / Interest expenses (+) principal repayments of long-term debt)	0.18	0.30	-41.35%	Decrease in profitability compared to last year
4	Return on equity (%)	(Profit after tax) / Average Shareholder's equity	-54.97%	-23.07%	-138.27%	Decrease in profitability compared to last year
5	Inventory turnover - [no. of days]	Average inventory / (revenue from operations / no of days for the period)	13.85	15.70	11.78%	
6	Trade Receivables turnover - [no. of days]	Average trade receivables / (revenue from operations / no of days for the period)	19.36	19.95	2.95%	
7	Trade payables turnover ratio - [no. of days]	Average trade Payables / (Raw material Purchases / no of days for the period)	24.04	13.67	-75.81%	Increase in trade payables during the year
8	Net capital turnover (no. of times)	Turnover / (Current assets - current liabilities)	(2.87)	(9.29)	-69.00%	Decrease in working capital during the year
9	Net profit Ratio (in %)	Profit after Tax / Turnover	-10.19%	-5.16%	-97.48%	Decrease in profitability compared to last year
10	Return on Capital employed (%)	EBIT / (Net worth + Total debt)	-5.64%	-0.27%	-1988%	Decrease in profitability compared to last year
11	Return on investment (%)		Nil	Nil	Nil	

CAUTIONARY STATEMENT:

Statements in the Directors' Report and Management Discussion and Analysis describing the Companies objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include, among others, economic conditions effecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

For and on behalf of Board of Directors

For and on behalf of Board of Directors

Date : 01-08-2024

Place : Chowdavaram, Guntur

Sd/-

G.V. Krishna Reddy

Joint Managing Director

DIN: 00018713

Sd/-

P. Venkateswara Reddy

Managing Director

DIN : 00018677

ANNEXURE -II TO THE DIRECTORS REPORT FOR FY 2023-24

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (Appointment and remuneration of managerial personnel) rules, 2014

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director / KMP and Designation	Remuneration of Director During the F.Y 2023-24 (Amount In Rs)	Ratio of remuneration of each Director/to median remuneration of employees
1	P. Venkateswara Reddy Managing Director	28,00,168	19.33
2	G.V.Krishna Reddy Joint Managing Director	32,74,868	16.70
3	M.V.Subba Reddy Whole Time Director	12,03,065	3.13
4	V.S.N Murthy, Non Executive Nominee Director	90,000	0.45
5	V.Ramagopal, Non Executive Independent Director	NA	NA
6	V. Bhargavi, Non Executive Independent Director	90,000	0.45
7	P.Srinivas, Non Executive and Independent Director	60,000	0.30
8	Golagani Ramesh Kumar, Company Secretary	4,93,850	2.51

Note :

II. Details of percentage increase in the Remuneration of each Director in the Financial Year 2023-24 is as follows

S. No.	Name of the Director / KMP and Designation	Remuneration of Director/ KMP During the F.Y 2023-24 (Amount In Rs)	Remuneration of Director/KMP During the F.Y 2022-23 (Amount In Rs)	% Increase/(Decrease) in Remuneration in the Financial Year 2022-23
1	P. Venkateswara Reddy Managing Director	28,00,168	37,90,279	(26.12)
2	G.V.Krishna Reddy Joint Managing Director	32,74,868	37,40,094	(12.45)
3	M.V. Subba Reddy Whole Time Director	12,03,065	11,97,525	0.50
4	V.S.N Murthy Non Executive and Nominee Director	90,000	75,000	20.00
5	V.Ramagopal Non Executive and Independent Director	NA	60,000	NA
6	V. Bhargavi Non Executive and Independent Director	90,000	90,000	0
7	P.Srinivas, Non Executive and Independent Director	60,000	NA	0
8	Golagani Ramesh Kumar, Company Secretary	4,93,850	4,71,428	4.75
	Total	80,11,951	94,24,723	

III. Percentage increase in the median remuneration of all employees in the financial year 2022-23

Particulars	2023-24	2022-23	% Increase/(Decrease) in the Financial Year 2023-24
Median Remuneration of all the Employees	1,96,486	2,39,745	(18.04)

IV. There were 317 permanent employees on the rolls of the Company as on 31st March, 2024.**V. Comparison of Remuneration of the Key Managerial Personnel (s) against the performance of the Company:**

The total remuneration of Key Managerial Personnel decreased from 94.24 Lakhs in 2022-23 to 80.11 Lakhs in 2023-24 whereas the Net loss after tax was Rs.37.44 Crores as against net Loss Rs. 21.29 Crores in the previous financial year.

- VI)** There were no employees in the Company as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- VII)** Disclosure regarding the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is not applicable to the company
- VIII)** The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resource Department, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- IX.** It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of Board of Directors

Date : 01-08-20234

Place : Chowdavaram, Guntur

Sd/-

G.V. Krishna Reddy

Joint Managing Director

DIN: 00018713

Sd/-

P. Venkateswara Reddy

Managing Director

DIN : 00018677

FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1) There are no contracts/arrangements entered into by the Company with related parties which are not at arm's length basis.
- 2) There are no materials contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of Section 188 of the Companies Act, 2013.
- 3) There were no materially pecuniary relationships or transactions of the non-executive directors' vis-à-vis the Company.
- 4) Details of non-material contracts/arrangements at arm length basis with related parties for the year ended 31st March, 2024 are as follow:-

S. No.	Name of the related party	Nature of Contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any	Date of approval by the Board, if any	Amount(In ₹)	Advances paid if any
1	Kallam Agro products and Oils Pvt. Ltd	Sale of Goods and Services	2 Years	10% of Total Turnover of the Company or 100 Crores Which ever is lower	14-08-2023	₹ 0	NIL
2	P.Govardhan Reddy Son of Managing Director		-	Appointed on a Monthly remuneration not exceeding Rs 2,50,000/- Per Month	14-08-2023	Commensurate with qualification and experience an amount of Rs 46,822 Per Month is being paid	NIL

For and on behalf of Board of Directors

Date : 01-08-2024

Place : Chowdavaram, Guntur

Sd/-

G.V. Krishna Reddy

Joint Managing Director

DIN: 00018713

Sd/-

P. Venkateswara Reddy

Managing Director

DIN : 00018677

ANNEXURE -IV TO THE DIRECTORS' REPORT**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:**1. Steps taken or impact on conservation of energy :**

Company continues its efforts to reduce and optimize the energy consumption at all manufacturing facilities, including corporate office at Chowdavaram, Guntur -522019.

All the manufacturing units continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on a daily basis at individual factory / block level and also at consolidated manufacturing level. Energy conservation initiatives are being planned and implemented across manufacturing locations Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. The measures taken in all the manufacturing units of your Company have been briefly enumerated as below:

- a) Installation of energy efficient lighting fixtures such as Compact Fluorescent Light Bulbs (CFLs)
- b) Optimized usage of Captive compressors.
- c) Saving in diesel consumption for steam generation boiler operation
- d) Optimization of Plant Power load to match the daily power demand.
- e) Dedicated team working for monitoring the lighting system and staff trained for prevention of excessive usage of power inside the campus
- f) Implemented RO plant for recycling & reuse of water.
- g) Replacing existing aged inefficient Split AC units with energy efficient units
- h) Use of Flood light LED and power efficient Metal Halide lamps instead of Halogen in campuses
- i) Efforts have been put consistently year on year to optimize energy consumption in production processes and operation of utilities.
- j) Implemented changes in processing methods which reduced cycle time resulting in lower power consumption.

Form A (Form For Disclosure Of Particulars With Respect To Conservation Of Energy)**a) POWER AND FUEL CONSUMPTION:**

S. No	Particulars	2023-24	2022-23	Amount in ₹
1	Electricity			
	a) Purchased units (KWH)	4,48,93,701	4,39,40,400	
	Total amount in	3,219,61,963	3,281,55,951	
	Rate per unit in	7.17	6.58	
	b) Own Generation			
	i) Through Diesel Generator			
	Units generated – KWH			
	Total Amount in			
	Cost per unit in			
	ii) Through Solar Generation			
	Units generated – KWH	96,06,375	68,90,515	
	Units consumed – KWH			
	iii) Through Hydel Generation			
	Units generated – KWH	0	54,25,842	
	Units consumed – KWH			
	Total Cost in		-	
1	Cost per KWH in			
2	Coal	-	-	
3	Furnace Oil	-	-	
4	Other Internal Generation	-	-	
	b) CONSUMPTION PER UNIT OF PRODUCTION (NO.OF UNITS/KG.)			
1	Electricity		-	
2	Coal	-	-	
3	Furnace oil	-	-	
4	Hydel	-	-	

2. Steps taken by the company for utilising alternate sources of energy

We are working on reducing electricity cost. SITRA report on Energy monitoring is submitted. Operational Cost Optimization-Captive Power Electricity is one of our biggest costs by adding captive power generation will reduce our operational costs. Increasing our captive power generation will help us strengthen our PAT in the future. We have total requirement of 40MW solar power to feed all the units so far we are executing net metering project under HT metering GNT 509, GNT3035 & ONG 828 totaling 3MW capacity.

3. Capital investment on energy conservation equipment :

Investment of RsNIL was made towards purchase of Solar panel and other accessories

B. TECHNOLOGY ABSORPTION, ADAPTAION AND INNOVATION:

Technology Absorption		
i)	the efforts made towards technology absorption;	Not Applicable
ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
	(a) Details of technology imported	
	(b) Year of import	
	(c) Whether the technology been fully absorbed	
	(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	
(iv)	Expenditure incurred on Research and Development	

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS :

Foreign exchange earnings during the year under review amounted to 46.12 lakhs. The foreign exchange expenditure during the year amounted to 77.77 Lakhs

		₹ Lakhs	
		2023-24	2022-23
i) Actual Inflows:	Foreign Exchange Earnings :		
	Exports	46.12	868.90
	Total		
ii) Actual Outflows:	Foreign Exchange Outgo:		
	Imports		
	- Raw Materials Etc	-	-
	- Capital Goods	-	-
	- Spares	41.75	140.91
	Others (Royalty,Consultancy,Commissions)	36.02	7.20
	Total		237.66

For and on behalf of Board of Directors

Sd/-

G.V. Krishna Reddy
Joint Managing Director
DIN: 00018713

Sd/-

P. Venkateswara Reddy
Managing Director
DIN : 00018677

Date : 01-08-2024

Place : Chowdavaram, Guntur

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline on CSR Policy of the Company.

	Kallam Textiles Limited's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and society at large. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.
	The activities or projects that will be undertaken by the Company shall include one or more of the following as may be recommended by the CSR Committee and approved by the Board of Directors.
(i)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinkingwater.
(ii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancementprojects.
(iii)	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwardgroups.
(iv)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
(v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
(vi)	Measures for the benefit of armed forces veterans, war widows and theirdependents;
(vii)	Training to promote rural sports, nationally recognized sports, paralympic sports and olympicsports
(viii)	Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities andwomen;
(ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the centralgovt.
(x)	Rural developmentprojectsSlumareadevelopment

2. Composition of CSR Committee:

S. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee. attended during the year
1	Mr. G.V.Krishna Reddy	Chairman (MD)	1	1
2	Mr. Srinivas Petluri (Appointed on 14.06.2023)	Member (NED & ID)	1	1
3	Mr. M.V.Subba Reddy	Member (WTD)	1	1

Note: Mr.Varanasi Ramagopal is resigned on 30.04.2023

Mr. SrinivasPetluri appointed on 14.06.2023

During the year the CSR committee has met on 14-08-2023 all the members were attend to the said meeting

3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:<http://ksml.in/wp-content/uploads/2016/10/ksml-csr-policy.pdf>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:
6. Average Net Profit of the Company as per Section 135(5):NA
7. (a) Two percent of average net profit of the company as per section 135(5):NA
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA
(c) Amount required to be set off for the financial year: NA
(d) Total CSR obligation for the financial year (7a+7b-7c):0 During the year the company has not required spent any CSR expenditure and there was no CSR obligation the Company
8. (a) CSR amount spent or unspent for the financial year:

S. No.	Amount Unspent (in J lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
Total Amount Spent for the Financial Year (in laks.)	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	0	NA	NA	NA	
0	0	NA	NA	NA	

(b) Details of CSR amount spent against ongoing projects for the financial year: NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8	
SN.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project 1. State 2. District	Amt.spent for the project (in lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency	
							Name	CSR Reg. No
1	NA	NA	NA	NA	NA	NA	NA	NA

- (d) Amount spent in Administrative Overheads: Nil
 - (e) Amount spent on Impact Assessment, if applicable: Not Applicable
 - (f) Details of CSR Spent during the financial year, if any (8b+8c+8d+8e): NIL
 - (g) Excess amount for set off, if any : Nil
 9. (a) Details of Unspent CSR amount for the preceding three financial years: NA
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):NA
 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable
(a) Date of creation or acquisition of the capital asset(s):
(b) Amount of CSR spent for creation or acquisition of capital asset:
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
 11. Specify the reasons, in case, the Company has failed to spend two per cent of the average net profit as per Section 135(5): NA
- It is hereby confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company

Sd/-

G.V. Krishna Reddy

Chairman

CSR Committee

Date : 01-08-2024

Place : Chowdavaram, Guntur

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

M/s. Kallam Textiles Limited,

(Formerly known as Kallam Spinning Mills Ltd)

Chowdavaram, Guntur.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Kallam Textiles Limited (Formerly known as Kallam Spinning Mills Ltd) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The Following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (vi). The Company has identified the following laws as specifically applicable to the Company:
1. The Textiles Committee Act, 1963 and the rules made there under;
 2. The Textiles (Development and Regulation) Order, 2001
 3. The Textiles (Consumer Protection) Regulations, 1988

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and the Uniform Listing Agreement entered with the said stock exchange pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable with effect from 01st December, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

We further report that during the period under review, the company has made defaults in repayment of term loan installments to the Bankers i.e. Union Bank of India and Indian Bank. Consequently, the Bankers of the company has classified the outstanding loans of the company as "Non-performing Asset (NPA)" on 29-12-2023 and issued notices for recovery of these dues u/s 13(2) of SARFAESI Act, 2002. The bankers have also issued possession notice u/s 13(4) of the Act in the month of March, 2024. As further informed by the Management that the Company has applied for restructuring of these loans with the Bankers and which is pending as on the date of this report.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

For K. Srinivasa Rao & Co.
Company Secretaries.,

Sd/-

K. Srinivasa Rao, Partner
Company Secretaries.,
K. Srinivasa Rao, Partner
FCS. No. 5599/ C. P. No: 5178
UDIN : F005599F000491700
P.R.No. 1416/2021

Place: Guntur

Date : 29-05-2024

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

To

The Members,

M/s. Kallam Textiles Limited,
(Formerly known as Kallam Spinning Mills Ltd)
Chowdavaram, Guntur.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Guntur

Date:29-05-2024

For K. Srinivasa Rao & Co.
Company Secretaries.,

Sd/-

K. Srinivasa Rao, Partner
FCS. No. 5599/ C. P. No: 5178
UDIN : F005599F000491700
P.R.No.1416/2021

Annual Secretarial Compliance Report of KALLAM TEXTILES LIMITED

(Formerly known as "Kallam Spinning Mills Limited")

For The Year Ended 31-03-2024

[Pursuant to Regulation 24A of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

M/s KALLAM TEXTILES LIMITED,

N.H.5, Chowdavaram,
Guntur.

We M/s. K.Srinivasa Rao & Co., Company Secretaries, Guntur have examined:

- (a) All the documents and records made available to us and explanation provided by **M/s KALLAM TEXTILES LIMITED (CIN:L18100AP1992PLC013860)** ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31.03.2024** ("Review Period" i.e 01.04.2023 to 31.03.2024) in respect of compliance with the provisions of :
 - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable as there was no reportable event during the financial year under review**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **-Not Applicable as there was no reportable event during the financial year under review**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **Not Applicable as there was no reportable event during the financial year under review**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable as there was no reportable event during the financial year under review**
- (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable as there was no reportable event during the financial year under review**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as there was no reportable event during the financial year under review**
- (j) SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 in terms of Para 6(A) and 6(B) of the said circulars on "Resignation of statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period of the listed entity - **Not Applicable as there was no reportable event during the financial year under review**
- (k) Other regulations as applicable and circulars/ guidelines issued thereunder;

And based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, We hereby report that, during the Review Period:

- (a) (a)The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL		

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
-NIL-				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports for the year ended 31.03.2023	Observations made in the secretarial compliance report for the year ended 31.03.2023	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	-NIL-	-NIL-	NA	NA

We further affirm the compliance status with respect to the specific provisions by the listed entity as mentioned below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	
2	Adoption and timely Updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	YES	
	• All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	YES	
3	Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website	YES	
	• Timely dissemination of the documents/information under a separate section on the website	YES	
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website	YES	

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
4	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NOT APPLICABLE	The Listed entity have no subsidiaries/Material Subsidiaries
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	YES	
8	Related Party Transactions: a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	YES	Since, all Related party transactions were entered after obtaining prior approval of audit committee point (b) is not applicable
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NOT APPLICABLE	
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	YES	
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder	NA	No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued there under
12	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.	NA	No additional non-compliance observed for any SEBI regulation/circular/ guidance note etc.

This Report is to be read with our letter of even date annexed herewith and forms an integral part of this Report.

For K. Srinivasa Rao & Co.
Company Secretaries.,

Sd/-

K. Srinivasa Rao, Partner

FCS: 5599 C P No.:5178

P.R.No. 1416/2021

UDIN: F005599F000491689

Place: Guntur

Date: 27-05-2024

ANNEXURE

To

M/s KALLAM TEXTILES LIMITED

N.H.5, Chowdavaram

Guntur.

The Secretarial Compliance Report of even date is to be read along with this letter.

1. Maintenance of secretarial records under regulations, circulars and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) and the Securities Contracts (Regulation) Act, 1956 (SCRA) rules made thereunder and Regulations, circulars and guidelines issued thereunder by SEBI, is the responsibility of the management of the listed entity. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of these records. The verification was done to ensure that correct facts are reflected in the said records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the listed entity
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of SEBI ACT and SCRA, and regulations, circulars and guidelines prescribed thereunder, is the responsibility of management. Our examination was limited to the verification of documents and records made available to us and explanations provided to us with respect to the practices and processes followed in matters relating to this Report.
- 6) The Secretarial Compliance Report is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For K. Srinivasa Rao & Co.
Company Secretaries.,

Sd/-

K. Srinivasa Rao, Partner

FCS: 5599 C P No.:5178

UDIN: F005599F000491689

Place: Guntur

Date:29-05-2024

CORPORATE GOVERNANCE REPORT

For The Period 01-04-2023 to 31-03-2024.

[Pursuant to Schedule V (C) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI (LODR)]:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company is committed to the highest standards of Integrity, ethical values, transparency, fairness, professionalism and accountability across all levels of the Organisation in the conduct of its business. Your Company believes in adopting and adhering to the best standards of corporate governance to all the stakeholders. Your Company keeps its corporate governance policies under constant review to conform with best practices and principles.

2. GOVERNANCE STRUCTURE

The Corporate Governance structure at Kallam Textiles Ltd is as follows:

Board of Directors : The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

Committees of the Board: The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee) and Share Transfer Committee.

Each of the said Committee has been mandated to operate within a given framework.

3. BOARD OF DIRECTORS :

A) Composition and Category of Directors :as on 31st March, 2024 as follows

Category	Name of the Director
Promoters /Executive Directors	P. Venkateswara Reddy (Managing Director) G. V. Krishna Reddy (Joint Managing Director) M.V. Subba Reddy (Whole Time Director)
Non Executive/Independent Directors	Suryanarayana Murty Vaddadi Varanasi Ramagopal (Resigned from 30.04.2023) Vangala Bhargavi SrinivasPetluri(Appointed on 14.06.2023)

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors

The Company has an optimum combination of executive and Non-executive Directors in accordance with the provision of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

As on 31-03-2024 the Board consists of six Directors out of which three Directors are Executive Directors and three Directors are Non-Executive and Independent Directors including a Woman Director.

Disclosure of relationships between directors inter-se: There is no inter se relationship among the Directors

The following changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Sl. No.	At the beginning of the Year	At the end of Year	Date of Change during the Year
1	P Venkateswara Reddy (Managing Director)	P Venkateswara Reddy (Managing Director)	NA
2	G V Krishna Reddy (Joint Managing Director)	G V Krishna Reddy (joint Managing Director)	NA
3	M V Subba Reddy (Whole Time Director)	MV Subba Reddy (Whole Time Director)	NA
4	Varanasi Ramagopal (Independent Director)	NA	(Resigned on 30.04.2023)
5	Vangala Bhargavi (Independent Director)	Vangala Bhargavi (Independent Director)	NA
6	Suryanarayana Murty Vaddadi (Independent Director)	Suryanarayana Murty Vaddadi (Independent Director)	NA
7	NA	Srinivas Petluri (Independent Director)	(Appointed on 14.06.2023)

B) Attendance of Directors at the Board Meetings and last AGM are given in the table below:

Name of the Director	Date of the Board Meeting and attendance					AGM
	29-05-2023	31-07-2023	14-08-2023	14-11-2023	14-02-20224	28-08-2023
P. Venkateswara Reddy	P	P	P	P	P	P
G. V. Krishna Reddy	P	P	P	P	P	P
M.V. Subba Reddy	P	P	P	P	P	P
Suryanarayana Murty Vaddadi	P	P	P	P	P	P
PetluriSrinivas	NA	LOA	P	P	P	P
Vangala Bhargavi	P	P	P	P	P	P

C) Number of other Boards or Board Committees in which the company Directors are member or Chairperson :

Name of the Director	No of Other Directorships & Committee Member/Chairmanships			
	Other Directorships	Committee Memberships	Committee Chairmanships	Name of the listed entity & Category
P Venkateswara Reddy	-	1	-	-
G V Krishna Reddy	0	1	2	-
MV Subba Reddy	-	3	-	-
Petluri Srinivas	1	3	-	-
Vangala Bhargavi	1	1	2	-
Suryanarayana Murty Vaddadi	2	1	1	-

Note: None of the Directors is a member of more than 10 Board-level Committees of Public Companies or is a Chairman of more than 5 such Committees

D) No. of Directorship in listed entities in which the Company Directors are Members/Chairman

Name of the Director	Category of directors	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	No. of memberships in Au-dit/ Stake-holder Com-mittee(s) including this listed entity	No of post of Chairperson in Audit/ Stake-holder Committee held in listed entities including this listed entity
VENKATESWARA REDDY POLURI	Executive Director	1	0	0	0
GURRAM VENKATA KRISHNA REDDY	Executive Director	1	0	0	0
VENKATA SUBBA REDDY MOVVA	Executive Director	1	0	0	0
PETLURI SRINIVAS*	Non-Executive Independent Director	1	1	1	0
VANGALA BHARGAVI	Non-Executive Independent Director	2	2	1	2
SURYANARAYANA MURTY VADDADI	Non-Executive Independent Director	2	2	4	2

* He is also Director in Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL), a wholly owned subsidiary of Multi Commodity Exchange of India Ltd (MCX),

e) Board Meetings held during the year 2023-24 and its dates

During the year under review, the meetings of the Board of Directors were held SIX (6) times on the following dates and conform to the Regulation 17(2) of the SEBI (LODR)

SL No	Date
1	29-05-2023
2	31-07-2023
3	14-08-2023
4	14-11-2023
5	14-02-2024

The Board meets at least once in every quarter to review the quarterly financial results and other items of the Agenda and maximum time gap between two meetings did not exceed as per the companies act 2013.

(e) Separate Meetings of Independent Directors:

As stipulated under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate meetings of the Independent Directors were held on August 14, 2023, amongst other matters they reviewed the performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and assessed the quality, quantity and timeliness of flow of information between the Company Management which is necessary for the Board to effectively and reasonably perform their duties.

- | | | |
|------|---|------|
| i. | Observation of Board if any for the year under review | -NIL |
| ii. | Previous year Observations and action Taken | -NIL |
| iii. | Proposed actions based on current Observations | -NIL |

(f) No. of shares and Convertible Instruments held by Non-Executive Directors: None

(g) Familiarization programmes imparted to Independent Directors:

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, familiarization programmes were imparted to Independent Directors of the Company, periodically, on the nature of the industry and the business model of the Company, roles, rights and responsibilities of the Independent Directors and other relevant information. Your Company has the following process for induction and training of Board Members;

- Discussing with Independent Directors and ascertaining their further training / updating needs and arranging programme outside the Company and arranging presentation by experts in the field.
- A detailed induction programme is in place to familiarize the new directors of the entire operations of the Company. The programme includes presentations by various business / functional heads.
- Visit to the manufacturing units of the Company is also arranged based on developments in factories.

The Details of Familiarization Programme for Independent Directors were disclosed on the Company's website www.ksml.in

h) Key Board qualifications, expertise and attributes

The role of Board of Directors is one of providing guidance and direction to the operating management of the Company and laying down the framework for maintenance of high standards of governance and accountability. Since a Independent member of the Board, not being a member with whole time responsibility is not required to involve in the day to day operations and or day to day strategies of running the business, no strict specific domain qualification or domain expertise can be prescribed. What is required is the ability to grasp the general aspects of business of the company, principles of governance and ability to articulate on matters brought to the Board etc.

Apart from a formal educational qualification, exposure to one or more fields of textiles business of the company namely innovation, manufacturing operations, sales & marketing, consumer behaviour, services, finance, legal, people management, governance, risk management, general management, social responsibility, inorganic expansion, information technology etc., is required to qualify to become a member of the Board.

The skill matrix is divided into five broad baskets – A. Manufacturing; B. Business Strategy, Business Process, Sales & Marketing and Consumer Behaviour; C. Governance, Risk Management and Social Responsibility; D. Finance, Legal, IT,. The composition of the Board will be such that there will be adequate representation of these skills on the Board.

While each member of the current Board has the basic understanding and exposure to above mentioned skill matrix, the special expertise and strength that they bring to the table are as follows;

VENKATESWARA REDDY POLURI	Manufacturing, Business Strategy, Business Process ,Managing Business Partnerships and General Management
GURRAM VENKATA KRISHNA REDDY	Business Strategy, Sales, Distribution, Marketing & Consumer behaviour, Investor relationship, Social responsibility and General Management
VENKATA SUBBA REDDY MOVVA	Business strategy, , Manufacturing, Governance, Risk Management, Social responsibility, General Management
PETLURI SRINIVAS	Legal, Finance, Corporate Strategy, Governance, Risk Management
VANGALA BHARGAVI	Legal, Finance, Corporate Strategy, Governance, Risk Management
SURYANARAYANA MURTY VADDADI	Legal, Finance, Corporate Strategy, Governance, Risk Management

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of the Management

4. Audit Committee :**A. Brief description of terms of reference**

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) & Schedule II – Part C to the SEBI (LODR), the brief terms of reference of the Audit Committee of the Company, inter alia include-

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (ii) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- (iii) Examination of the financial statement and the auditors' report thereon.
- (iv) Approval or any subsequent modification of transactions of the Company with related parties.
- (v) Scrutiny of inter-corporate loans and investments.
- (vi) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (vii) Evaluation of internal financial controls and risk management systems.
- (viii) Monitoring the end use of funds raised through public offers and related matters
- (ix) Ensuring of accurate and timely disclosures of financial reporting with high level of integrity, quality and transparency

5. Composition, name of members and Chairperson

The composition of the committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Section 18(3) of the SEBI (LODR), as on 31.03.2024.

Name of Director /Secretary	Position	Category
Suryanarayana Murty Vaddadi	Chairman	Non Executive/Independent
Vangala Bhargavi	Member	Non Executive/Independent
Srinivas Petluri (Appointed on 14.06.2023)	Member	Non Executive/Independent
Golagani Ramesh Kumar	Secretary	

Note: Mr.Varanasi Ramagopal is resigned on 30.04.2023

b) Meetings and attendance during the year.

Name of Director	Date of the Meeting and attendance			
	29-05-2023	14-08-2023	14-11-2023	14-02-2024
Suryanarayana Murty Vaddadi	P	P	P	P
Vangala Bhargavi	P	P	P	P
Srinivas Petluri	NA	P	P	P

6. Nomination and Remuneration Committee:**a) Brief description of terms of reference**

The brief terms of reference are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II – Part D to the SEBI (LODR), inter alia include -

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

Kallam Textiles Limited

- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the terms of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.

b. Composition, name of members and Chairperson

The composition of the Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(1) of the SEBI (LODR), as on 31.03.2024:

Name of Director /Secretary	Position	Category
Vangala Bhargavi	Chairperson	Non Executive/Independent
Srinivas Petluri (Appointed on 14.06.2023)	Member	Non Executive/Independent
Suryanarayana Murty Vaddadi	Member	Non Executive/Nominee Director
Golagani Ramesh Kumar	Secretary	

Note: Mr.Varanasi Ramagopal is resigned on 30-04-2023

c. Attendance during the year

Name of the Director	29-05-2023	14-08-2023
Vangala Bhargavi	P	P
Srinivas Petluri	NA	P
Suryanarayana Murty Vaddadi	P	P

Note: A- Absent, P - Present, LOA- Leave of Absence

d. Performance Evaluation criteria for Independent Directors:

The performance evaluation of Independent Directors was carried out by the entire Board of directors, excluding the Directors being evaluated.

The criteria of evaluation was formulated in the Remuneration Policy of the Company and for the year 2023-24, the Independent Directors were evaluated, on the basis of a few parameters comprising of attendance at meeting either in person or through video / tele conferencing, participation in discussions on various items on the agenda, dealing with respect to conflict of interest situation and any specific ideas and contribution to the long term business strategy of the company.

Further, the evaluation of the Independent Directors also included the additional criteria provided by SEBI in its Guidance Note on Board Evaluation contained in Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 the details are available at www.ksml.in

7. Remuneration of Directors:

(a) Policy on Director's appointment and remuneration:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy is available on the website of the Company www.ksml.in

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

(b) Disclosure with respect to remuneration paid to the Whole time Directors for the year 2022-23 are as Follows:

Amount in ₹				
Sl.	Particulars of Remuneration	Name of the WTD		
		P Venkateswara Reddy Managing Director	G V Krishna Reddy Joint Managing Director	MV Subba Reddy Whole Time Director
1	Gross salary			
	(a) Salary	22,79,833	31,42,333	9,06,000
	(b) Benefits	5,20,335	1,32,535	2,97,065
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Bonus			
5	Fixed Component Performance Linked Incentives		-	-
	Performance Linked Incentives	-	-	-
	Performance Criteria	Profit Linked	Profit Linked	Profit Linked
	Others - Incentive	-	-	
6	Terms of Appointment	3 Years (29.06.2024 to 28.06.2027)	3 Years (29.06.2024 to 28.06.2027)	1 Year (01.06.2024 to 31.05.2027)
7	Notice Period	-	-	-
8	Severance Fee	-	-	-
9	Pension	NA	NA	NA
	Total			

Note: Your Company has not granted any stock options to any of its Directors.

(c) Criteria of making payment to Non-Executive and Independent Directors :

The Company has formulated Policy for Remuneration payable to Non Executive and Independent Directors

- i) Sitting Fees for attending meetings of the Board as well as Committees of the Board is decided by the Board within the limits prescribed under the Companies Act.

The sitting fees during the FY 2023-24, were paid as follows:

Particulars	Amount in Rs
For attending each meeting of the Board and other Committees	₹ 15,000

(d) Review of Performance and Compensation to Senior Management :

The Nomination and Remuneration Committee reviews the performance of the senior management of your Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals.

8. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The purpose of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company.

Composition, Name of Members and Chairperson

The Stakeholder Relationship Committee comprised of following directors as on 31-03-2024.

Name of Director	Position	Category
Vangala Bhargavi	Chairman	Non Executive/Independent
P Venkateswara Reddy	Member	Promoter/Managing Director
M.V.Subba Reddy	Member	Promoter/Whole Time Director

E) Attendance during the year

Name of the Director	
	14-08-2023
Vangala Bhargavi	P
Srinivas Petluri	P
Suryanarayana Murty Vaddadi	P

Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2023-24 are given below:

No. of complaints received during the year	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	0

9. SHARE TRANSFER COMMITTEE:**(a) Composition, Name of Members and Chairperson :**

The Share Transfer Committee comprised of following directors as on 31-03-2024

Name of Director	Position	Category
G.V.Krishna Reddy	Chairman	Promoter/Managing Director
P. Venkateswara Reddy	Member	Promoter/Managing Director
M.V.Subba Reddy	Member	Promoter/Whole Time Director

(b) The terms of reference of the Share Transfer Committee are as follows:

- To review correspondence with the shareholders vis-a-vis legal cases and take appropriate decisions in that regard
- To issue duplicate share certificates as and when the requests are received by the Company;
- To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits;
- To authorize affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company.

The Transfers of shares approved by the Committee were placed before the Board of Directors at their meetings from time to time.

During the period under review No shares were transferred.

There were no pending Share Transfers as of 31-03-2024.

10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :**a) Terms of reference:**

The brief terms of reference are as per the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, include-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- Recommendation of the amount of expenditure to be incurred on the activities referred to the above Monitoring the Corporate Social Responsibility Policy of the Company from time to time.
- Such other activities as the Board of Directors may determine from time to time

b) Composition, Name of Members and Chairperson:

The Corporate Social Responsibility Committee comprised of the following Directors as on 31-03-2024.

Name of Director	Position	Category
G.V.Krishna Reddy	Chairman	Promoter/Managing Director
Srinivas Petluri (Appointed on 14.06.2023)	Member	Non Executive/independent
M.V.Subba Reddy	Member	Promoter/Whole Time Director

Note: Mr.Varanasi Ramagopal is resigned on 30-04-2023

c) Meeting and Attendance:

The meeting of the committee was held on 14.08.2023

d) Corporate Social Responsibility (CSR) Policy:

Your Company adopted a Policy relating to Corporate Social Responsibility in accordance with the provisions of Section 135 of and Schedule VII to the Companies Act, 2013 and the Rules made thereunder. The said Policy is made available on the website of the Company www.ksml.in.

11. GENERAL BODY MEETINGS:**(a) Location and Time of the last three Annual General Meetings held; and Number of Special Resolutions passed at the meetings:**

The location and time of the Annual General Meetings held during the last 3 years are as follows:

FY	Location	Date	Time	No. of special resolutions passed
2022-23	Registered office of the company NH-5 Chowdavaram, Guntur-522019	28-08-2023	3.00 PM	1
2021-22	Registered office of the company NH-5 Chowdavaram, Guntur-522019	27-09-2022	3.00 PM	3
2020-21	Registered office of the company NH-5 Chowdavaram, Guntur-522019 Though VC/OVM	30-09-2021	3.00 PM	0

b) Extraordinary General Meeting (EGM):

There was no Extra Ordinary Annual General Meeting (EGM) held during the financial year 2023-24

c) Special Resolutions passed through Postal Ballot and details of Voting Pattern during the year 2023-24

None

12. MEANS OF COMMUNICATION:**a) Quarterly, Half Yearly and Annual results:**

The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock exchange and the same is published in Business Standard (Hyderabad Edition) and vernacular language newspaper, viz., Andhra Bhoomi (Guntur District Edition), within forty-eight hours of approval thereof

Your Company makes timely disclosures of necessary information to BSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

The Quarterly / Annual Results are also posted on the Company's website at www.ksml.in and also on the website of the BSE Limited.

b) Website and News Releases

All the Official news releases are disseminated on the website of the Company www.ksml.in

All the Details regarding the status of unclaimed dividend, Annual Reports, Quarterly/Half yearly/Nine-months and Annual financial results, applicable policies of the Company, presentations made to the institutional investors are available on the Company's website viz., www.ksml.in

c) The presentations made to institutional investors or to the analysts

The presentations made to institutional investors or to the analysts are posted on the website of the Company www.ksml.in

13. GENERAL SHAREHOLDER INFORMATION :**(a) Date, Time, venue and mode of Annual general Meeting**

Date	:	29th August 2024
Time	:	3-00 p.m.
Common Venue	:	Registered Office of the Company, NH-5, Chowdavaram, Guntur - 522 019.
Mode of Meeting	:	Through Physical Mode

Particulars of Financial Year 2023-24 and Events

Financial Year	:	01.04.2024 to 31.03.2025
First Quarter	:	Before 15th August 2024
Second Quarter and Half Yearly	:	Before 15th November 2024
Third Quarter and Nine Months	:	Before 15th February 2024
Fourth Quarter and Annual (Audited)	:	Before 30th May 2025

DIVIDEND HISTORY:

Financial Year	% of Dividend	Amount Paid (In Rs)
2004-05	7	47,95,770
2005-06	10	68,51,100
2006-07	12	82,21,320
2007-08	12	82,21,320
2008-09	9	61,65,990
2009-10	14	95,91,540
2010-11	18	1,23,31,980
2011-12	Nil	Nil
2012-13	Nil	Nil
2013-14	12	82,21,320
2014-15	10	68,51,100
2015-16	10	68,51,100
2016-17	10	68,51,100
2017-18	10	85,63,875
2018-19	10	85,63,875
2019-20	Nil	Nil
2020-21	Nil	Nil
2021-22	10	1,05,62,112

b) Listing on Stock Exchanges

The Shares of the Company are listed on following Stock Exchange

Bombay Stock Exchange Limited	
Phiroze Jeejeebhoy Towers, Dalal Street,	
Mumbai – 400 001. Ph No : 022- 22721233/34	

Annual Listing Fees for the Year 2023-24 have been paid to BSE Limited

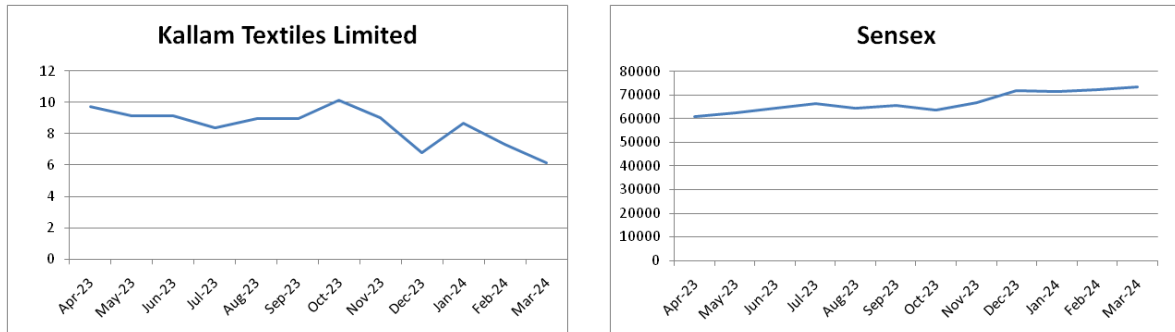
BSE Stock Code	530201
ISIN	INE629F01025

c) **MARKET PRICE DATA:**

Month	High (₹)	Low (₹)	No.of Shares Traded
Apr-23	10.49	8.15	383475
May-23	10.59	8.8	485933
Jun-24	10	8.82	683333
Jul-25	9.35	8	624021
Aug- 23	9.75	8.3	760443
Sep-23	9.5	8.81	1398753
Oct-23	12.65	8.94	2957720
Nov-23	10.69	8.9	1381110
Dec-23	9.24	6.5	5200848
Jan-24	9.62	6.6	8445965
Feb-24	8.95	7.15	3441254
Mar-24	7.36	5.25	3563837

Performance in Comparison to broad-based indices:

The Chart below shows the comparison of Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2023-24 (based on month end Closing)

d) **Suspension of Securities from trading by Directors – NIL**e) **Depository Participants**

Depository Participants	
National Securities Depository Ltd, (NSDL) Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Ph. No: 022 - 2499 4200	Central Depository Services (India) Ltd (CDSL) Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400 001. Ph. No: 022 - 2272 3333
ISIN Number for NSDL & CDSL : INE629F01025	
Depository Fee: Annual custody fee for the financial year 2023-24 paid to National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL).	

f) **Registrars & Share Transfer Agents:**

Big share Services Pvt. Ltd.,
306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad – 500082. Ph No : 040-23374967. Website : www.bigshareonline.com

g) Share Transfer System:

The Company has appointed M/s. Bigshare Services Private Limited as Registrars & Share Transfer Agents for both electronic and physical transfers. The shares lodged for transfer are processed and share certificates duly endorsed are returned within 15 days from the date of lodgment, subject to documents being valid and complete in all respects. The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., to the designated officials of your Company. The transactions requiring issuance of new share certificates are approved by the Shareholder's Committee of the Board of directors of your Company. A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations.

h) Distribution of Shareholding as on 31st March 2023

Range (No. of Shares)	Shareholders		Shareholding	No. of Shares
	No. of Shareholders	% to Total	Shares Amount	% to Total
1 - 5000	9264	85.42	8967492	8.49
5001 - 10000	682	6.26	5056222	4.78
10001 - 20000	453	4.17	6769060	6.40
20001 - 30000	159	1.46	3912340	3.709
30001 - 40000	81	0.74	2887578	2.73
40001 - 50000	49	0.45	2224558	2.10
50001 - 100000	80	0.73	5700452	5.39
100001 - 999999999999999	77	0.71	70103422	66.37
Total	10845	100.00	105621124	100.00

Categories of Share Holders as on 31st March 2024

Sr. No	Category	Total Share holders	% Of Shareholders	Total Shares	Percentage
1	CLEARING MEMBER	8	0.07	6648	0.01
2	CORPORATE BODIES	28	0.26	367940	0.70
3	IEPF	1	0.01	1292481	2.45
4	NON RESIDENT INDIAN	63	0.58	443583	0.84
5	PROMOTERS	14	0.13	24692923	46.76
6	PUBLIC 10731	98.95	26006987	49.25	
	TOTAL	10845	100.00	52810562	100.00

i) Reconciliation of Share Capital Audit Report and Regulation 40(9) of SEBI (LODR) Regulations, 2015:

As per the Provisions of Regulation 55A of SEBI (LODR) Regulations, 2015, M/s. K.Srinivasa Rao & Co., Company Secretaries carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed Capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange, where the Shares of the Company are listed. The audit confirms that the total Listed and Issued capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

During the year 2023-24, In accordance with the Regulation 40(9) of the SEBI (LODR) Regulations, 2015, M/s K.Srinivasa Rao & Co., Company Secretaries after examined all the share transfer deeds, Memorandum of Transfers, Registers, files and other documents related to Company, gave certificates under Regulation 40(9) of the SEBI (LODR) Regulations, 2015, for the Half year 01-04-2023 to 30-09-2023 and For the Half year 01-10-2023 to 31-03-2024. Both the above certificates were submitted to the Bombay Stock Exchange Limited, where the Shares of the Company are Listed, within 24 hours of receipt of the Certificate by the Company.

j) Dematerialization of shares and liquidity

- Details of your Company's dematerialized shares as on 31st March, 2024

Particulars	Physical Record	Demat Record		Total
		NSDL	CDSL	
Number of Shares	887750	36309869	15612943	52810562
% of Shares	1.68	68.75	29.56	100.00

- **Dematerialization of shares :**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. For any clarification, assistance or information, please contact

Bigshare services Pvt. Ltd.,
306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad – 500 082. Ph No: 040-233 74 967.

(k) Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:

Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on 31st March, 2024.

(l) Disclosure of commodity price risks and commodity hedging activities:

During the year FY 2023-24 the company had not done any transactions relating commodity price risks and commodity hedging activities

- Transfer of Unpaid and Unclaimed Amount to IEPF:

Pursuant to the provisions of section 124 of the companies Act, 2013, the declared dividends which remained un paid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, have been transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders are requested to ensure that they claim the dividend from your Company before transfer of the said amounts to the IEPF.

The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF.

Dividend Declared Year	Date of Declaration of Dividend	Due date for Transfer to IEPF
2016-17	29-09-2017	03-11-2024
2017-18	22-09-2018	27-10-2025
2018-19	21-09-2019	26-10-2026
2021-22	27-09-2022	01-11-2029

- **Plant Locations:**

- a) Spinning Division : Chowdavaram, Guntur -522019, Andhra Pradesh
b) Weaving and Dyeing Divisions : Kunkupadu Village, Addanki Mandal, Prakasam Dist. Andhra Pradesh.
c) Power Division : Kotha Kothur Village, Nelakondapalli Mandal, Khammam Dt. Telangana State.

- **No. of Employees as on 31st March, 2024 : 317**

- **Address for Correspondence:**

- Company : Kallam Textiles Ltd
NH-5, Chowdavaram, Guntur, A.P – 522019.
- RTA : Big share services Pvt. Ltd., 306, 3rd Floor,
Right Wing, Amrutha Ville,
Opp. Yashodha Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad – 500 082
- Official Website of the Company : www.kssl.in
- Investors' E-mail Id : corp@kallamtextiles.in

14. OTHER DISCLOSURES :**(a) RELATED PARTY TRANSACTIONS:**

During the year under review, no transaction of material nature has been entered into by the Company with its promoters, the directors or the management, or relatives, etc., that may have a potential conflict with the interests of the Company.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior Omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a Foreseen or repetitive nature and on arm's length basis.

A statement giving details of the transactions entered into with the related parties, pursuant to the omnibus approval so granted, was placed before the Audit Committee and the Board of Directors for their approval / ratification on a quarterly basis.

The Board of Directors of the Company, on the recommendation of the Audit Committee, adopted a policy on Related Party Transactions, to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR). The Policy as approved by the Board is uploaded on the Company's website at www.ksml.in. The details of the Related Party Transactions in Form AOC-2 are annexed as Annexure "IV" to this Report. The particulars of transactions between the Company and its related parties as per Ind-AS -24 are set out in this Annual Report.

Details of Employee(s), who are relatives of the Directors, holding an office or place of profit in the Company pursuant to Section 188 of the Companies Act, 2013:

During the Financial Year 2023-24, Mr. P.Govardhan Reddy, Son of P.Venkateswara Reddy (Managing Director), Received a total Remuneration of Rs10,35,000 /-

In terms, of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or reenactment (s) thereof for the time being in force) the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and are at arm's length and in ordinary course of business of your Company.

Directors with materially significant, pecuniary or business relationship with the Company:

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and your Company, except for the sitting fees payable to them for attending the Board meetings and Committee meetings which are in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

(b) Non-Compliances by the Company:

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years and hence no penalties or strictures were imposed by SEBI, the Stock Exchanges or any statutory authorities

(c) Establishment of Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR), your Company established a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower mechanism is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. The Whistle Blower Policy is made available on the website of the Company www.ksml.in

(d) Compliance with Mandatory Requirements and adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the SEBI (LODR)

(e) Subsidiary Companies

Your Company does not have any subsidiary companies in terms of Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015 as on 31.03.2024.

(f) Disclosure of Compliance by the Listed Entity:

Your Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard

• Regulation 17 – Board of Directors:

- (i) The composition and meetings of the Board of Directors are complied with.
- (ii) Periodical review of Statutory Compliance Report, Quarterly / Half-year / Annual Corporate Governance Report, Quarterly Investor Grievance Report, etc. are carried out by the Board of Directors.
- (iii) Code of Conduct for the Directors (incorporating the duties of Independent Directors) and Senior Management of the Company:

The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. The said Code of Conduct had also been posted on the website of the Company www.ksml.in.

A report on the compliance aspect of the Code of Conduct given by the CEO/Managing Director has been given at Page No. 52 of this Annual Report.

- (iv) Code of Conduct for prevention of Insider Trading:

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of your Company has adopted a Code of Conduct for prevention of Insider Trading. This Code of Conduct is applicable to all designated persons as defined in the said policy who are expected to have access to unpublished price sensitive information relating to the Company. The said Code of Conduct has also been posted on the website of the Company www.ksml.in. Further, the Board of Directors of your Company also formulated and published on its website a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and formulated Code of conduct to regulate monitor and report trading by Insiders and administered by the Compliance Officer.

- (iv) Board Disclosure Risk Management:

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board directly review the anticipated risk as identified by audit committee on quarterly basis and takes appropriate measures Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

Your Company has a risk identification and management framework appropriate to the size of your Company and the environment under which it operates.

- (v) The details relating to the Performance Evaluation of the Independent Directors by the entire Board of Directors is given in Page No. 38 to this Report.

• Regulation 18 -Audit Committee:

Compliance to this Regulation is given in Page No. 36 to this Report.

• Regulation 19 – Nomination & Remuneration Committee:

Compliance to this Regulation is given in Page No. 37 to this Report.

• Regulation 20 – Stakeholders Relationship Committee:

Compliance to this Regulation is given in Page No. 38 to this Report.

- **Regulation 21 – Risk Management Committee:**
Not applicable to your Company.
- **Regulation 22 – Vigil Mechanism:**
Compliance to this Regulation is given in Page No. 47 to this Report.
- **Regulation 23 – Related Party Transactions:**
Compliance to this Regulation is given in Page No. 46 to this Report.
- **Regulation 24 – Corporate Governance Requirements with respect to subsidiary:**
Company does not have any subsidiary companies
- **Regulation 25 – Obligations with respect to Independent Directors:**
Compliance to this Regulation is given in Page No. 35 to this Report.
- **Regulation 26 – Obligations with respect to employees including senior management, key managerial persons, directors and promoters:**

Disclosures relating to compliance to the directorships in other listed entities, Board level Committee Memberships and Limit of Chairmanships are annually provided Board of directors to the Company. Further, notification of the changes in the other directorships, Committee Memberships and Chairmanships are also provided by the Directors as when occur. All the Directors and Senior Management had affirmed compliance to the Code of Conduct of Board of Directors and Senior Management as on 31st March, 2021.
- **Regulation 27 – Other Corporate Governance Requirements:**
Adoption of non-mandatory/ discretionary requirements of Listing Regulation is being reviewed by the Board from time-to time
- **Regulation 46(3) - Website**
Pursuant to above Regulation, appropriate/requisite information are available on the Company's Website: www.ksml.in

15. OTHER ADDITIONAL DISCLOSURES [As per Schedule V to the SEBI (LODR)]:

- a) **Disclosure of Related Party Transactions:**
Please refer Page No 46 to this report
- b) **Vigil Mechanism and Whistle Blower Policy:**
Please refer Page No 46 to this report
- c) **Disclosure of Accounting Treatment:**
The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.
- d) **Audit qualifications:**
During the year under review, there was no audit qualification on your Company's financial statements.
- e) **Management Discussion and Analysis Report:**
The Management Discussion and Analysis Report is furnished as annexure to this Annual Report.
- f) **Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance:**
Please refer Page No 68 to this Report.
- g) **Disclosure with respect to demat suspense account / unclaimed suspense account:**

Your Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

Web Links

1	Details of business	http://ksml.in/our-products/
2	Terms and conditions of appointment of independent directors	http://ksml.in/wp-content/uploads/2016/10/KSML-TERMS-AND-CONDITIONS-FOR-INDEPENDENT-DIRECTORS-APPOINTMENT.pdf
3	Composition of various committees of board of directors	http://ksml.in/committees/
4	Code of conduct of board of directors and senior management personnel	http://ksml.in/wp-content/uploads/2016/10/business-ethics.pdf
5	Details of establishment of vigil mechanism/ Whistle Blower policy	http://ksml.in/wp-content/uploads/2016/10/ksml-whistle-blower-policy.pdf
6	Criteria of making payments to non-executive directors	http://ksml.in/wp-content/uploads/2016/10/CRITERIA%20FOR%20MAKING%20PAYMENT%20TO%20NON%20EXECUTIVE%20DIRECTORS.pdf
7	Policy on dealing with related party transactions	http://ksml.in/wp-content/uploads/2016/10/ksml-related-party-transaction-policy.pdf
8	Details of familiarization programmes imparted to independent directors	http://ksml.in/wp-content/uploads/2016/10/ksml-familisation-programme-for-independent-directors.pdf
9	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	http://ksml.in/contact/
10	email address for grievance redressal and other relevant details	http://ksml.in/policies-code-of-conduct/
11	Financial results	http://ksml.in/financial-results/
12	Shareholding pattern	http://ksml.in/shareholding-patterns/
13	New name and the old name of the listed entity	http://ksml.in/
14	Advertisements as per regulation 47 (1)	http://ksml.in/notice-of-board-meetings/
15	Credit rating or revision in credit rating obtained	http://ksml.in/credit-rating/
16	Whether company has provided information under separate section on its website as per Regulation 46(2)	http://ksml.in/investor-relations/
17	Materiality Policy as per Regulation 30	http://ksml.in/wp-content/uploads/2016/10/KSML-Policy-for-Determination-of-Materiality-1.pdf
18	It is certified that these contents on the website of the listed entity are correct	http://ksml.in/investor-relations/

CEO/CFO CERTIFICATION:

As required under Schedule II Part B to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and Cash flow statements for the year ended 31st March, 2024.

We Sri G V Krishna Reddy, Joint Managing Director & CEO and Sri M.V. Subba Reddy, Chief Financial Officer of M/s. KALLAM TEXTILES LIMITED, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year under review and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and disclosed to the auditors and audit committee, the deficiencies in the design and operation of such internal controls and the steps taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that
 - i. There are no significant changes in internal control over financial reporting during the year.
 - ii. There are no significant changes in accounting policies during the year.
 - iii. There are no frauds of which we are aware, that involves management or other employees who have a significant role in the company's internal control system.

For Kallam Textiles Limited

-Sd-

G V Krishna Reddy
Joint Managing Director

For Kallam Textiles Limited

sd-

M V Subba Reddy
Chief Financial Officer

Place : Guntur

Date: 01-08-2024

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER
SCHEDULE- V(E) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

CORPORATE GOVERNANCE CERTIFICATE

To the Members of Kallam Textiles Limited

We have examined the relevant registers, forms, minutes, returns filed and other relevant records maintained by KALLAM TEXTILES LIMITED (CIN:: L18100AP1992PLC013860) [herein after referred as "the Company"] having its Registered Office at NH-5, Chowdavaram, Guntur-517520, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2024.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) of SEBI (LODR) Regulations 2015 for the financial year ended 31st March, 2024. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No. 000513S

(Karumanchi Rajaj)
Partner
(Membership No: 202309)
UDIN : 24202309BKERPM4077
Place: Guntur
Date: 01-08-2024

Annexure-III

DECLARATION**Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Kallam Textiles Ltd Code of Conduct of board of directors and senior management for the year ended 31st March, 2022.

Place : Chowdavaram,
Date : 01-08-2024

G V Krishna Reddy
Joint Managing Director & CEO
(DIN: 00018677)

Annexure-IV

M/s K.Srinivasa Rao & Co., Company Secretaries have certified none of the Directors on the Board of the Company as stated for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,

The Members,

KALLAM TEXTILES LIMITED

(Formerly known as "Kallam Spinning Mills Limited")
N.H.5, Chowdavaram, Guntur.

We have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of KALLAM TEXTILES LIMITED having CIN: L18100AP1992PLC013860 and having registered office at N.H.5, Chowdavaram, Guntur, Andhra Pradesh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN
1	VENKATESWARAREDDY POLURI	00018677
2	GURRAM VENKATA KRISHNA REDDY	00018713
3	VENKATA SUBBA REDDY MOVVA	00018719
4	SURYANARAYANA MURTY VADDADI	00021952
5	PETLURI SRINIVAS	02836590
6	VANGALA BHARGAVI	06950741

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Place: Guntur

Date: 29-05-2024

For K.Srinivasa Rao & Co.,
Company Secretaries

CS. K.Srinivasa Rao
Partner
FCS : 5599 CP No:5178
UDIN : F005599F000491711

Independent Auditors' Report**TO THE MEMBERS OF THE KALLAM TEXTILES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **KALLAM TEXTILES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Loss and total comprehensive Loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

Attention is invited to Note no. 48 which refers to the following matter:

The term loans and working capital loans borrowed from Union bank of India and Indian bank were classified as Non-performing assets (NPA's) by the lenders and an amount of Rs. 5491.16 lakhs was outstanding for payment as on date of balance sheet. The lender banks issued notices for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. Further, the banks also taken possession of the properties offered as security u/s 13(4) of the said Act. The company applied for restructure of these loans and same is pending with the lender banks. The management is confident in getting proper revival plan from the lender institutions.

Our opinion is not modified in respect of the matters stated above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit matter	How the matter was addressed in our audit
1	<p>Recoverability of deferred tax asset related to unabsorbed losses under Income-tax</p> <p>The Company has significant deferred tax asset in respect of unabsorbed losses under Income-tax and there is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which the deferred tax assets are or not recognised. The recoverability of such deferred tax asset has been identified as key audit matter because the assessment process involves judgement regarding the future profitability forecast whether there will be taxability profits that support the recognition of these assets. This requires assumptions regarding future profitability which is inherently uncertain. Accordingly, the same is considered as key audit matter.</p>	<p>We evaluated the reasonableness of key tax assumptions, timing of reversal of temporary differences as well as evaluated the reasonableness of the forecasts of future taxable profits with reference to the historical forecasting accuracy considering the potential risk of management bias. These assumptions were based on the knowledge of the tax and operating environment in which the company operates. Considering the management estimates and forecasts of profitability, the tax credits as recognised is considered to be appropriate.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information which is not available to us as on date of this report. In the absence of the said other information, we are unable to comment upon whether the other information is materially misstated or not.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect 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 these financial statements.

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 financial statements, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to 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 financial statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has neither declared any dividend during the year nor paid any dividend relating to previous financial year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Brahmayya&Co

Chartered Accountants

Firm Registration No.000513S

(Karumanchi Rajaj)

Partner

(Membership No: 202 309)

Place : Guntur

Date : 29-05-2024

UDIN : 24202309BKERNU9354

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 2 under "Report on other legal and regulatory requirements" section of our report to the members of KALLAM TEXTILES LIMITED for the year ended March 31, 2024

We report that:

1. In respect of its Property, plant and equipment and intangible assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, plant and equipment.
 - b) The Company has maintained proper records showing full particulars of intangible assets.
 - c) According to the information and explanations furnished to us, the Company has not physically verified its Property, plant and equipment during the year. But we have been informed that the company has a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
 - e) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. In respect of its inventories:
 - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - b) In respect of statement of current assets comprising Inventories, Trade receivables and Trade payables as submitted by the company to its bankers in respect of working capital loans availed, the following discrepancies were noticed between the amounts as disclosed in the said returns with the unaudited books of accounts of the respective quarters.

Name of the bank	Quarter ended	Amount reported in quarterly statement submitted to bank (Rs. in lakhs)	Amount as per books of account (Rs. in lakhs)	Difference (Rs. in lakhs) ((Excess)/short shown in bank statements compared to values as per books of accounts)
Union bank of India	30-06-2023	10,726.67	4,792.77	(5,933.90)
(Spinning unit)	30-09-2023	10,342.31	3,568.88	(6,773.43)
	31-12-2023	10,476.46	3,106.05	(7,370.41)
	31-03-2024	Not filed	3,178.48	NA
Indian bank	30-06-2023	7,378.77	6,635.19	(743.58)
(Weaving unit)	30-09-2023	7,404.62	6,290.32	(1,114.30)
	31-12-2023	7,350.64	5,747.64	(1,603.01)
	31-03-2024	Not filed	5,063.37	NA
Bank of Baroda	30-06-2023	581.02	379.28	(201.74)
(Dying unit)	30-09-2023	646.44	309.30	(337.14)
	31-12-2023	670.63	348.54	(322.09)
	31-03-2024	639.21	640.41	1.20

Kallam Textiles Limited

3. The Company has not made any investments or provided any securities or guarantees or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLP's or other parties and hence reporting under clause (iii) of the Order is not applicable
4. The company has not granted any loan or provided any guarantees and securities in respect of which the provisions of section 185 and 186 of the Act apply. Hence the reporting under clause 3 (iv) of the Order is not applicable.
5. The company has not accepted any deposits from the public or members or amounts deemed to be deposits. Hence the question of compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under does not apply. According to the information furnished to us, no order has been passed on the Company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of sections 73 to 76 of the Act.
6. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed audit of the same.
7.
 - a) According to the information furnished to us, the Company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, GST and any other statutory dues applicable to it. There were no undisputed statutory dues in arrears as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
 - b) According to the information furnished to us, and records of the company examined by us, at the date of the Balance Sheet, there were no amounts of VAT, GST, Customs Duty, Excise Duty, Cess, Income Tax and Service Tax that were disputed by the company and hence were not remitted to the concerned authorities, except dispute related to Income-tax, the details of which are given below.

(Amount is Rs. Lakhs)

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (Rs. In lakhs)	Amount unpaid (Rs. In lakhs)	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	AY 2013-14	67.85	35.74	CIT(A)

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. The company made following defaults in repayment of its instalments as on 31.3.2024 in respect of term loans borrowed from banks, the details of which are given below.

(Amount is Rs. Lakhs)

Nature of borrowing	Name of lender	Amount unpaid as on 31.3.2024	Whether Principal or Interest or both	No. of days unpaid as on 31.3.2024	Remarks
Term loans	Union bank of India	66.38	Interest	183	Un paid due to insufficiency of funds
		68.29	Interest	152	" "
		69.51	Interest	122	" "
		148.64	Interest	91	" "
		166.90	Interest	60	" "

Nature of borrowing	Name of lender	Amount unpaid as on 31.3.2024	Whether Principal or Interest or both	No. of days unpaid as on 31.3.2024	Remarks
		165.50	Interest	32	" "
		167.18	Interest	1	" "
	Indian bank	57.66	Interest	183	" "
		66.34	Interest	152	" "
		64.43	Interest	122	" "
		139.94	Interest	91	" "
		154.51	Interest	60	" "
		145.62	Interest	32	" "
		166.43	Interest	1	" "
	Total interest over due	1647.33			
	Union bank of India	330.35	Principal	183	" "
		478.72	Principal	91	" "
		584.09	Principal	1	" "
	Indian bank	449.24	Principal	183	" "
		773.63	Principal	91	" "
		1227.80	Principal	1	" "
	Total principal over due	3843.83			

The company also made delays in repayment of its instalments in respect of term loans borrowed from Union bank of India and Indian bank aggregating to an amount of Rs.930.22 lakhs with a delay of period varies from 1 day to 83 days.

- (b) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The company has not obtained any term loans during the financial year.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The company does not have any subsidiaries, associates and Joint ventures and hence reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not raised any moneys on preferential allotment or private placements of shares. Hence the reporting requirement in terms of clause 3(x)(b) of the Order is not applicable for the year under report.

11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year under report.
- (c) According to the information and explanations furnished to us by the company, no whistle blower complaints has been received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
15. In our opinion, the Company has not entered into any non-cash transactions during the year with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable
17. The Company has incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. The company availed term loans and working capital loans from Union bank of India and Indian bank and the company made defaults in repayment of term loan instalments to the extent of Rs.5491.16 lakhs as on date of balance sheet. The banks classified these loans as NPA and issued notices for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. The banks also taken possession of the properties offered as security u/s 13(4) of the Act. The company applied for restructure of these loans which is pending. The company is required to pay an amount of Rs.9793 lakhs (Including overdue amount as on 31.3.2024 and current maturities for FY 2024-25).
- On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we believe that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The management of the company applied for restructuring of said outstanding loan amounts and said proposal with the banks is in pending.
20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The company is not carrying on any CSR activities towards ongoing projects and hence the reporting under clause (3)(xx)(b) of the order is not applicable for the year under report.

Place : Guntur

Date : 29-05-2024

UDIN : 24202309BKERNU9354

For Brahmayya & Co
Chartered Accountants
Firm Registration No.000513S

(Karumanchi Rajaj)
Partner
(Membership No: 202 309)

Annexure “B” to the Independent Auditors’ Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **KALLAM TEXTILES LIMITED** (“the Company”) as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Guntur

Date : 29-05-2024

UDIN : 24202309BKERNU9354

For Brahmayya&Co

Chartered Accountants
Firm Registration No.000513S

(Karumanchi Rajaj)

Partner
(Membership No: 202 309)

KALLAM TEXTILES LIMITED

Balance Sheet as at 31st March, 2024

(Amount in Lakhs)

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
A	ASSETS			
1	Non-Current Assets			
(a)	Property, Plant and Equipment	4	36,105.56	37,503.03
(b)	Right-of-use assets		-	-
(c)	Capital Work-in-progress	4	-	220.42
(d)	Intangible Assets	4	0.51	1.04
(e)	Financial Assets			
	(i) Investments	5	13.00	13.00
	(ii) Loans	6	-	-
	(iii) Other financial assets	7	753.93	757.34
(f)	Deferred tax Asset (Net)	17	486.05	-
(g)	Other Non-current Assets	8	4.50	10.93
	Total Non-Current assets		37,363.56	38,505.76
2	Current Assets			
(a)	Inventories	9	8,474.07	12,525.27
(b)	Financial Assets			
	(i) Trade receivables	10	1,721.59	2,176.41
	(ii) Cash and cash equivalents	11	14.09	11.93
	(iii) Other Bank balances	11	64.97	68.37
	(iv) Loans	6	3.05	7.50
	(v) Other financial assets	7	-	-
(c)	Current tax assets (Net)	21	35.76	38.80
(d)	Other Current assets	8	3,446.43	3,811.26
	Total Current Assets		13,759.97	18,639.53
	Total Assets		51,123.53	57,145.29
B	EQUITY AND LIABILITIES			
1	Equity			
(a)	Equity Share Capital	12	1,056.21	1,056.21
(b)	Other Equity	13	15,262.95	18,938.31
	Total Equity		16,319.16	19,994.53
	Liabilities			
2	Non-current liabilities			
(a)	Financial Liabilities			
	(i) Long-term borrowings	14	7,268.74	11,515.14
	(ii) Lease liabilities		-	-
	(iii) Other financial liabilities	15	161.03	192.05
(b)	Provisions	16	142.61	201.26
(c)	Deferred Tax liabilities (Net)	17	-	1,430.11
(d)	Other non-current liabilities	18	680.61	726.64
	Total Non-current liabilities		8,252.99	14,065.21

Kallam Textiles Limited

	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
3	Current liabilities			
(a)	Financial Liabilities			
	(i) Short-term borrowings	19	24,395.08	19,047.76
	(ii) Lease liabilities		-	-
	(iii) Trade payables	20		
	- Total outstanding dues of micro and small enterprises		70.01	153.85
	- Total outstanding dues of creditors other than micro and small enterprises*		1,378.22	2,288.67
(iv)	Other financial liabilities	15	598.17	1,276.73
	(b) Other current liabilities	18	102.57	303.81
	(c) Provisions	16	7.33	14.74
	(d) Current tax liabilities (Net)	21		-
	Total Current liabilities		26,551.38	23,085.56
	Total Liabilities		34,804.37	37,150.77
	Total Equity and Liabilities		51,123.53	57,145.29

The accompanying notes are an integral part of these financial statements 1 to 50.

As per our report of even date
For **BRAHMAYYA & CO**
Firm Registration Number : 000513S
Chartered Accountants

Sd/-
(Karumanchi Rajaj)
Partner
Membership No: 202 309

Place : Guntur
Date : 29-5-2024
UDIN : 24202309BKERNU9354

For and on behalf of the Board

Sd/-
P. Venkateswara Reddy
Managing Director

Sd/-
G.V.Krishna Reddy
Joint Managing Director

Sd/-
M.V. Subba Reddy
Whole Time Director & CFO

Sd/-
G. Ramesh Kumar
Company Secretary

Statement of Profit and Loss for the Year ended 31st March, 2024

(Amount in Lakhs)

	Particulars	Note No.	Year ended	
			31st March, 2024	31st March, 2023
	Income			
I	Revenue from Operations	22	36,738.19	41,286.99
II	Other Income	23	108.87	132.65
III	Total Income (I+II)		36,847.06	41,419.64
	IV Expenses			
	Cost of Materials consumed	24	26,360.96	31,590.72
	Purchases of Stock-in-Trade	25	8.68	1.13
	Changes in inventories of Finished goods, work-in-progress and Stock-in-trade "	26	2,311.25	(1,854.27)
	Employee benefits expense	27	2,143.20	2,235.88
	Finance costs	28	3,543.53	2,976.48
	Depreciation and Amortization expense	29	1,598.96	1,570.92
	Other expenses	30	6,492.10	7,140.63
	Total Expenses (IV)		42,458.67	43,661.49
V	Profit / (Loss) before exceptional items and tax (III-IV)		(5,611.61)	(2,241.85)
VI	Less : Exceptional Items	31	-	841.55
VII	Profit / (Loss) before tax (V-VI)		(5,611.61)	(3,083.40)
VIII	Tax expense:			
	Current tax		-	-
	Short provision of current tax		-	0.25
	Deferred tax charge/(Credit)		(1,866.82)	(954.47)
IX	Profit / (Loss) for the year (VII-VIII)		(3,744.79)	(2,129.18)
X	Other Comprehensive Income			
	A. Items that will not be re-classified to statement of Profit and loss			
	a) Remeasurement of defined employee benefit plans		51.67	30.43
	b) Reduction in fair value of asset revalued		(31.59)	-
	c) Deferred Tax on OCI		49.35	49.35
	Total Other comprehensive income		69.43	79.77
XI	Total Comprehensive Income/(Loss) for the year (IX+X)		(3,675.36)	(2,049.41)
XII	Earnings per Share - Basic and Diluted (Restated)	32	(7.09)	(4.24)

As per our report of even date

For **BRAHMAYYA & CO**

Firm Registration Number : 000513S

Chartered Accountants

Sd/-

(Karumanchi Rajaj)

Partner

Membership No: 202 309

Place : Guntur

Date : 29-05-2024

UDIN : 24202309BKERNU9354

For and on behalf of the Board

Sd/-

P. Venkateswara Reddy

Managing Director

Sd/-

G.V. Krishna Reddy

Joint Managing Director

Sd/-

M.V. Subba Reddy

Whole Time Director & CFO

Sd/-

G. Ramesh Kumar

Company Secretary

Cash flow statement for the year ended 31.03.2024

(Amount in Lakhs)

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	(5,611.61)	(3,083.40)
Add/Less: Adjustments for		
Depreciation	1,598.96	1,570.92
Interest expense	3,543.53	2,976.48
Interest income	(55.04)	(43.92)
Profit on sale of assets	(0.13)	-
Amortisation of Govt. grants	(46.03)	(46.03)
Remeasurement of employee defined benefit plans	51.67	30.42
Operating profit / (Loss) before working capital changes	(518.65)	1,404.47
Add/Less: Adjustments for working capital		
Inventories	4,051.19	(836.28)
Trade and other receivables	871.32	119.10
Trade and other payables	(1,962)	2,494.01
Cash generated from operations	2,442	3,181.30
Less: Direct taxes paid	40.43	341.65
Net cash from operating activities (A)	2,401.88	2,839.65
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in PPE and Capital WIP	(109.46)	(386.10)
Proceeds from sale of fixed assets	93.91	10.47
Margin Money deposit with banks and other balances	3.40	(25.74)
Interest received	55.04	43.92
Net cash from / (used in) Investing activities (B)	42.89	(357.45)
CASH FLOW FROM FINANCING ACTIVITIES		
Equity raised	-	999.12
Dividend Paid	-	(105.62)
Proceeds from/(Repayment of) borrowings	1,100.92	(400.93)
Interest and finance charges	(3,543.53)	(2,976.48)
Net cash used in financing activities (C)	(2,442.61)	(2,483.92)
Net Increase/(Decrease) in cash and cash equivalents	2.16	(1.72)
Cash and cash equivalents at the beginning of the Year	11.93	13.65
Cash and cash equivalents at the end of the Year	14.09	11.93
Net increase/(decrease) in cash and cash equivalents	2.16	(1.72)

- i) The above cash flow statement has been prepared under "Indirect method" as set out in Ind AS-7 "Statement of cash flows".

ii) Reconciliation of liabilities from financing activities for the year ended March 31, 2024.

	As at 31 March 2023	Inflows	Outflows	Tr. to current maturities	As at 31 March 2024
Long term borrowings (Excl. current maturities)	11,515.14	55.44	-	(4301.84)	7,268.74
Current maturities of long-term borrowings (Incl. overdues)	4,984.60	4,301.84	(1,140.77)	0	8,145.67
Short-term borrowings (Excl. current maturities and overdues)	14,063.17	2,295.25	(109.00)	0	16,249.42
Total	30,562.92	6,652.53	(1,249.77)	(4,301.84)	31,663.84

iii) Reconciliation of liabilities from financing activities for the year ended March 31, 2023.

	As at 31 March 2022	Inflows	Outflows	Tr. to current maturities	As at 31 March 2023
Long term borrowings (Excl. current maturities)	16,194.00	746.04	(440.30)	(4984.60)	11,515.14
Current maturities of long-term borrowings (Incl. overdues)	2,535.44	4,984.60	(2,535.44)	0	4,984.60
Short-term borrowings (Excl. current maturities and overdues)	12,234.04	1,829.13	-	0	14,063.17
Total	30,963.48	7,559.78	(2,975.74)	(4,984.60)	30,562.92

The accompanying notes are an integral part of these financial statements 1 to 50.

As per our report of even date
For **BRAHMAYYA & CO**
Firm Registration Number : 000513S
Chartered Accountants

Sd/-
(Karumanchi Rajaj)
Partner
Membership No: 202 309

Place : Guntur
Date : 29-5-2023
UDIN : 24202309BKERNU9354

For and on behalf of the Board

Sd/-
P. Venkateswara Reddy
Managing Director

Sd/-
G.V. Krishna Reddy
Joint Managing Director

Sd/-
M.V. Subba Reddy
Whole Time Director & CFO

Sd/-
G. Ramesh Kumar
Company Secretary

Kallam Textiles Limited

A. Equity share capital

Statement of Changes in Equity as at 31st March, 2024

Particulars	No. of shares	INR
As at 31st March, 2022	4,28,19,375	856.39
Changes in equity during the year (Refer note)	99,91,187	199.82
As at 31st March, 2023	5,28,10,562	1,056.21
Changes in equity during the year	-	-
As at 31st March, 2024	5,28,10,562	1,056.21

Note: During the previous year ended 31.3.2023, the company issued 99,91,187 Equity shares of Face value of Rs.2 each at a price of Rs.10/- each (Including share premium of Rs.8/- each) on Rights basis in ratio of 7 equity shares for every 30 equity shares held by the eligible equity shareholders as on the record date of 3.6.2022. The Right equity shares issued shall rank pari passu with the existing shares in all respects including dividends. These shares were allotted on 15.7.2022.

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total
	General Reserve	Retained earnings	Securities surplus	Revaluation surplus	Revaluation surplus	Actuarial Gains/Losses	
Balance at the end of reporting period - 31st March, 2022	160.36	8,730.26	-	6,081.87	5,235.59	85.96	20,294.05
Add: Profit for the year 2022-23		(2,129.18)					(2,129.18)
Other Comprehensive Income						30.43	30.43
Deferred tax on OCI					49.35	-	49.35
Total Comprehensive Income / (Loss) for the year	-	(2,129.18)			49.35	30.43	(2,049.41)
Less: Appropriations:							
Dividends paid		105.62					105.62
Transfer to General Reserve	-	-					-
Add: Issue of shares on Rights basis at premium			799.29				799.29
Balance at the end of reporting period - 31st March, 2023	160.36	6,495.46	799.29	6,081.87	5,284.94	116.39	18,938.31
Add: Profit/(Loss) for the year 2023-24		(3,744.79)					(3,744.79)
Other Comprehensive Income					(31.59)	51.67	20.08
Deferred tax on OCI					49.35		49.35
Total Comprehensive Income/(Loss) for the year		(3,744.79)			17.76	51.67	(3,675.36)
Less: Appropriations:							
Dividends paid		-					-
Transfer to General Reserve		-					-
Transfer of revaluation surplus to retained earnings on disposal of asset revalued		61.55			(61.55)		-
Balance at the end of reporting period - 31st March, 2024	160.36	2,812.22	799.29	6,081.87	5,241.14	168.06	15,262.95

As per our report of even date
For **BRAHMAYYA & CO**
Firm Registration Number : 000513S
Chartered Accountants

Sd/-
(Karumanchi Rajaj)
Partner
Membership No: 202 309

Place : Guntur

Date : 29-5-2024

UDIN : 24202309BKERNU9354

For and on behalf of the Board

Sd/-

P. Venkateswara Reddy
Managing Director

Sd/-

G.V. Krishna Reddy
Joint Managing Director

Sd/-

M.V. Subba Reddy
Whole Time Director & CFO

Sd/-

G. Ramesh Kumar
Company Secretary

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES 2022-24

Note No.1**I. I. CORPORATE INFORMATION**

Kallam Textiles Limited (Formerly known as “ Kallam Spinning Mills Limited “) is incorporated on 18th February, 1992. It is a leading textile company engaged in the business of Manufacturing of Cotton Yarn, Dyed Yarn, Grey Fabric and Dyed Fabric. The company is also engaged in the business of generation of electricity through Hydel and solar energy. The company has its corporate office at Chowdavaram, Guntur.

Note No.2**II. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****i) Basis of preparation****a) Statement of compliance**

These financial statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

b) Basis of measurement

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis of accounting except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than 12 months and therefore all current and non current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of 12 months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Accounting policies have been consistently applied except a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Significant accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

The following are the critical judgements and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

The following are the critical judgements and estimates that have been made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

i) Depreciation and useful lives of property, plant and equipment and intangible assets:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset. The Company also engages third party qualified valuers to ascertain the fair value of the Property, plant and equipment which requires estimation and judgment in determining the fair values which can be subject to change.

ii) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, past history of receivables, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Fair value measurement of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

iv) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these

assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Income Taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

viii) Defined benefit obligations:

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

ix) Other estimates:

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

ii) Significant accounting policies**a) PROPERTY, PLANT AND EQUIPMENT**

An item of Property, Plant and Equipment that qualified as an asset is measured at initial recognition at Cost. Following initial recognition, items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The company identifies and determines cost of each part of PPE separately, if the part has a cost which is significant to the total cost of that items of PPE and has useful life that is materially different from that of the remaining items.

Advances paid for acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets. Cost of the assets not put to use before such date are disclosed under 'Capital Work-in-progress'. Any subsequent expenditure relates to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. Items of spare parts are recognized as Property, plant and equipment when they meet the definition of Property, plant and equipment. The cost and related depreciation

are eliminated from the property, plant and equipment upon sale or retirement of the asset and the resultant gain or losses are recognized in statement of profit and loss

b) INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis from the date they are available for use.

c) BORROWING COSTS

Borrowing Costs, that are directly attributable to the acquisition or construction of assets, that necessarily take a substantial period of time to get ready for its intended use, are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably.

d) DEPRECIATION

The company has computed depreciation on Property, plant and equipment based on the useful lives as specified in Schedule II of Companies Act, 2013 under straight line method.

The intangible assets, being Computer Software is amortized over a period of 5 years on Straight Line Method.

Depreciation methods, useful lives and residual values are reviewed periodically at the end of each financial year with the effect of any change in estimate accounted for on a prospective basis

e) GOVERNMENT GRANTS

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. When the grant relates to an asset, it is recognized as deferred revenue in the Balance sheet and transferred to the statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

f) IMPAIRMENT OF ASSETS

i) Financial assets (other than at fair value)

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month

expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii) Non financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of the fair value less cost of sale and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount and the carrying amount of the asset is increased to its revised recoverable amount subject to maximum of carrying amount.

g) INVENTORIES

I. Textile division :

Inventories of raw materials, stores and spares, trading goods, work-in-progress and Finished stocks are valued at cost or net realizable value which ever is lower. Cotton Waste is valued at Net realizable Value.

Materials and other items held for use in the production of finished goods are not written down below cost if the finished goods in which they were incorporated are expected to be sold at or above cost.

The cost in respect of above items is measured as under:

Raw material are valued at cost and is arrived at based on actual identification of material on stock.

Work-in-progress at raw material cost plus conversion cost depending on the stage of completion.

Finished goods at material cost plus conversion cost and other overheads incurred to bring the goods to their present condition and location.

Stores and spares at weighted average cost of purchase and other direct expenses incurred to bring the inventory to present location and condition.

Kallam Textiles Limited

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and costs incurred to make the products sold.

II. Power Division :

- a) Stock of banked power is valued at cost or net realizable value whichever is lower.

h) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- i) Revenue from sale of products is recognised when the entity satisfies a performance obligation by transferring the promised goods to customers and the goods are transferred when the customer obtains control over the goods and the company retains no effective control over the goods sold. Revenue is measured at the fair value of the consideration taking into account contractually defined terms of payment. Revenue is reduced for discounts, rebates and other similar allowances.

When there is any uncertainty as to the measurement or collectability of consideration, revenue recognition to the extent of amount of uncertainty is postponed until such uncertainty is resolved.

- ii) GST and other taxes is not received by the company on its own account as it is collected on behalf of government. Accordingly it is excluded from revenue.
- iii) Inter unit transfer of goods is accounted at market price at which the similar goods are purchased from external party.
- iv) Interest income is recognized using effective interest method.

i) TAXES ON INCOME

Income tax expense comprises the sum of tax currently payable and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax is determined at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities are recognized as income or expense in the year of enactment. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as deferred tax asset if there is convincing evidence that the company will pay normal Income Tax. Accordingly, MAT is recognized as part of deferred tax asset in the balance sheet when it is probable that future economic associated with it will flow to the Company.

j) SEGMENT REPORTING

The operating segments of the entity are identified based on the revenues earned and expenses incurred whose operating results are regularly reviewed by the entity's decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Inter segment revenue has been accounted for based on the market related prices.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses".

k) RETIREMENT BENEFITS

The company provides retirement benefit in the form of provident fund and group gratuity. Contributions to the Provident Fund, a defined contribution scheme, is made at the prescribed rates to the provident fund commissioner and is charged to the Profit and Loss account. There is no other obligation other than the contribution payable.

The Liability for group gratuity, which is unfunded, is provided based on actuarial valuation as per the Projected Unit Credit Method at the end of the each year. The company has not contributed any amounts to any fund. Remeasurement, comprising actuarial losses and gains, is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Such remeasurement losses/gains are not reclassified to profit or loss subsequently.

The Liability for Leave encashment being short term benefits, is accounted on accrual of said liability.

J) FOREIGN EXCHANGE TRANSACTIONS

The functional currency of the company is the Indian rupee and the financial statements are presented in Indian rupee.

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the year..

At each Balance Sheet datee

- i) Foreign currency denominated monetary items are translated into the relevant functional currency at exchange rate at the balance sheet date. The gains and losses resulting from such translations are included in net profit in the statement of profit and loss.
- ii) Foreign currency denominated non-monetary items are reported using the exchange rate at which they were initially recognized.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in statement of profit and loss

m) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present obligation as a result of past event, it is probable that the company will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Where the effect of time value of money is material, the amount of provision is the present value of the expenditure to be required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

n) FINANCIAL INSTRUMENTS

Initial recognition:

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction

costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities at fair value through profit and loss) are added to or deducted from the fair value of financial assets and liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent measurement:

- i) Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding..

- ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

De-recognition of financial asset

The company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

- iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. The effective method is a method of calculating the amortization cost of a financial liability and of allocating interest expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

De-recognition of financial liability

The company de-recognises financial liabilities when the company's obligations are discharged, cancelled or expired. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest method.

o) EARNING PER EQUITY SHARE

Basic earning per equity share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares during the period. The company did not have any potentially dilutive securities in any of the years presented.

The number of equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of financial statements by the board of directors.

p) CASH FLOW STATEMENT

Cash flows are reported using indirect method whereby the profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financial activities of the company are segregated.

q) DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders i.e the year in which the dividends are approved and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

r) RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA had not notified any new standards or amendments to the existing standards applicable to the Company

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. This amendment does not have any impact on financial statements.

Note No.4**Property, Plant and Equipment and Capital Work-In-Progress**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Carrying Amounts of:		
Land	9,168.68	9,258.92
Factory Buildings	6,970.95	5,639.30
Non-factory Buildings	4,920.45	4,774.22
Plant and Equipment	16,258.83	17,279.14
Electrical and Electronic Equipment	387.93	478.36
Borewells and Water pumps	2.25	2.88
Office and Other equipment	21.81	26.72
Furniture and Fixtures	1.16	1.25
Vehicles	27.29	42.24
Total	37,759.36	37,503.03
Capital Work-in-progress	-	220.42

Property, Plant and Equipment

Particulars	Land	Factory Buildings	Non-Factory Buildings	Plant and Equipment	Electrical and Electronic Equipment	Borewells and Water pumps	Office & Other Equipment	Furniture and Fixtures	Vehicles	Total
Gross Carrying value										
- At Deemed Cost/ Fair value										
As at 31st March, 2022	9,258.92	7,224.76	5,339.15	23,006.72	1,228.42	23.21	136.61	11.54	141.55	46,370.87
Additions during the year	-	68.34	-	1,039.55	124.86	-	6.73	-	-	1,239.48
Disposals	-	-	-	10.47	-	-	-	-	-	10.47
As at 31st March, 2023	9,258.92	7,293.10	5,339.15	24,035.80	1,353.28	23.21	143.34	11.54	141.55	47,599.88
Additions during the year	6.43	-	256.56	53.14	12.29	-	1.46	-	-	329.87
Reduction in fair value of asset revalued	31.59	-	-	-	-	-	-	-	-	31.59
Disposals	65.09	-	-	56.72	-	-	-	-	1.03	122.84
As at 31st March, 2024	9,168.68	7,293.10	5,595.71	24,032.22	1,365.57	23.21	144.80	11.54	140.52	47,775.33
Accumulated Depreciation										
As at 31st March, 2022	-	1,334.47	454.60	5,749.85	775.12	19.70	104.61	9.19	81.52	8,529.06
Depreciation charge for the year	-	319.32	110.33	1,006.81	99.81	0.63	12.00	1.10	17.79	1,567.80
On disposals	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	-	-	564.93	6,756.66	874.92	20.33	116.62	10.29	99.31	10,096.85
Depreciation charge for the year	-	322.14	110.33	1,041.35	102.71	0.63	6.37	0.08	14.81	1,598.43
On disposals	-	-	-	24.62	-	-	-	-	0.90	25.52
As at 31st March, 2024	-	322.14	675.27	7,773.39	977.63	20.96	122.99	10.38	113.23	11,669.76
Net carrying amount										
As at 31st March, 2024	9,168.68	6,970.95	4,920.45	16,258.83	387.93	2.25	21.81	1.16	27.29	36,105.56
As at 31st March, 2023	9,258.92	7,293.10	4,774.22	17,279.14	478.36	2.88	26.72	1.25	42.24	37,503.03
As at 31st March, 2022	9,258.92	5,890.28	4,884.56	17,256.87	453.30	3.51	32.00	2.34	60.03	37,841.82

Notes:

- Terms Loans taken by the Company from banks are secured by way of first charge on fixed assets of the company.
- None of the assets were acquired/transferred by way of business combinations.
- The gross carrying value of following assets include the following amounts on account of revaluation.
 - Increase in value of land on account of revaluation done during the FY 2016-17 and 2017-18 Rs.8926.25 lakhs.
 - Increase in value of Factory buildings on account of revaluation done during the FY 2017-18 Rs.2166.51 lakhs.
 - Increase in value of Non-Factory buildings on account of revaluation done during the FY 2017-18 Rs.1205.69 lakhs.
 - During the year, part of the land was disposed and the excess of revalued amount over its cost amounting to Rs.93.14 lakhs was transferred from Revaluation surplus.
- The title deeds of immovable properties were held in the name of the company.
- No proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

Kallam Textiles Limited

Intangible assets

Note No.4

Particulars	As at 31st March, 2024	As at 31st March, 2023
Carrying amount of:		
Computer software	0.51	1.04
Total	0.51	1.04
(A) Gross Carrying Value at cost		
Opening balance	9.95	9.95
Additions	-	-
Disposals/Adjustments	-	-
Closing balance	9.95	9.95
(B) Accumulated amortisation and impairment		
Opening balance	8.91	5.79
Amortisation for the year	0.53	3.12
On disposals	-	-
Closing balance	9.43	8.91
(C) Carrying Amount		
Balance at March 31, 2024	0.51	1.04
Balance at March 31, 2023	1.04	4.16

- None of the intangible assets were acquired/transferred by way of business combinations.
- The carrying values of any of the assets does not include any changes made on account of revaluation as on date of balance sheet.

Capital Work-in-Progress

Note No.4

Particulars	Amount
Carrying value - At Cost/Deemed Cost	
As at 31st March, 2022	1,073.80
Additions	323.92
Capitalised during the year	1,177.30
As at 31st March, 2023	220.42
Additions	103.02
Capitalised during the year	323.44
As at 31st March, 2024	-

Capital Work-in-progress ageing schedule as on 31.3.2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended					-

Capital Work-in-progress ageing schedule as on 31.3.2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	27.63	3.47	18.99	170.33	220.42
Projects temporarily suspended					-

Note: None of the above projects were overdue for its completion and does not exceeded its cost compared to its original plan.

Investments

Note No. 5

Particulars	Non-Current	
	As at 31st March, 2024	As at 31st March, 2023
Non-current (At FVTOCI)		
a) Investment in Equity instruments (Trade and Unquoted)		
i) 1,30,000 Equity shares of Rs.10/- each in Vignatha Solar Pvt. Limited	13.00	13.00
Total	13.00	13.00
Total aggregate value of unquoted investments	13.00	13.00
Cost	13.00	13.00
Fair value	13.00	13.00

Category Wise - Investments as per IND as 109 Classification

Particulars	As at 31.3.2024		As at 31.3.2023	
	Fair value of Investments	Dividends recognised	Fair value of Investments	Dividends recognised
Financial assets measured at:				
(i) Fair value through Other Comprehensive Income				
i) 1,30,000 Equity shares of Rs.10/- each in Vignatha Solar Pvt. Limited	13.00	-	13.00	-

Loans

Note No. 6

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Unsecured Considered Good				
a) Employee related advances	-	-	3.00	7.45
b) Other advances	-	-	0.06	0.06
Total	-	-	3.05	7.50

Note: No loans are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

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Of above:

Loans considered good- Secured	-	-	-	-
Loans considered good- Unsecured	-	-	3.05	7.50
Loans which have significant increase in credit risk	-	-	-	-
Loans - Credit impaired	-	-	-	-

Other Financial Assets

Note No. 7

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a) Security deposits with Govt. authorities and others	753.93	757.34	-	-
b) Claims receivable	-	-	-	-
Total	753.93	757.34	-	-

Other Assets

Note No. 8

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Unsecured, Considered Good				
a) Advances for Capital goods	4.50	10.93	-	-
b) Advances to creditors against supplies	-	-	71.24	148.05
c) Prepaid expenses	-	-	44.94	47.49
d) Balances with Statutory Authorities:				
IGST receivable	-	-	3.57	2.21
SGST receivable	-	-	228.13	477.01
Taxes paid under protest	-	-	32.65	32.65
Income-tax refunds receivable	-	-	53.16	15.78
e) Duty draw back refund receivable	-	-	2.40	4.66
f) Interest rebate receivable under TUF scheme	-	-	71.38	153.70
g) Interest subsidy receivable from AP government	-	-	374.54	374.54
h) Power Subsidy receivable	-	-	2,516.85	2,516.85
i) Accrued Interest on deposits	-	-	47.57	38.32
Total	4.50	10.93	3,446.43	3,811.26

Note a) : No advances are due from directors or other officers of the company either severally or jointly with any other person nor any other loans are due from firms or private company in which any director is a partner, a director or a member.

Note b) : The above does not includes any amounts granted and outstanding from Promoters, directors, KMPs and the related parties.

Inventories (At lower of cost and net relisable value)

Note No. 9

Particulars	As at 31st March, 2024	As at 31st March, 2023
Spinning/Power:		
Raw materials	1,307.65	2,905.27
Work-in-progress	1,342.59	2,073.87
Finished goods	630.11	1,299.64
Stores and spares	254.34	322.41
Weaving and Dyeing unit:		
Raw materials	498.14	574.02
Work-in-progress	3,883.47	4,759.40
Finished goods	412.27	446.77
Stores and spares	145.51	143.88
Total	8,474.07	12,525.27

Note:

- (i) The mode of valuation of inventories has been stated in Note. h in Accounting Policies.
- (ii) The cost of inventories recognised as an expense for the year ended 31st March, 2024 has been disclosed on the face of the statement of P&L a/c in note nos. 24,25,26 and 30.
- (iii) All the above inventories are offered as security in respect of working capital loans availed by the company from all the banks.
- (iv) There are no inventories expected to be recovered after more than twelve months.

Trade receivables

Note No. 10

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	1,721.59	2,176.41
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	1,721.59	2,176.41

Trade Receivables ageing schedule as on 31-3-2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade Receivables considered good	1,700.78	15.55	1.33	0.82	3.12	1,721.59
(ii) Undisputed trade Receivables which have significant increase in credit risk						-
(iii) Undisputed trade Receivables credit impaired						-
(iv) Disputed trade Receivables considered good						-
(v) Disputed trade Receivables which have significant increase in credit risk						-
(vi) Disputed trade Receivables credit impaired						-

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Trade Receivables ageing schedule as on 31-3-2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed trade Receivables considered good	2,106.04	11.78	14.98	42.82	0.79	2,176.41
(ii) Undisputed trade Receivables which have significant increase in credit risk					-	
(iii) Undisputed trade Receivables credit impaired					-	
(iv) Disputed trade Receivables considered good					-	
(v) Disputed trade Receivables which have significant increase in credit risk					-	
(vi) Disputed trade Receivables credit impaired					-	

Notes:

- The average credit period of trade receivables varies from 15-45 days.
- The above does not include any amount due from related parties.
- The company has used practical expedient by computing the expected credit loss for doubtful trade receivables based on the ageing of receivables, history of recoverability from the customers, credit worthiness of the customers etc.,
- During the year, the company has recognised loss allowance of Rs.Nil under 12 months expected credit loss model.
- There is no customer who represents more than 10% of total balance of trade receivables.
- There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member.

Cash and cash equivalents

Note No. 11

Particulars	As at 31st March, 2024	As at 31st March, 2023
i) Balances with banks in Current accounts		
a. In Current accounts	0.71	4.29
ii) Cash on hand	13.39	7.64
Total	14.09	11.93

Other Bank Balances

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. Earmarked balances with banks held as margin money against LC and guarantees.	56.20	57.24
b. Earmarked balances with banks towards unclaimed dividends	8.77	11.12
Total	64.97	68.37

Share Capital Authorised Share Capital

Note No. 12

Particulars	Equity	
	No's of Shares	INR
As at 31st March 2022	10,00,00,000	2,000.00
Changes during the year	-	-
As at 31st March 2023	10,00,00,000	2,000.00
Changes during the year	-	-
As at 31st March' 2024	10,00,00,000	2,000.00

Issued Share Capital

Particulars	No's of Shares	INR
As at 31st March, 2022	4,28,19,375	856.39
Changes during the year - (Rights issue)	99,91,187	199.82
As at 31st March, 2023	5,28,10,562	1,056.21
Changes during the year	-	-
As at 31st March, 2024	5,28,10,562	1,056.21

Details of share holders holding more than 5% of total number of shares

Name of the Share Holder	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares held	% out of total number of shares of the Company	No of Shares held	% out of total number of shares of the Company
Gurram Venkata Krishna Reddy	45,23,202	8.56%	45,23,202	8.56%
Kallam Mohan Reddy	36,32,412	6.88%	36,32,412	6.88%
Prathusha Kallam	35,53,180	6.73%	35,53,180	6.73%

Details of equity shares held by promoters as on 31-3-2024

Name of the Share Holder	Type of share (Equity)	No. of shares	% of total shares	% Change during the FY 2023-24
Gurram Venkata Krishna Reddy	Equity	45,23,202	8.56	Nil
Kallam Harinadha Reddy	Equity	3,040	0.01	Nil
Kallam Mohana Reddy	Equity	36,32,412	6.88	Nil
Kallam Prathyusha	Equity	35,53,180	6.73	Nil
Kallam Agro Products & Oils Private Limited	Equity	25,14,376	4.76	Nil
Sivanagendramma Poluri	Equity	14,70,653	2.78	Nil
Poluri Venkateshwara Reddy	Equity	16,71,250	3.16	Nil
Poluri Goverdhan Reddy	Equity	14,93,191	2.83	Nil
Venu Gopala Reddy Poluri	Equity	13,42,872	2.54	Nil
Nagireddy Kallam	Equity	-	0.00	Reclassified
Kallam Annapurna	Equity	-	0.00	Reclassified
Umasankara Reddy Movva	Equity	-	0.00	Reclassified
Rajendra Prasad Nalli	Equity	-	0.00	Reclassified
Movva Venkata Subba Reddy	Equity	5,15,870	0.98	-0.02
Prathibha Rani Nalli	Equity	-	0.00	Reclassified
Anumula Ranga Reddy	Equity	-	0.00	Reclassified
Movva Kavitha	Equity	77,500	0.15	Nil
Subbayamma Poluri	Equity	-	0.00	Reclassified
Kallam Hara Mohan Maadhur	Equity	15,93,206	3.02	Nil
Kallam Hara Mohan Bharadwaj	Equity	23,02,171	4.36	Nil
		2,46,92,923	46.76	

Note : During the year, some of the shareholders who are categorised under promoters as on 31.3.2023, were reclassified as non-promoters and hence considered them as public shareholders for the year and said reclassification was approved by stock exchange under Regulation 31A of SEBI(LODR), Regulations, 2015.

Details of Equity Shares held By promoters as on 31.03.2023

Name of the Share Holder	Type of share (Equity)	No. of shares	% of total shares	% Change during the FY 2020-21
Gurram Venkata Krishna Reddy	Equity	45,23,202	8.56	0.36
Kallam Harinadha Reddy	Equity	3,040	0.01	Nil
Kallam Mohana Reddy	Equity	36,32,412	6.88	Nil
Kallam Prathyusha	Equity	35,53,180	6.73	Nil
Kallam Agro Products & Oils Private Limited	Equity	25,14,376	4.76	Nil
Sivanagendramma Poluri	Equity	14,70,653	2.78	-0.55
Poluri Venkateshwara Reddy	Equity	16,71,250	3.16	0.48
Poluri Goverdhan Reddy	Equity	14,93,191	2.83	0.27
Venu Gopala Reddy Poluri	Equity	13,42,872	2.54	0.27
Nagireddy Kallam	Equity	-	0.00	-1.72
Kallam Annapurna	Equity	13,80,000	2.61	1.11
Umasankara Reddy Movva	Equity	7,92,849	1.50	Nil
Rajendra Prasad Nalli	Equity	6,93,729	1.31	Nil
Movva Venkata Subba Reddy	Equity	5,28,020	1.00	Nil
Prathibha Rani Nalli	Equity	1,97,333	0.37	Nil
Anumula Ranga Reddy	Equity	1,27,500	0.24	-0.06
Movva Kavitha	Equity	77,500	0.15	-0.03
Subbayamma Poluri	Equity	662	0.00	Nil
Kallam Hara Mohan Maadhur	Equity	15,93,206	3.02	Nil
Kallam Hara Mohan Bharadwaj	Equity	23,02,171	4.36	Nil
		2,78,97,146	52.83	

Other Equity

General Reserve

Note No. 13

Particulars	Amount
Transfers during the year	-
As at 31st March, 2022	160.36
Transfers during the year	-
As at 31st March, 2023	160.36
Transfers during the year	-
As at 31st March, 2024	160.36

Revaluation Reserve

Particulars	Amount
As at 31st March, 2022	11,317.46
Deferred tax on revaluation of assets now withdrawn	49.35
As at 31st March, 2023	11,366.81
Deferred tax on revaluation of assets now withdrawn	49.35
Less:	-
Reduction in fair value of asset revalued	31.59
Transfer of revaluation surplus to retained earnings on disposal of asset	61.55
As at 31st March, 2024	11,323.01

Securities premium

Particulars	Amount
As at 31st March, 2022	-
Received during the year	799.29
As at 31st March, 2023	799.29
Received during the year	-
As at 31st March, 2024	799.29

c) Retained Earnings

Particulars	Amount
As at 31st March, 2022	8,816.22
Add: Total comprehensive income for the year transferred from statement of profit and loss “	-2098.75
Final dividend for the year 2022-23	105.62
As at 31st March, 2023	6,611.85
Add: Total comprehensive income/(Loss) for the year transferred from statement of profit and loss “	-3693.12
Final dividend for the year 2021-22	61.55
As at 31st March, 2024	2,980.28

Summary of Other Equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revaluation surplus	11,323.01	11,366.81
General Reserve	160.36	160.36
Securities premium	799.29	799.29
Retained earnings	2980.28	6,611.85
	15,262.95	18,938.31

Nature and purpose of Reserves:

Retained earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Securities premium : Securities Premium represents the surplus of proceeds received over the face value of shares, at the time of issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve : General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Revaluation Surplus : Revaluation surplus represents revaluation of its immovable properties being land and buildings at its fair market value and the resultant excess of its fair value over its book value is transferred to other equity as Revaluation surplus.

Long Term Borrowings

Note No. 14

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
A. Secured				
i. Term loans				
a) From banks :				
i) Union Bank of India	4,557.56	6,645.67	2,088.61	1,914.87
ii) Indian Bank	2,711.18	4,869.47	2,213.23	3,069.73
Total (a)	7,268.74	11,515.14	4,301.85	4,984.60
B. Unsecured				
i) Loans from Promoters and their relatives	-	-	-	-
ii) Loans from Directors	-	-	-	-
Total (b)	-	-	-	-
Total (a+b)	7,268.74	11,515.14	4,301.85	4,984.60

- The term loans from banks are secured by way of hypothecation of assets funded under the said facility. Further, the loans are guaranteed by two directors in their personal capacities.
- The above loans carries interest varies from 9.40% to 13.40%
- The above loans are repayable in monthly/quarterly instalments.
- The non-current portion of above term loans are repayable in following manner.
Banks : 2024-25 Rs.4301.85 lakhs- 2025-26 Rs.4213.08 lakhs - 2026-27 Rs.1401.47 lakhs
2027-28 Rs.975.82 lakhs- 2028-29 Rs.345.08 lakhs and 2029-30 Rs.333.59 lakhs.
- The company made following defaults in repayment of loans.(i.e Instalments overdue as on 31.3.2024)

Name of the bank	Nature of payment	Due date	Amount
Union bank	Interest	30.9.23	66.38
		31.10.23	68.29
		30.11.23	69.51
		31.12.23	148.64
		31.1.24	166.90
		28.2.24	165.50
		31.3.24	167.18
Indian bank	Interest	30.9.23	57.66
		31.10.23	66.34
		30.11.23	64.43
		31.12.23	139.94
		31.1.24	154.51
		28.2.24	145.62
		31.3.24	166.43
	Total interest overdue		1647.33
Union bank	Principal	30.9.23	330.35
		31.12.23	478.72
		31.3.24	584.09
Union bank	Principal	30.9.23	449.24
		31.12.23	773.63
		31.3.24	1227.80
	Total principal overdue		3843.83

The company also made delays in repayment of instalments aggregating to Rs.930.22 lakhs to Union bank of India and Indian bank which varies from 1 day to 83 days.

- 6) The company availed term loans and working capital loans from Union bank of India and Indian bank and as at 31.12.2023, the company has defaulted in repayment of term loan instalments (Incl. interest) to the extent of Rs.5491.16 lakhs. The banks have classified these loans as NPA and issued notices on 10.1.2024 for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. Further, the banks also taken possession of the properties offered as security u/s 13(4) of the said Act. The company applied for restructure of these loans and same is pending with the lender banks.
- 7) All the borrowings were utilised for the purpose for which they were raised.
- 8) The company is not declared as wilful defaulter by any bank or financial institution in accordance with the guidelines issued on wilful defaulters issued by Reserve Bank of India.

Other Financial Liabilities**Note No. 15**

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a) Creditors for capital goods	-	-	-	47.97
b) Interest accrued and due	-	-	-	71.55
c) Unclaimed dividend	-	-	8.77	11.12
d) Employee related payments	-	-	149.44	295.74
e) Other Liabilities	161.03	192.05	439.96	850.34
Total	161.03	192.05	598.17	1,276.73

Provisions**Note No. 16**

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a) Provision for employee benefits - Group gratuity (Unfunded)	142.61	201.26	7.33	14.74
Total	142.61	201.26	7.33	14.74

EMPLOYEE BENEFITS**a. Defined contribution plans**

The Company makes Provident Fund and Employees' State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. The Company recognised Rs. 33.20 lakhs (Year ended March 31, 2023: Rs. 37.08 lakhs) for provident fund contributions, and Rs. 7.40 lakhs (Year ended March 31, 2023: Rs. 8.02 lakhs) towards Employees' State Insurance Scheme contributions in the Statement of Profit and Loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The assets, liabilities and surplus / (deficit) position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Present value of obligation	149.94	215.99
Fair Value of plan assets*	-	-
(Asset)/Liability recognised in the Balance Sheet	149.94	215.99

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

Particulars	Plan Obligation
As at April 1, 2022	207.44
Current service cost	26.07
Interest cost	14.99
Actuarial (gain)/loss arising from changes in financial assumptions	-30.42
Benefit payments	-2.09
As at March 31, 2023	215.99
Current service cost	21.71
Interest cost	14.26
Actuarial (gain)/loss arising from changes in financial assumptions	-51.67
Benefit payments	-50.35
As at March 31, 2024	149.94

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises :

Particulars	As at 31st March, 2024	As at 31st March, 2023
Employee Benefit Expenses		
Current service cost	21.71	26.07
Interest cost	14.26	14.99
Net impact on profit before tax	35.97	41.06
Remeasurement of the net defined benefit plans:		
Actuarial (gain)/loss arising from changes in financial assumptions	-51.67	-30.42
Net impact on other comprehensive income before tax	-51.67	-30.42

(iv) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.22%	7.50%
Salary escalation rate	12.00%	12.00%

The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(v) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	135.42	167.25	239.67	195.91
Salary escalation rate (1% movement)	165.88	136.31	238.38	196.69

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

vi) Discontinuance of liability

Amount payable upon discontinuance of all employees is Rs. 95.15 lakhs (Pr. Year Rs. 138.56 lakhs)

vii) Best estimate of contribution during the next year

The best estimate contribution of the company during the year would be Rs. Nil since the company is not contributing to any fund.

(vii) Maturity analysis

Maturity profile of defined benefit obligation :

Particulars	As at March 31, 2024
Within 1 year	7.33
1-2 year	8.62
2-3 year	23.76
3-4 year	6.36
4-5 year	7.58
5-10 year	59.92

Deferred Tax**Note No. 17**

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet

Particulars	As at 31st March, 2024	As at 31st March, 2023
Liability:		
Towards depreciation	6,244.40	6,268.97
Asset:		
On allowances under Income-tax	(325.86)	(379.70)
Unabsorbed losses as per Income-tax Act	(4,435.84)	(2,490.40)
MAT Credit entitlement	(1,968.75)	(1,968.75)
Deferred tax liability (Net)	(486.05)	1,430.11

Kallam Textiles Limited

Movement in Deferred Tax Assets/Liabilities

Component	As at 1st April, 2022	Charge/ (Credit) in Statement of P&L	Charge/ (Credit) in OCI	As at 31st March, 2023	Charge/ (Credit) in Statement of P&L	Charge/ (Credit) in OCI	As at 31st March, 2024
Deferred tax (liabilities)/assets in relation to:							
Depreciation	6,235.04	83.27	-49.35	6,268.97	24.88	-49.45	6,244.40
Expenses allowable under Income tax when paid	-426.48	46.78	-	-379.70	53.84	-	-325.86
Unabsorbed Depreciation as per Income Tax Act	-1,405.88	-1,084.52	-	-2,490.40	-1,945.44	-	-4,435.84
MAT credit entitlement	-1,968.75	-	-	-1,968.75	-	-	-1,968.75
	2,433.93	-954.47	-49.35	1,430.11	-1,866.72	-49.45	-486.05

Other Liabilities

Note No. 18

Particulars	Non-Current		Current	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
a) Advances received from customers against supplies	-	-	40.60	195.25
b) Statutory Liabilities	-	-	15.94	62.53
c) Deferred government grants	680.61	726.64	46.03	46.03
Total	680.61	726.64	102.57	303.81

There are no amounts due for payment to the investor Education and Protection-Fund Section 125 of the Companies Act, 2013 as on 31st March, 2024 and 31st March, 2023.

Short Term Borrowings

Note No.19

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Secured		
Loans repayable on demand :		
Working Capital Loans :		
a) Cash Credit from banks		
i) From Union Bank of India	8,342.01	7,619.77
ii) From Indian Bank	5,773.19	5,975.63
iii) From Bank of Baroda	486.88	358.76
b) Current maturities of long-term debt		
i) From Union Bank of India	2,088.61	1,914.87
ii) From Indian Bank	2,213.23	3,069.73
c) Overdue instalments of Term Loans		
i) From Union Bank of India	1,393.16	-
ii) From Indian Bank	2,450.67	-
d) Interest accrued and due on overdue instalments	1,647.33	-
B. Unsecured		
Loans repayable on demand :		
a) From Directors'	-	109.00
Total	24,395.08	19,047.76

Note :

- a) Working capital loans from banks are secured by way of hypothecation of Inventories and book debts.
The loans carries interest varies from @ 10.2% to 10.5% as on date of balance sheet.
- b) The company has not declared as wilful defaulter by any of the bank or any other institution.
- c) The company availed term loans and working capital loans from Union bank of India and Indian bank and as at 31.12.2023, the company has defaulted in repayment of term loan instalments (Incl. interest) to the extent of Rs.5491.16 lakhs. The banks have classified these loans as NPA and issued notices on 10.1.2024 for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. Further, the banks also taken possession of the properties offered as security u/s 13(4) of the said Act. The company applied for restructure of these loans and same is pending with the lender banks.
- d) The company availed working capital loans against security of current assets. The statement of current assets as filed with the banks in the returns submitted were not agreement with the books of accounts as per the following.

Name of the Bank	Quarter ended	*Amount as per statement submitted to the bank	Amount as per books of account (Unaudited)	Difference (Excess)/short reported to bank
Union bank of India (Spinning unit)	30.06.2023	10,726.67	4,792.77	-5,933.90
	30.09.2023	10,342.31	3,568.88	-6,773.43
	31.12.2023	10,476.46	3,106.05	-7,370.41
	31.03.2024	Not filed	3,178.48	NA
Indian bank (Weaving unit)	30.06.2023	7,378.77	6,635.19	-743.58
	30.09.2023	7,404.62	6,290.32	-1,114.30
	31.12.2023	7,350.64	5,747.64	-1,603.01
	31.03.2024	Not filed	5,063.37	NA
Bank of Baroda (Dying unit)	30.06.2023	581.02	379.28	-201.74
	30.09.2023	646.44	309.30	-337.14
	31.12.2023	670.63	348.54	-322.09
	31.03.2024	639.21	640.41	1.20

* Amount as mentioned above includes aggregate of trade receivable, inventories, trade payables.

Trade Payables**Note No.20**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Dues to : Small and Micro Enterprises	70.01	153.85
: Other than Small and Micro Enterprises	1,378.22	2,288.67
Total	1,448.23	2,442.52

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Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information obtained during the year and available with the Company, with regard to the status of their suppliers under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT), on which the auditors have relied, the disclosure requirement with regard to the payment made/ due to Micro, Small and Medium Enterprises are given below.

Particulars	As at 31st March, 2024	As at 31st March, 2023
1. Amount remaining unpaid at the end of the year at the end of the year		
(a) Principal amount of bills to be paid	70.01	153.85
(b) Interest due there on	-	0.09
2. (a) Payment made to suppliers, during the year, but beyond appointed / agreed date Interest there on in terms of Sec 16 of the Act		
(b) Interest paid along with such payments during the year		
(c) Interest due and payable at the end of the year on such payments made during the year. "		
3. Amount of Interest for the year u/s 16 of the Act accrued and remaining un-paid at the end of the year.	-	0.09
4. Total amount of interest u/s 16 of the Act including that arising in earlier years, accrued and remaining unpaid at end of the year.	-	0.09

Ageing of Trade Payables as on 31-03-2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1 to 2 yrs.	2 to 3 yrs.	More than 3 yrs.	
(i) MSME	70.01	-	-	-	70.01
(ii) Others	1,343.70	18.37	0.02	16.13	1,378.22
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-
Total					1,448.23

Ageing of Trade Payables as on 31-03-2023

CWIP	Outstanding for following periods from due date of payment				Total
	Less than 1 yr.	1 to 2 yrs.	2 to 3 yrs.	More than 3 yrs.	
(i) MSME	153.85	-	-	-	153.85
(ii) Others	2,275.69	12.98	-	-	2,288.67
(iii) Disputed dues MSME	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-
Total					2,442.52

Current Tax (Net)**Note No.21**

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Income-tax	421.44	421.44
Less: Advance Income-tax and TDS	457.20	460.24
Current tax liability / (Asset)	(35.76)	(38.80)

The major components of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit or loss Section		
Current tax	-	-
Adjustment of current tax relating to earlier periods	-	0.25
Deferred tax	(1,866.82)	(954.47)
Income tax expense reported in statement of profit and loss	(1,866.82)	(954.22)
OCI Section		
Deferred Tax withdrawn on revaluation surplus	(49.35)	(49.35)
Income tax charged to OCI	(49.35)	(49.35)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2024 and 31 March 2023:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit/(Loss) before tax	(5,611.61)	(3,083.40)
Enacted Tax Rates in India (Under MAT)	17.47%	17.47%
Tax at statutory income tax rate	-	-
Less: Tax effects of expenses which are not deductible in determining taxable profit		
Depreciation difference	-	-
Expenses(net of Income) not deductible for tax purposes	-	-
Tax on Ind AS adjustments	-	-
Income tax expense reported in the statement of profit and loss	-	-

- For components of deferred tax and its movement and charge to Statement of Profit and loss and OCI for the current and previous year, refer note no.17.
- No provision towards current tax has been made due to business and depreciation losses for current year.

Revenue From Operations

Note No.22

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Revenue from Operations		
Sale of goods	36,024.05	41,211.77
Other Operating Revenue		
Job work charges	491.19	-
Export Incentive	222.95	75.22
	36,738.19	41,286.99

Kallam Textiles Limited

Revenue from Operations from sale of goods include:

Particulars	Year ended 31st March, 2024		Year ended 31st March, 2023	
	Qty(kgs.)	Revenue	Qty(kgs.)	Revenue
i) Cotton Yarn	63,19,651	15,307.94	48,02,069	14,390.81
ii) OE Yarn	34,79,712	6,081.53	44,19,415	8,622.84
iii) Cotton PC Yarn	12,672	21.95	6,09,339	1,218.39
iv) Cotton PV Yarn	35,742	64.21	2,36,992	455.00
v) Cotton Waste	11,05,605	874.89	11,32,653	1,020.38
vi) OE Waste	7,32,957	182.62	10,39,817	245.42
vii) Cotton Seed	14,45,101	423.45	22,35,304	758.24
viii) Cotton Lint	7,48,917	1,197.36	11,80,965	2,212.41
ix) Sale of Gray Fabric (Mtrs)	1,94,29,905	12,690.11	1,75,09,761	13,301.87
x) Sale of Fabric Waste	1,19,328	42.70	98,937	43.15
xi) Sale of Dyed Fabric (Mtrs)	29,74,306	3,390.54	28,61,878	3,651.63
xii) Sale of Dyed Yarn (Kgs)	5,05,008	1,997.49	5,25,201	2,528.29
xiii) Gray Yarn	-	-	-	-
xiv) Sale of Solar Power (KWH)	96,06,375	432.29	83,15,253	374.19
xv) Sale of Power (KWH)	2,88,250	16.56	54,25,842	297.93
		42,723.64		49,120.56
Less: Inter divisional transfers				
Cotton Yarn	7,15,966	2,312.60	4,52,325	1,769.77
OE yarn	50,450	94.79	53,820	132.09
Dyed yarn	5,05,008	1,997.49	5,25,201	2,528.29
Gray Yarn	-	-	-	-
Cotton Waste	8,34,501	665.07	9,43,514	892.04
Cotton Lint	7,48,917	1,197.36	11,80,965	2,212.41
Solar Power	96,06,375	432.29	83,15,253	374.19
		6,699.59		7,908.78
TOTAL		36,024.05		41,211.77

Other Income

Note No.23

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest from banks and others	55.04	43.92
Deferred Govt. grants credited back	46.03	46.03
Credit Balances written back	0.09	0.11
Profit on sale of assets	0.13	-
Gain on exchange fluctuations	0.02	0.34
Miscellaneous receipts	7.56	42.25
TOTAL	108.87	132.65

Cost of Materials Consumed**Note No.24**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening Stock	3,479.29	4,294.87
Add: Purchase of Raw Material	24,687.45	30,775.14
	28,166.75	35,070.01
Less : Closing Stock	1,805.79	3,479.29
TOTAL	26,360.96	31,590.72

Purchase of stock-in-trade**Note No.25**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Yarn	8.68	1.13
TOTAL	8.68	1.13

**Changes in inventories of finished goods,
work -in- progress and stock-in-trade****Note No.26**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening inventory:		
Stock-in-trade	-	-
Work-in-progress	6,833.28	4,920.89
Finished goods	1,746.41	1,804.52
	8,579.69	6,725.41
Closing inventory:		
Stock-in-trade	-	-
Work-in-progress	5,226.05	6,833.28
Finished goods	1,042.38	1,746.41
	6,268.44	8,579.69
Increase in inventories	-2,311.25	1,854.27

Employee benefit expenses**Note No.27**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries and Wages	2,043.41	2,138.37
Contribution to provident and other funds	40.60	45.10
Staff welfare expenses	25.75	12.89
Contribution towards group gratuity	33.44	39.51
TOTAL	2,143.20	2,235.88

Finance costs

Note No.28

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest paid to banks and others	3,465.81	2,887.59
Other Borrowing Costs	77.72	88.90
Total Interest Cost (Gross)	3,543.53	2,976.48
Less: Subsidy under TUF Scheme	-	-
Interest subsidy from AP Government	-	-
Total Interest Cost (Net of subsidies)	3,543.53	2,976.48

Depreciation and amortisation

Note No.29

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation and Amortization	1,598.96	1,570.92
TOTAL	1,598.96	1,570.92

Other expenses

Note No.30

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Consumption of Stores and Spares	1,598.05	2,064.12
Processing charges paid	19.56	2.91
Power and Fuel	3,219.62	3,281.56
Repairs and Maintenance: Buildings	31.08	52.17
Machinery	177.18	222.63
Other assets	599.89	636.78
Insurance	48.74	56.48
Loading and Unloading charges	250.83	181.94
Commission on Sales	203.20	190.97
Rates and taxes	40.00	44.79
Payments to auditors		
- Statutory audit	3.75	3.75
- Tax audit and taxation matters	0.50	0.50
- For Certification and Others	0.21	0.18
- Cost audit	0.30	0.30
Directors Sitting Fee	2.40	2.25
Donations	-	0.50
CSR expenses	-	-
Debit Balances written off	0.11	0.03
Miscellaneous expenses	296.68	398.78
TOTAL	6,492.10	7,140.63

Exceptional Items**Note No.31**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Transmission charges	-	200.07
Fuel and Power purchase cost adjustment	-	274.85
True-up charges	-	366.64
TOTAL	-	841.55

Year ended 31.3.2023

- Note: a) The expenditure represents payment made in respect of demand raised by Transmission corporation of Telengana towards transmission charges levied for the period from 1.4.2014 to 31.5.2014 and 1.4.2019 to 22.9.2021. (Amount Rs.2,00,06,928/-)
- b) The expenditure represents charges levied by APTRANSCO during the year 2022-23, consequent to the orders received from APERC related to the period FY 2021-22 in case of FPPCA and 2014-15 to 2018-19 in case of true-up charges.

Earnings per Share (Eps)**Note No.32**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
No. of shares outstanding	5,28,10,562	5,28,10,562
Adjustment factor for Rights issue	-	1.01
No. of shares restated	5,28,10,562	5,02,42,964
Profit/(Loss) after tax and before OCI	(3744.79)	(2129.18)
EPS (Restated)	(7.09)	(4.24)

CIF value of imports made during the year:**Note No.33**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
i) Stores & Spares	41.75	140.92
ii) Capital goods	0.00	0.00

Comparison between consumption of imported and indigenous raw materials Spares and components during the year:**Note No.34**

Particulars	Year ended 31st March, 2024	%	As at 31st March, 2023	%
a) Raw material:				
Imported	0		55.49	0.18
Indigenous	26360.96	100	31535.23	99.82
Total	26360.96	100	31590.72	100
b) Spares & Components:				
Imported	41.75	2.61	140.92	6.83
Indigenous	1556.30	97.39	1923.20	93.17
Total	1598.05	100	2064.12	100

Expenditure incurred in foreign currency during the year: Note No.35

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Commission on Sales	34.01	5.34
b) Foreign Travel	2.01	1.87

Contingent liabilities not provided for: Note No.36

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
a) Estimated amounts of contracts remaining to be Executed on Capital accounts, and not provided for	0.00	0.00
b) Income-tax	67.85	67.85

Note No.37

Balances in personal accounts of various parties are subject to confirmation by and reconciliation with the said parties.

Note No.38**RELATED PARTY DISCLOSURES:****A) List of Related Parties:**

- 1) Key Managerial Personnel:
 1. P.Venkateswara Reddy, Managing Director
 2. G.V.Krishna Reddy, Joint Managing Director
 3. M.V.Subba Reddy, Whole Time Director
- 2) Relatives of Key managerial Personnel who are under employment with the company:
 1. Poluri Govardhana Reddy, Son of P.Venkateswara Reddy
- 3) Entities controlled by relatives of KMP
 1. Kallam Agro products & Oils Private Limited

B) Transactions with the related parties (Figures in brackets relates to previous year)

I. Details of Transactions:	2023-24	2022-23
a. Remuneration Paid to KMP:		
1. P. Venkateswara Reddy, MD		
-Salary	28.00	(37.90)
-Short term employment benefits	26.95	(37.14)
-Post employment benefits	1.05	(0.76)
2. G.V.Krishna Reddy, JMD		
-Salary	32.75	(37.40)
-Short term employment benefits	32.19	(37.23)
-Post employment benefits	0.56	(0.17)
3. M.V.Subba Reddy,WTD		
-Salary	12.03	(11.98)
-Short term employment benefits	11.11	(11.36)
-Post employment benefit	0.92	(0.61)
Total	72.78	(87.28)
b. Salary paid :		
1. P. Govardhan Reddy	10.35	(10.00)
c. Sale of Goods and Services		
1. Kallam Agro products and Oils Pvt. Ltd Seed Sales	0.00	(64.53)
II. Sitting fees paid to Non-executive and Independent director		
1. Vangala Bhargavi	0.90	(0.90)
2. Suryanarayana Murthy Vaddadi	0.90	(0.75)
3. Petluri Srinivas	0.60	(0.00)

II. Balance as at 31-03-2024 :

a) Remuneration payable :		
1. P. Venkateswara Reddy, MD	2.13	(1.78)
2. G.V. Krishna Reddy, JMD	2.52	(1.38)
3. M.V. Subba Reddy, WTD	1.08	(1.21)

Segment Information:**Note No.39**

Particulars	(Amount in Lacs)	
	Year 2023-24	Year 2022-23
Segment Revenue:		
1 Spinning	22443.46	25813.50
2 Weaving	16153.20	17078.95
3 Dyeing	2659.13	2528.29
4 Solar Power	432.29	374.19
5 Hydel Power	16.56	297.93
	41704.64	46092.86
Less: Inter segment Revenue	4966.45	4805.87
Net Revenue from Operation	36738.19	41286.99
Segment Results (Profit before Tax and Interest)		
1 Spinning	-1927.03	-726.97
2 Weaving	-351.62	392.68
3 Dyeing	36.45	57.86
4 Solar Power	310.5	277.14
5 Hydel Power	-136.38	-107.63
	-2068.08	-106.92
Less: Interest (net)	3543.53	2976.48
Net Profit / (Loss) before Tax	(5611.61)	(3083.40)
Capital Employed: (Segment Assets-Segment Liabilities)		
1 Spinning	24946.03	25755.90
2 Weaving	19230.55	21194.58
3 Dyeing	1102.42	972.71
4 Solar	2234.62	2028.49
5 Hydel Power	469.35	605.73
Total	47982.97	50557.41
Capital Expenditure		
1 Spinning	32.69	130.68
2 Weaving	265.07	38.85
3 Dyeing	0.00	91.66
4 Solar	0.00	978.28
5 Hydel Power	0.00	0.00
Depreciation:		
1 Spinning	655.82	664.96
2 Weaving	698.14	700.96
3 Dyeing	80.99	78.29
4 Solar	104.08	66.59
5 Hydel Power	59.92	60.12

Corporate Social Responsibility

Note No.40

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Amount required to spent during the year	0.00	0.00
Amount actually spent	0.00	0.00
Short Fall	NIL	NIL

**Disclosure as per Regulation 53(F) of Securities Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Note No.41

- Loans and advances in the nature of loans given to Companies in which Directors are interested
₹ Nil (March 31, 2023 ₹ Nil)
- Details of investments made under Section 186 of the Companies Act, 2013 Rs. Nil.
There are no loans / guarantees issued under Section 186 of the Companies Act, 2013.

Foreign exchange earnings

Note No.42

Foreign exchange earnings on exports during the year calculated on FOB basis ₹ 4309.43 Lakhs (Previous year ₹ 694.78 Lakhs).

Category-wise classification of Financial instruments

Note No. 43

The Carrying amounts and fair value of financial instruments by categories as at 31st March, 2024 and 31st March, 2023 are as follows:

Particulars	Carrying value		Fair value	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Financial assets				
Measured at Amortised cost				
(i) Loans	3.05	7.50	3.05	7.50
(ii) Other financial assets	753.93	757.34	753.93	757.34
(iii) Trade receivables	1,721.59	2,176.41	1,721.59	2,176.41
(iv) Cash and cash equivalents	14.09	11.93	14.09	11.93
(v) Other bank balances	64.96	68.37	64.96	68.37
Total assets	2,557.62	3,021.55	2,557.62	3,021.55
Financial liabilities				
Measured at Amortised cost				
(i) Borrowings (including current maturities of Long term borrowings)	31,663.83	30,562.90	31,663.83	30,562.90
(ii) Other financial liabilities	598.17	1,468.78	598.17	1,468.78
(iii) Trade payables	1,448.24	2,442.20	1,448.24	2,442.20
Total liabilities	33,710.24	34,473.88	33,710.24	34,473.88

Fair value hierarchy

Note No.44

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]

The categories used are as follows:

Level 1: Quoted prices for identified instruments in an active market.

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at the fair value at the end of each reporting period.

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and Short Term Borrowings at carrying value because their carrying amounts approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of bank borrowings, other financial assets and financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

Financial Risk Management

Note No.45

The Company financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company financial assets comprise mainly of cash and cash equivalents, trade and other receivables.

The Company's business activities are exposed to a variety of financial risks namely credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of Directors of the Company.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of the account receivables. Individual risk limits are set accordingly.

Receivables from customers

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis.

On historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Other financial assets

The Company maintains exposure in cash and cash equivalents and margin money deposits with banks.

The Company's maximum exposure of credit risk as at March 31, 2024 and March 31, 2023 is the carrying value of each class of financial assets.

B. Foreign currency risk management

"Foreign currency risk is the risk that the Fair value or Future cashflows of an exposure will fluctuate due to changes in foreign currency rates. Exposures can arise on account of various assets and liabilities which are denominated in currencies other than Indian rupee. The Company has not entered into any forward exchange contract to hedge against currency risk."

The Company manages currency exposures within prescribed limits. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

Kallam Textiles Limited

The carrying amounts of the company's foreign currency denominated monetary items are as follows :

Particulars	31st March, 2024	31st March, 2023
Assets :		
Trade Receivables	-	7.55
Cash and Cash Equivalents	-	-
Liabilities :		
Trade and Other Payables	2.82	2.25
Net Assets / (Liabilities)	-2.82	5.30

Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional Rs. 0.29/- gain in the Statement of Profit and Loss. A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has availed credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis. Due to unfavourable market conditions, the company is incurring continuous losses and is unable to meet its financial commitments to banks as and when due and an amount of Rs. 5491.16 lakhs is pending due to the banks as on 31.3.2024. The company is taking necessary steps to repay the said debt and is in the process of negotiations with the banks for restructure of its debt obligations.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess if any, is invested in interest bearing term deposits.

The company is repaying its borrowings as per the schedule of repayment and no amount was pending for remittance beyond its due date. Except of some normal delays.

All the amounts due to trade payables falls due within one year and the company is able to meet its obligations within the due dates.

In case of borrowings from banks, the maturity pattern and status on overdues has been given under Note no. 14 and 19.

The table summarises the maturity pattern of the company's financial liabilities based on contractual undiscounted payments.

Particulars	within 1 year Amount (₹)	1-5 years Amount	> than 5 years Amount	Total Amounts
As on 31.3.2024				
Long term borrowings	4,301.84	12,759.91		17,061.75
Short term borrowings (Repayable on demand)	14,602.08			14,602.08
Trade payables	1,448.24			1,448.24
Other financial liabilities	598.17	161.03		759.19
As on 31.3.2023				
Long term borrowings	4,984.60	11,515.14		16,499.74
Short term borrowings (Repayable on demand)	14,063.16			14,063.16
Trade payables	2,442.52			2,442.52
Other financial liabilities	1,276.73	192.05		1,468.78

D. Interest risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest rate risk

Particulars	31st March, 2024
Total Borrowings	31,663.83
(All the said loans are with floating rate of interest)	
Interest rate sensitivity	
A change of 50 bps in interest rates would have following Impact on profit before tax	
An increase in 50 bps will decrease the profit by	137.76
A decrease in 50 bps will increase the profit by	137.76

E. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on Management's judgment of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure. The funding requirement is met through a mixture of equity, internal fund generation and other non current borrowings. The company monitors capital using geraing ratio which is debt divided by total capital.

Particulars	31st March, 2024	31st March, 2023
Interest bearing loans and borrowings (Long term and short term borrowings)	31,663.83	30,562.90
Total debt (A)	31,663.83	30,562.90
Equity share capital	1,056.21	1,056.21
Other equity (Excl. Revaluation surplus)	3,939.93	7,571.50
Total capital (B)	4,996.14	8,627.71
Capital geraing ratio (Debt/Total capital) (in no. of times)	6.34	3.54

Disclosure of Ratios

Note : 46

Sl. No.	Particulars	Formula	Year Ended March 31, 2024 (Audited)	Year Ended March 31, 2023 (Audited)	Variance (in %)	Reason for variance
1	Current ratio - [no. of times]	Current assets / current liabilities	0.52	0.81	-35.81%	Increase in utilisation of working capital during the year
2	Debt-equity ratio - [no. of times]	(Non-current borrowings (+) current borrowings) / Equity	6.34	3.54	-78.91%	Increase of debt and decrease in profitability
3	Debt service coverage ratio ('DSCR') - [no. of times]	(Profit after tax before depreciation, amortisation, finance costs) / Interest expenses (+) principal repayments of long-term debt)	0.18	0.30	-41.35%	Decrease in profitability compared to last year
4	Return on equity (%)	(Profit after tax) / Average Shareholder's equity	-54.97%	-23.07%	-138.27%	Decrease in profitability compared to last year
5	Inventory turnover - [no. of days]	Average inventory / (revenue from operations / no of days for the period)	13.85	15.70	11.78%	
6	Trade Receivables turnover - [no. of days]	Average trade receivables / (revenue from operations / no of days for the period)	19.36	19.95	2.95%	
7	Trade payables turnover ratio - [no. of days]	Average trade Payables / (Raw material Purchases / no of days for the period)	24.04	13.67	-75.81%	Increase in trade payables during the year
8	Net capital turnover (no. of times)	Turnover / (Current assets - current liabilities)	(2.87)	(9.29)	-69.00%	Decrease in working capital during the year
9	Net profit Ratio (in %)	Profit after Tax / Turnover	-10.19%	-5.16%	-97.48%	Decrease in profitability compared to last year
10	Return on Capital employed (%)	EBIT / (Net worth + Total debt)	-5.64%	-0.27%	-1988%	Decrease in profitability compared to last year
11	Return on investment (%)		Nil	Nil	Nil	

47. Other disclosures

Additional regulatory and other information as required by the Schedule III to the Companies Act 2013

(a) Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

(b) Compliance with number of layers of companies

The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

(c) Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(e) Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

(f) Details of Crypto Currency or Virtual

The company has not traded or invested in Crypto currency or virtual currency during the financial year.

(g) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

48. The term loans and working capital loans borrowed by the company from the banks were classified as Non-performing assets (NPA's) by Union bank of India and Indian bank and an amount of Rs.5491.16 lakhs was overdue for payment as on 31.3.2024 towards instalments in respect of term loans borrowed. The banks have classified these loans as NPA and issued notices on 10.1.2024 for recovery of these dues u/s 13(2) r.w.s 13(3) of SARFAESI Act, 2002. Further, the banks also taken possession of the properties offered as security u/s 13(4) of the said Act. The company applied for restructure of these loans and same is pending with the lender banks.

49. The Board of directors has not recommended any dividend for the financial year ended 31.3.2024.

50. Previous year figures have been regrouped where ever necessary.

As per our report of even date

For **BRAHMAYYA & CO**

Firm Registration Number : 000513S

Chartered Accountants

Sd/-

(Karumanchi Rajaj)

Partner

Membership No: 202 309

Place : Guntur

Date : 29-5-2024

UDIN : 23202309BGVTIG8915

For and on behalf of the Board

Sd/-

P. Venkateswara Reddy

Managing Director

Sd/-

G.V. Krishna Reddy

Joint Managing Director

Sd/-

M.V. Subba Reddy

Whole Time Director & CFO

AGM NOTICE TO SHAREHOLDERS

Notice is hereby given that the 32nd Annual General Meeting of M/s Kallam Textiles Limited for the financial year ended 31.03.2024 will be held on Thursday, August 29, 2024, at 03.00 PM at the registered office of the Company situated at NH-5, Chowdavaram, Guntur- 522019, to transact the following business.

ORDINARY BUSINESS

1. Adoption of Financial Statements and the reports of the Directors and Auditors thereon.

To receive, consider and adopt the audited Financial Statements for the year ended 31.03.2024, together with the reports of Directors' and Auditors' thereon.

2. Appointment of Director under Retirement by Rotation.

To appoint a Director in place of Sri M.V.Subba Reddy (DIN: 0018719) liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

3. Appointment of Smt.V L Sandhyarani(DIN: 10627130) as a Nonexecutive Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution** :

RESOLVED THAT pursuant to provisions of Sections 149, 150, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and on the approval of the Board of Directors, the appointment of **Smt.V L Sandhya Rani** (DIN: 10627130), who has given her consent to act as Director of the Company under form DIR-2 to the company, Certificate of Independence pursuant to Section 149 of The Companies Act, 2013 and who is not Disqualified under Section 164 of companies Act, 2013, be and is hereby appointed as a Director and Non-executive Independent Director of the company for the first term of five consecutive years with effect from 29.05.2024."

RESOLVED THAT the Board of Directors of the company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

4. Appointment of Sri V.Raghavendra Reddy(DIN: 10704660)as a Nonexecutive Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

RESOLVED FURTHER THAT pursuant to provisions of Sections 149, 150, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013; rules thereof; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and on the approval of the Board of Directors, the appointment of **Sri V Raghavendra Reddy** (DIN: 10704660), who has given his consent to act as Director of

the Company under form DIR-2 to the company, Certificate of Independence pursuant to Section 149 of The Companies Act, 2013 and who is not Disqualified under Section 164 of companies Act, 2013, be and is hereby appointed as a Director and Non-executive Independent Director of the company for the first term of five consecutive years with effect from 01.08.2024.”

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. To Re-appoint Sri. Venkateswara Reddy Poluri (Din: 0018677) as a Managing Director of the company for a period of three years w.e.f 29.06.2024

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196,197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the Articles of Association of the Company and subject to other approvals as may be required, the approval of the Members be and is hereby accorded for re-appointment of Mr. Venkateswara Reddy Poluri(DIN: 0018677) as the Managing Director of the Company, for a term of 3 (Three) years with effect from June 29, 2024 upto June 29, 2027 on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto including payment of such remuneration, as may be determined by the Board (including any Committee thereof), from time to time, within the maximum limits approved by the Members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

6. To Re-appoint Sri. Gurram Venkata Krishna Reddy as a Joint Managing Director of the company for a period of three years i.e. 29.06.2024.

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196,197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule V of the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the Articles of Association of the Company and subject to other approvals as may be required, the approval of the Members be and is hereby accorded for re-appointment of Mr. Gurram Venkata Krishna Reddy (DIN: 00018713) as the Joint Managing Director (JMD) of the Company, for a term of 3 (Three) years with effect from June 29, 2024 upto June 29, 2027 on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto including payment of such remuneration, as may be determined by the Board (including any Committee thereof), from time to time, within the maximum limits approved by the Members of the Company.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

7. To consider and approve the re-appointment of Sri M.V.Subba Reddy as a whole time director of the company for one year

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to other approvals as may be required, the approval of the Members be and is hereby accorded to the re-appointment of Sri M.V. Subba Reddy as Whole Time Director of the Company for a period of 1(one) year from 01st June, 2024 to 31st May, 2025, on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Sri M.V.Subba Reddy.”

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof)be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

8. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration not exceeding Rs 30,000 (Rupees Twenty Thousand only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2025 to be paid to M/s. SAIRAM & ASSOCIATES, Cost Accountants, (Membership No-41498) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be and is hereby ratified and confirmed.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof)be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By the Order of the Board of Directors

Sd/-

Golagani Ramesh Kumar
Company Secretary & Compliance Officer
ACS39635

Place: Chowdavaram, Guntur

Date: 01-08-2024

Notes

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and such proxy need not be Member. The proxy form is enclosed which should be deposited, at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the Meeting.
3. A person can act as a proxy for not more than 50 Members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A Corporate Member intending to send its authorized representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. Members/Proxies/Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 4:00 p.m. up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
7. Book Closure: i. The Register of Members and the Share Transfer Books of the Company will be closed from Friday 23rd August, 2024 to Thursday, 29th August, 2024 both days inclusive for the purpose of 32nd AGM.
8. For Shares held in electronic form: To all the Beneficial Owners as at the end of the day on Thursday 22nd August, 2024 in the list of beneficial owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and For Shares held in physical form: To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Thursday 22nd August, 2024.
9. Copy of the Annual Report 2023-24 including the Notice of the 32nd AGM of the Company inter alia indicating the process and manner of voting along with the Attendance Slip, Proxy Form are being sent by electronic mode to the members who see mail addresses are registered with the Company/Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2023-24 including the Notice of the AGM are being sent by the permitted mode.
10. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for year ended March 31, 2024 will also be available on the Company's website www.ksml.in for their download. The physical copies of the a fore said documents will also be available at the Company's Registered Office in Guntur for inspection during normal business hours on working days. Even after registering for e- communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's email id: "corp@kallamtextiles". The Company has a dedicated e-mail address corp@kallamtextiles.in for members to mail their queries or lodge complaints, if any. We will Endeavour to reply to your queries at the earliest.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the directors seeking appointment / re-appointment and statutory Auditors at the ensuing Annual General Meeting is furnished and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

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14. Members desiring to see any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered Office of the Company so as to reach at least 7 days before the date of the meeting to provide the required information.
15. The accounts, the reports and all other documents required under the law to be annexed there to will be available for inspection between 10.00 a.m to 01.00 pm at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting.
16. Pursuant to Section 72 of Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/her/them shall vest in the event of his/her/their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014 with the Share Transfer Agent of the Company. The Forms can be obtained from the Share Department of the Company or Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at www.mca.gov.in. In respect of share dematerialized form, the nomination form may be filed with the respective Depository Participant.
17. Members holding shares in Physical form are submit their PAN details to the Registrar and Transfer Agents Members holding shares in Electronic form are submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. And for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the Share Transfer Agent for registration of such transfer of shares.
18. As a part of "green initiative in the corporate governance", the ministry of corporate affairs vide its circular no's.17/2011 and 1/2011 dated 21.04.2011 respectively, has permitted the companies to serve the documents, namely, notice of the general meeting, balance sheet, profit and loss account, auditors' report, directors' report, etc. to the members through E-mail. The shareholders holding shares in physical form are requested to register their E-mail address with the Registrar and share transfer agents (Big Share Services Pvt.Ltd.,) by sending duly signed requested letter quoting their Registered folio no., name, address and E-mail ID to be registered in the E-MAIL REGISTRATION FORM, which is attached along with this Notice and in case of shares held in demat form, the share holders may register their E-mail addresses with their DPs (Depository Participants).
19. SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination viz Forms ISR-1,ISR-2, ISR-3, SH-13, SH-14. A copy of such forms can be downloaded from the website of the Company at www.ksml.in. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.
20. In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA, Bigshare Services Private Limited, for immediate action.
21. In case of any query/assistance, members are requested to contact our RTA Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082; Email: bsshyd@bigshareonline.com
22. On and from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form. In addition to that, as per the recent amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from January 24, 2023 and SEBI's Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2023/8 dated January 25, 2023, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal/Exchange of securities certificate; (d) Endorsement; (e) Sub-division/Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (g) Transmission, and (h) Transposition.

Accordingly, members are requested to make services request by submitting a duly filed and signed form ISR-4. A copy of such form can be downloaded from the website of the Company at www.ksml.in

In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation'

shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

23. SEBI vide its notification dated January 24, 2023, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the above, members holding shares in physical form are advised to dematerialize the shares with their Depository Participant
24. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company at the Registered Office of the Company so as to reach at least 7 days before the date of the meeting to provide the required information.
25. Voting by Members:

The voting for the agenda items as set forth in the Notice shall be done in the following manner:

- a) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM (Remote E-voting).
- b) At the venue of AGM, voting shall be done through Ballot Paper and the members attending the AGM, who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
- c) A member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a member casts vote through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

Voting through Electronic means
(Remote E-voting):

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL/NSDL, on the items mentioned in this AGM Notice. The Company has appointed Mr. K. SrinivasaRao, Partner of M/s. K. SrinivasaRao & Co., Practicing Company Secretaries (Membership No. FCS. 5599) as scrutinizer for conducting the e-voting process and voting process in a fair and transparent manner. The voting period begins on Monday, 26th August, 2024 at 09.00 A.M IST and ends on Wednesday, 28th August, 2024 at 05.00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2024, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. The instructions for shareholders voting electronically are given at page No.80 of the Annual Report.

26. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after completion of scrutiny of the votes cast through remote e-Voting & Voting at AGM venue, within the time stipulated under the applicable laws. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.ksml.in; and Notice Board at the Registered Office of the Company.
27. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
28. Members holding shares in Physical form, in identical order of names, in more than one folio are requested to send to the Company or Big share services Private Limited (RTA), the details of such folio together with the share certificates for consolidating their shareholding in one folio.
29. Members who have not registered their e-mail addresses with the Company can now register the same by submitting a request letter in this respect to the Company/Registrar & Share Transfer Agents, M/s. Big share services Private Limited. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.
30. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
31. Members seeking any information with regard to accounts or operations are required to write to the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information ready.

32. Members may also note that the notice of the 32nd AGM and the Annual Report for the FY 2023-24 will be available on the Company's website, www.ksml.in and websites of Stock Exchange (BSE). Members who require physical copy of the same, may write to us at: corp@kallamtextiles
33. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date 22nd August, 2024.
34. A brief profile of the Director(s) who is/ are appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding in the Company and inter-se relationship between directors or key managerial personnel as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 are furnished and forms part of the notice.
35. Pursuant to the provisions of Section 124 of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s) re-enactment(s)/amendment(s) thereof, for the time being in force), the dividend which remains unpaid & unclaimed for a period of seven years from the date of transfer to the unpaid & unclaimed dividend account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. As per the IEPF Rules, the corresponding shares in respect of which dividend has not been paid or claimed by the Members for seven (7) consecutive years or more shall also be transferred to the dematerialized account created by the IEPF authority. The Company had, accordingly transferred a sum of Rs. 2,35,131/- (Rupees Two Lakh thirty five thousand one hundred Thirty one only) in the unpaid/unclaimed dividend for the year 2014-2015 to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, in compliance with the provisions laid down in IEPF Rules, the Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven (7) consecutive years or more. Accordingly, the Company has transferred all corresponding shares on which dividend remained unclaimed for a period of seven (7) years from 2015-16, to the Demat Account of the IEPF. It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

Members who have not yet cashed their dividend warrants for any subsequent financial years are requested to make their claim at the earliest, to avoid transfer of the dividend/ shares to the fund/ IEPF authority.

Details of unclaimed dividends are available on the Company's website www.ksml.in.

Members/claimants whose shares, unclaimed dividends, have been transferred to the IEPF Demat account of the fund, as the case may be, may claim the shares or apply for refund by making an application to IEPF Authority through Web Form IEPF-5. Further details of the same are available on <http://www.iepf.gov.in>.

The statement containing details of Name, Address, Folio number, Demat Account No. and number of shares due for transfer to IEPF demat account is made available on our website www.ksml.in.

The shareholders are encouraged to verify their records and claim their dividends of the preceding seven years, if not claimed

36. The Results shall be declared on or after the Annual General Meeting of the Company and shall be deemed to be passed on the date of Annual General Meeting. The results along with the Scrutinizer's Report shall be placed on the website of the Company www.ksml.in within 48 hours of passing of the resolutions at the Annual General Meeting of the Company and shall be communicated to Bombay Stock Exchange.
37. Route-map to the venue of the Meeting is provided at the end of the Notice (behind the Proxy form).

By the Order of the Board of Directors

Sd/-

Golagani Ramesh Kumar
Company Secretary & Compliance Officer
ACS39635

Place: Chowdavaram, Guntur

Date: 01-08-2024

SHARE HOLDERS INSTRUCTIONS FOR REMOTE E-VOTING

Instructions for Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has also provide evoting facility through Big share i-Vote E-Voting System for its members to enable them to ast their votes electronically on all resolution set for thin the notice convening the 32nd Annual General Meeting held on Thursday, August 29, 2023 at 3.00 p.m., IST

E-Voting instructions :

Pursuant to the Provisions of Section 108 of the Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 32nd Annual General Meeting to be held on Thursday, 29th August, 2024, at 3.00 PM. The Company has engaged the services of Big share i-Vote E-Voting System to provide the E-Voting facility.

The instructions for shareholders voting electronically are as under:

The E-Voting Sequence Number and period of E-Voting are set out below :

EVS(N)(E-VOTING SEQUENCE NUMBER)	:	292
COMMENCEMENT OF E-VOTING	:	Monday, 26th August, 2024 at 09.00 A.M IST
END OF E-VOTING	:	Wednesday, 28th August, 2024 at 05.00 P.M IST

STEPS & INSTRUCTIONS FOR E-VOTING :

The instructions for shareholders voting electronically are as under :

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- i. The voting period begins on Monday, 26th August, 2024 at 09.00 A.M IST and ends on Wednesday, 28th August, 2024 at 05.00 P.M IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.08.2024 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
1. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
- Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
- Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “User ID” and “Registered email ID” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.
(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting** system page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**INFAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.

Kallam Textiles Limited

- Enter all required details and submit.
- After Successful registration, message will be displayed with **“User id and password will be sent via email on your registered email id”**.

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on **‘LOGIN’** under **‘CUSTODIAN LOGIN’** tab and further Click on **‘Forgot your password?’**
- Enter **“User ID”** and **“Registered email ID”** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **‘RESET’**.
(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, Bigshare E-voting system page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **“DOCUMENTS”** option on custodian portal.
- Click on **“DOCUMENT TYPE”** dropdown option and select document type power of attorney (POA).
- Click on upload document **“CHOOSE FILE”** and upload power of attorney (POA) or board resolution for respective investor and click on **“UPLOAD”**.

Note: The power of attorney (POA) or board resolution has to be named as the **“InvestorID.pdf”** (Mention Demat account number as Investor ID.)

- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **“VOTE FILE UPLOAD”** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **“UPLOAD”**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **“CHANGE PASSWORD”** or **“VIEW/UPDATE PROFILE”** under **“PROFILE”** option on custodian portal.
Helpdesk for queries.

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

- M/s K. Srinivasa Rao & Co. Company Secretaries, Guntur (EntityID : S300000000000051) has been appointed as the Scrutinizer to Scrutinize the e-voting process in affair and transparent manner.

By the Order of the Board of Directors

Sd/-

Golagani Ramesh Kumar
CompanySecretary&ComplianceOfficer
ACS39635

Place: Chowdavaram, Guntur

Date: 01-08-2024

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO : 3.****Appointment of Smt.V L Sandhyarani(DIN: 10627130) as a Nonexecutive Independent Director of the Company.**

The Board, at its meeting held on 29th May, 2024 appointed Smt.V L Sandhya Rani(DIN: 10627130) as an additional director of the company with effect from such Board Meeting, pursuant to section 161 of the Companies Act, 2013. Hence he will hold office up to the date of the ensuring Annual General Meeting.

The Company has received consent in writing to act as director in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board based on the experience/expertise declared by Smt.V L Sandhya Rani, is of the opinion that Smt.V L Sandhya Rani has the requisite qualification to act as an Independent Director of the Company.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfils the conditions for the appointment as an Independent Director as specified under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and he is independent of the management of the Company. He holds valid registration certificate with the Databank of Independent Directors. A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Smt.V L Sandhya Rani as an Independent Director, respectively, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Smt.V L Sandhya Rani.

BRIEF PROFILE OF Smt.V L Sandhya Rani:

Smt.V L Sandhya Rani is aged years. She is a qualified cost accountant and is practicing in Sandhya & Co, is a Cost Accountants firm, approved by the Council of The Institute of Cost Accountants of India (ICAI), is situated at Guntur. She had knowledge in area of Cost Compliance i.e. Cost Audit, Cost Accounting Records, Compliances & Certifications have been our forte in line with our motto 'behind & beyond costs', we provide a comprehensive array of value added services that are tailored to unique client requirements. We are a well-equipped team having adequate resources to provide the services satisfactorily in time.

ITEM NO - 4**Appointment of Sri V. Raghavendra Reddy (DIN: 10704660) as a Nonexecutive Independent Director of the Company.**

The Board, at its meeting held on 1st August, 2024 appointed Sri V. Raghavendra Reddy (DIN : 10704660) as an additional director of the company with effect from such Board Meeting, pursuant to section 161 of the Companies Act, 2013. Hence he will hold office up to the date of the ensuring Annual General Meeting.

The Company has received consent in writing to act as director in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board based on the experience/expertise declared by Sri V. Raghavendra Reddy(DIN: 10704660) , is of the opinion that Sri V. Raghavendra Reddy has the requisite qualification to act as an Independent Director of the Company.

In the opinion of the Board of Directors; he possesses integrity, expertise and experience and fulfils the conditions for the appointment as an Independent Director as specified under the Companies Act, 2013 and the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, as amended and he is independent of the management of the Company. He holds valid registration certificate with the Databank of Independent Directors. A draft copy of letter of appointment as an Independent Director of the Company setting out terms and conditions of appointment, including remuneration, is available for inspection by the Members at the website of the Company.

Accordingly, the Board recommends the resolution in relation to appointment of Sri V. Raghavendra Reddy as an Independent Director, respectively, for the approval by the shareholders of the Company.

Except Smt. V. Bhargavi none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

BRIEF PROFILE OF Sri V. Raghavendra Reddy:

V. Raghavendra Reddy, M.COM, L.L.B, aged about 39 years, who has been continuing his father's 30 years legacy as an consultant. He entered in to profession at a very young age and has excelled with thirst for knowledge, patience, hard work and commitment.

He is an experienced tax consultant with over 15 years of experience.

ITEM NO - 5

To Re-appoint Sri. Venkateswara Reddy Poluri (Din: 0018677) as a Managing Director of the company for a period of three years w.e.f 29.06.2024

The Board of Directors of the Company ("the Board"), at its meeting held on 29th June , 2021 had re- appointed Mr. Venkateswara Reddy Poluri (Din: 0018677) as a Managing Director of the Company for a period of 3 (Three) years commencing from June 29, 2021 up to and including June 29, 2024. The aforesaid was approved by the Members at the Annual General Meeting held on September 30, 2021. Thus, the tenure of Mr. Venkateswara Reddy Poluri was expiring on June 29, 2024.

In view of the aforesaid and based on the recommendation of the Nomination and Remuneration Committee ("the NRC"), the Board at its meeting held on May 29, 2024, subject to the approval of Members, has re-appointed Mr. Venkateswara Reddy Poluri as the Managing Director ("MD ") of the Company, for a period of 3 (Three) years with effect from June 29, 2024 till June 29, 2027, on the terms and conditions as stated in the Letter of Appointment duly approved by the Board. Mr. Venkateswara Reddy Poluri is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act 2013 ("the Act"). As required under Section 196(4) of the Act, the material terms and conditions of the appointment entered into with Mr. Venkateswara Reddy Poluri.

Particulars of the terms of re—appointment of and remuneration payable to Venkateswara Reddy Poluri (DIN: 0018677) as a Managing Director are as under

Remuneration :

I. Remuneration:

- a) Salary : Rs.2,25,000/-p.m.
- b) Housing : House Rent Allowance of 10% of Basic Salary
- c) Car & Telephone : The Company to provide Fuel expenses to own car and pay mobile bill
- d) Health and Accidental insurance premium: The Company agrees to bear the Health Insurance premium for self and Spouse for a value of Rs 10 Lakhs per person Accidental Insurance premium will be paid for self-covering a risk of Rs Five Crores and beneficiary being the Spouse.
- e) The medical expenses incurred and not reimbursed by Health insurance Company, to be reimbursed for self and family all together to a limit of Rs. 5 Lakhs .

- f) Reimbursement of Leave Travel Assistance with in India or abroad for self and family once in a year subject to a maximum of one month salary.

II Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. P. Venkateswara Reddy, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive, remuneration, benefits, perquisites and allowances as specified above.

It is proposed to seek Members' approval for re-appointment of Mr. Mr. P.Venkateswara Reddy as the Managing Director of the Company and payment of remuneration thereof, in terms of the applicable provisions of the Act.

The Board is of the view that the Company would greatly benefit from the skills, knowledge and rich experience of Mr. P.Venkateswara Reddy and accordingly, recommends the resolution set forth in Item No. 5 of the Notice for approval of the Members.

Save and except Mr. P.Venkateswara Reddy, G.V. Krishna Reddy and M.V. Subba Reddy and their relatives none of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned / interested, financially or otherwise, in the said resolution.

ITEM NO - 6

To Re-appoint Sri. Gurram Venkata Krishna Reddy as a Joint Managing Director of the company for a period of three years i.e. 29.06.2024.

The Board of Directors of the Company ("the Board"), at its meeting held on June 29, 2021 had re-appointed Mr. Gurram Venkata Krishna Reddy (Din: 00018713) as a Joint Managing Director of the Company for a period of 3 (Three) years commencing commencing from June 29, 2021 up to and including June 29, 2024. The aforesaid was approved by the Members at the Annual General Meeting held on September 30, 2021. Thus, the tenure of Mr. Gurram Venkata Krishna Reddy was expired on June 29, 2024.

In view of the aforesaid and based on the recommendation of the Nomination and Remuneration Committee ("the NRC"), the Board at its meeting held on May 29, 2024, subject to the approval of Members, has re-appointed Mr. Gurram Venkata Krishna Reddy as the Managing Director ("MD") of the Company, for a period of 3 (Three) years with effect from June 29, 2024 till June 29, 2027, on the terms and conditions as stated in the Letter of Appointment duly approved by the Board. Mr. Gurram Venkata Krishna Reddy is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act 2013 ("the Act"). As required under Section 196(4) of the Act, the material terms and conditions of the appointment entered into with Mr. Gurram Venkata Krishna Reddy .

Particulars of the terms of re-appointment of and remuneration payable to Gurram Venkata Krishna Reddy (DIN: 00018713) as a Joint Managing Director are as under

I. Remuneration :

- a) Salary : Rs.2,25,000/-p.m.
- b) Housing : House Rent Allowance of 10% of Basic Salary
- c) Car & Telephone : The Company to provide a car, pay Land line and mobile bill.
- d) Health and Accidental insurance premium: The Company agrees to bear the Health Insurance premium for self and Spouse for a value of Rs 10 Lakhs per person Accidental Insurance premium will be paid for self-covering a risk of Rs Five Crores and beneficiary being the Spouse.
- e) The medical expenses incurred and not reimbursed by Health insurance Company, to be reimbursed for self and family all together to a limit of Rs. 5 Lakhs .

- f) Reimbursement of Leave Travel Assistance with in India or abroad for self and family once in a year subject to a maximum of one month salary.

II. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri. G. V. Krishna Reddy, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive, remuneration, benefits, perquisites and allowances as specified above.

It is proposed to seek Members' approval for re-appointment of Mr. G. V. Krishna Reddy as the Joint Managing Director of the Company and payment of remuneration thereof, in terms of the applicable provisions of the Act.

The Board is of the view that the Company would greatly benefit from the skills, knowledge and rich experience of Mr. G. V. Krishna Reddy and accordingly, recommends the resolution set forth in Item No. 6 of the Notice for approval of the Members.

Save and except Mr. P.Venkateswara Reddy, G.V.Krishna Reddy and M.V.Subba Reddy and their relatives none of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned / interested, financially or otherwise, in the said resolution.

ITEM NO - 7

To consider and approve the re-appointment of Sri M.V.Subba Reddy as a whole time director of the company for one year.

Mr. M.V. Subba Reddy is aged about 66 years and has Specific functional areas Post Graduate Degree in Commerce from AndhraUniversity, Vizag, Andhra Pradesh. He is associated withthe Company since its inception as purchase in-charge(Raw Material). He gained excellent knowledge inprocurement of raw materials. He is also havingexperience in Accounts and looks after day to dayadministration of office and Accounts Department.

Pursuant to Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, the shareholders at their 31stAnnual General Meeting held on 28th August, 2023, appointed Sri M.V. Subba Reddy as Whole Time Director of the Company for a period of one year with effect from 01-06-2023. The term of his appointment would come to an end on 31st May 2024. It is necessary to re-appointment him for another period. Hence the Board at their meeting held on 29-05-2024 decides to reappointment him as a Whole Time Director for another period of one year on the recommendation of the Nomination and Remuneration Committee.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Sri M.V.Subba Reddy as Whole Time Director of the Company for a period of 1 (one) years from 01st June, 2024 to 31st May, 2025, on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Sri M.V.Subba Reddy.”

Remuneration as per the details given below :

I. Remuneration:

- a) Salary: Including dearness and other allowances Rs. 60,000/- p.m.
- b) Perquisites: i) House Rent Allowance -10% of Basic Salary
- c) The Company will pay Mobile Phone Bill

- d) Insurance Premium: The Company agrees to bear health insurance premium for self and Spouse for a value of Rs.5 lakhs Per Person
- e) Accidental insurance premium: The Company agrees to bear the premium to the extent of ` Rs.4000/- p.a
- f) Reimbursement of leave travel concession for self and Spouse once in a year subject to a maximum of one-month salary.

II Minimum Remuneration:

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sri M.V.Subba Reddy, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive, remuneration, benefits, perquisites and allowances as specifies above.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.

Save and except Mr. P.Venkateswara Reddy, G.V.Krishna Reddy and M.V.Subba Reddy and their relatives none of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned / interested, financially or otherwise, in the said resolution

ITEM NO - 8

To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s SAIRAM & ASSOCIATES, Cost Accountants, Guntur, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025. In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. The Board of Directors recommended the remuneration not exceeding Rs. 30,000 (Rupees Thirty Thousand only) plus taxes as applicable and reimbursement of actual travel and out-of- pocket expenses for the financial year ending 31st March, 2025 to be paid to M/s. SAIRAM & ASSOCIATES, Cost Accountants Accordingly, consent of the members is sought for passing an Ordinary Resolution as setout at Item No.6 of the accompanying Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2025.

The Board recommends the Ordinary Resolution setout at Item No.6 of the Notice for approval by the share holders. None of the Directors/Key Managerial Personnel of the Company or their relatives is, in anyway, concerned o interested in the resolution

By the Order of the Board of Directors

Sd/-

Place: Chowdavaram, Guntur

Date: 01-08-2024

Golagani Ramesh Kumar
CompanySecretary&ComplianceOfficer
ACS39635

Kallam Textiles Limited

Additional Information with respect to Item No. 2,3,4 and 5 in this Notice, under regulation 36(3) of SEBI (LODR) Regulations and as per Secretarial Standard on General Meetings (“SS-2”), issued by The Institute of Company Secretaries of India, Details of Directors Seeking Appointment / Re- and are provided herein below regarding re-appointment of Directors who retire by rotation :

Particulars	1	2	3	4	5
Name	Mr. M.V.Subba Reddy	G.V.Krishna Reddy	P. Venkateswara Reddy	Smt.VL Sandhya Rani	Sri V. Raghavendra Reddy
DIN	00018719	00018713	00018677	10627130	10704660
Date of Birth	09.08.1957	11.09.1957	14.08.1951	15.04.1980	22.10.1985
Date of appointment/ re-appointment	01.06.2024	29.06.2024	29.06.2024	29.05.2024	31.07.2024
Appointment/ Re-appointment	Re-appointment	Re-appointment	Re-appointment	Appointment	Appointment
Designation	Whole Time Director	Joint Managing director	Managing director	Non Executive Independent Director	Non Executive Independent Director
Qualifications	Post graduate	M.Sc.	NA	FCMA	M.Com., L.L.B.,
Brief resume and justification for Appointment / re-appointment and expertise in specific functional areas and nature of expertise. the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Mr. M.V.Subba Reddy is aged about 66 years and he hails from Agricultural Family. He is associated with the Company Since 1996. He is a Post Graduate in Commerce from Andhra University, Visakhapatnam. He did his M.Sc. in Marine Engineering from Royal Naval Engineering College, Plymouth, UK. He was commissioned in Indian Navy in 1997. He looks after the day to day administration of Spinning Unit at Chowdavaram. He is also Chief Financial Officer of the Company. Special Knowledge/ Practical Experience/ Skills/Expertise/ Competencies in Policy Making, Finance, Business Strategy, Risk Management, Corporate Governance, Value Cre-ation, Marketing.	Mr G.V.K Reddy is aged about 66 years. He is a graduate in Mechanical Engineering with Distinction and Ist Rank Holder from Andhra University, Visakhapatnam. He did his M.Sc. in Marine Engineering from Royal Naval Engineering College, Plymouth, UK. He was commissioned in Indian Navy in 1997. He looks after the day to day administration of Weaving and Dyeing Units. In addition to the above, he also looks after the Marketing and Finance Management of the entire Company. Special Knowledge/ Practical Experience/ Skills/Expertise/ Competencies in Policy Making, Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation, Marketing.	Mr P. Venkateswara Reddy is aged about 70 years and he also hails from Agricultural Family. He is associated with the Company Since September 2002. Mr P.V. Reddy handles the Purchase of Raw Cotton, Ginning, Civil Constructions and Administration of Spinning Unit At Chowdavaram. Special Knowledge/ Practical Experience/ Skills/ Expertise/ Competencies in Policy Making, Finance, Business Strategy, Risk Management, Corporate Governance, Value Creation, Marketing.	Smt.V L Sandhya Rani is aged years. She is qualified cost accountant and is Practicing in Sandhya & Co.is a Cost Accountants firm, approved by the Council of The Institute of Cost Accountants of India (ICAI), is situated at Guntur. she had knowledge in area of Cost Compliance i.e. Cost Audit, Cost Accounting Records, Compliances & Certifications have been our forte in line with our motto 'behind & beyond costs', we provide a comprehensive array of value added services that are tailored to unique client requirements. We are a well-equipped team having adequate resources to provide the services satisfactorily in time	V. Raghavendra Reddy, M.COM, L.L.B, aged about 39 years, who has been continuing his father's 30 years legacy as a tax consultant. He entered in to profession at a very young age and has excelled with thirst for knowledge, patience, hard work and commitment. He is an experienced tax consultant with over 15 years of experience in conducting financial assessments and audits. Successfully led more than 100 audits resulting in improved internal controls and significant cost savings for clients. He plays a crucial role in maintaining his clients financial Stability and compliance with relevant regulation

Particulars	1	2	3	4	5
Name	Mr.M.V.Subba Reddy	G.V.Krishna Reddy	P. Venkateswara Reddy	Smt.VL Sandhya Rani	Sri V. Raghavendra Reddy
Directorships & Committees membership held in other listed companies	Nil	Nil	Nil	Nil	Nil
Number of meetings of the Board attended during the financial year 2023-24	5	5	5	NA	NA
Listed entities from which the person has resigned in the past three years	NIL	NIL	NIL	Nil	Nil
Number of shares held	5,10,870	45,23,202	16,71,250	NIL	NIL
Relationship with other directors	No relationship with other Director	No relationship with other Director	No relationship with other Director	No relationship with other Director	No relationship with other Director Except V Bhargavi
Information as required under Circular No .Lf ST/COMP/14/2018-19 dated June 20, 2018 issued by the BSE.					

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V
TO THE COMPANIES ACT, 2013

1. General Information:

Nature of Industry	Spinning
Details of commencement of commercial production	Kallam Textiles Limited (Formerly known as “ Kallam Spinning Mills Limited “) is incorporated on 18th February, 1992. It is a leading textile company engaged in the business of Manufacturing of Cotton Yarn, Dyed Yarn, Grey Fabric and Dyed Fabric. The company is also engaged in the business of generation of electricity through Hydel and solar energy. The company has its Registered and Corporate office at Chowdavaram, Guntur
Financial performance based on given indicators	Revenue from operations: 36,738.19 lakhs Net loss : 3,744.79
Foreign investments or collaborations, if any	Nil
Reasons of loss or inadequate profits	Adverse market conditions for Spinning industry
Steps taken or proposed to be taken for improvement	The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position.
Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

2. Information about the appointee:

Particulars	M.V.Subba Reddy	G.V.Krishna Reddy	P.Venkateswara Reddy
Background details	Given above	Given above	Given above
Past remuneration	Rs.12.03 lakhs per annum	Rs.32.74 lakhs per annum	Rs.28.08 lakhs per annum
Recognition or awards			
Job profile and his suitability	Given above	Given above	Given above
Remuneration proposed	As per resolution	As per resolution	As per resolution
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin)	The remuneration as proposed of M.V.SubbaReddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company .	The remuneration as proposed of G.V.Krishna Reddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company	The remuneration as proposed of P.Venkateswara Reddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin)	The remuneration as proposed of M.V.SubbaReddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company .	The remuneration as proposed of G.V.Krishna Reddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company	The remuneration as proposed of P.Venkateswara Reddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company



KALLAM TEXTILES LIMITED

(Formerly Known as "Kallam Spinning Mills Limited")
CIN -L18100AP1992PLC013860
NH-5,Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
Ph: 0863-2344016 : Fax:0863-2344000
E-mail:corp@kallamtextiles.in
GSTIN :37AAACK9363M1ZY



Form No.MGT-12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(C) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Kallam Textiles Limited
Registered Office : Chowdavaram, Guntur -522019

BALLOT PAPER

S.No	Particulars	Details
1.	Name of the First Named Shareholder (IN BLOCK LETTERS)	
2.	Name(s) of the Joint Holder(s) if any	
3.	Postal Address	
4.	Registered Folio No. / Client ID No.	
5.	Class of Share	Equity
6.	Number of Share(s) held	

I/We hereby exercise my/our vote(s) in respect of the following resolutions stated in the Notice of the 32nd Annual General Meeting of the Company to be held on Thursday, 29th August, 2024 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No	Description of Resolutions	No of shares held by me	(FOR)	(AGAINST)
			I/We assent to the Resolution	I/We dissent to the Resolution
1.	Adoption of Financial Statements and the reports of the Directors and Auditors thereon			
2.	Appointment of Director under Retirement by Rotation			
3.	Appointment of Smt.V L Sandhyarani(DIN: 10627130) as a Nonexecutive Independent Director of the Company.			
4.	Appointment of Sri V. Raghavendra Reddy (DIN: 10704660) as an Nonexecutive Independent Director of the Company.			
5.	To Re-appoint Sri. Venkateswara Reddy Poluri (Din: 0018677) as a Managing Director of the company for a period of three years w.e.f 29.06.2024			
6.	To Re-appoint Sri. Gurram Venkata Krishna Reddy as a Joint Managing Director of the company for a period of three years i.e. 29.06.2024.			
7.	To consider and approve the re-appointment of Sri M.V.Subba Reddy as a whole time director of the company for one year.			
8.	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025			



KALLAM TEXTILES LIMITED

(Formerly Known as "Kallam Spinning Mills Limited")

CIN -L18100AP1992PLC013860

NH-5,Chowdavaram, GUNTUR - 522 019. A.P., INDIA.

Ph: 0863-2344016 : Fax:0863-2344000

E-mail:corp@kallamtextiles.in

GSTIN :37AAACK9363M1ZY



MGT-11 PROXY FORM

32nd ANNUAL GENERAL MEETING

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(C) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	E-mail Id :
Registered Address	Folio No/ Client ID
	DP ID :

I/We, being member ofshares of Kallam Textiles Limited, hereby appoint

- 1).....ofhaving email ID or failing him
- 2)..... ofhaving email ID or failing him
- 3)..... of ... having email ID

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd ANNUAL GENERAL MEETING of the company to be held at Chowdavaram, Guntur-522019. Andhra Pradesh, India, on 29th August, 2024 at 3.00 pm and at any adjournment(s) thereof in respect of such resolutions as are indicated below.

Item No.	Resolutions	For	Against
1.	Adoption of Financial Statements and the reports of the Directors and Auditors thereon		
2.	Appointment of Director under Retirement by Rotation		
3.	Appointment of Smt.V L Sandhyarani(DIN: 10627130) as a Nonexecutive Independent Director of the Company.		
4.	Appointment of Sri V. Raghavendra Reddy (DIN: 10704660) as an Nonexecutive Independent Director of the Company.		
5.	To Re-appoint Sri. Venkateswara Reddy Poluri (Din: 0018677) as a Managing Director of the company for a period of three years w.e.f 29.06.2024		
6.	To Re-appoint Sri. Gurram Venkata Krishna Reddy as a Joint Managing Director of the company for a period of three years i.e. 29.06.2024.		
7.	To consider and approve the re-appointment of Sri M.V.Subba Reddy as a whole time director of the company for one year.		
8.	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025		

Signed thisday of2024.

.....
/Signature of the member

Signature of the First Proxy Holder

Signature of the Second Proxy Holder

Signature of the Third Proxy Holder

Note: this form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, Not Less than 48 hours before the meeting



KALLAM TEXTILES LIMITED

(Formerly Known as "Kallam Spinning Mills Limited")
CIN -L18100AP1992PLC013860
NH-5,Chowdavaram, GUNTUR - 522 019. A.P., INDIA.
Ph: 0863-2344016 : Fax:0863-2344000
E-mail:corp@kallamtextiles.in
GSTIN :37AAACK9363M1ZY



ATTENDANCE SLIP

DP Id	
-------	--

Folio No.	
-----------	--

Client Id	
-----------	--

No.of Shares	
--------------	--

NAME AND ADDRESS OF THE SHAREHOLDER:

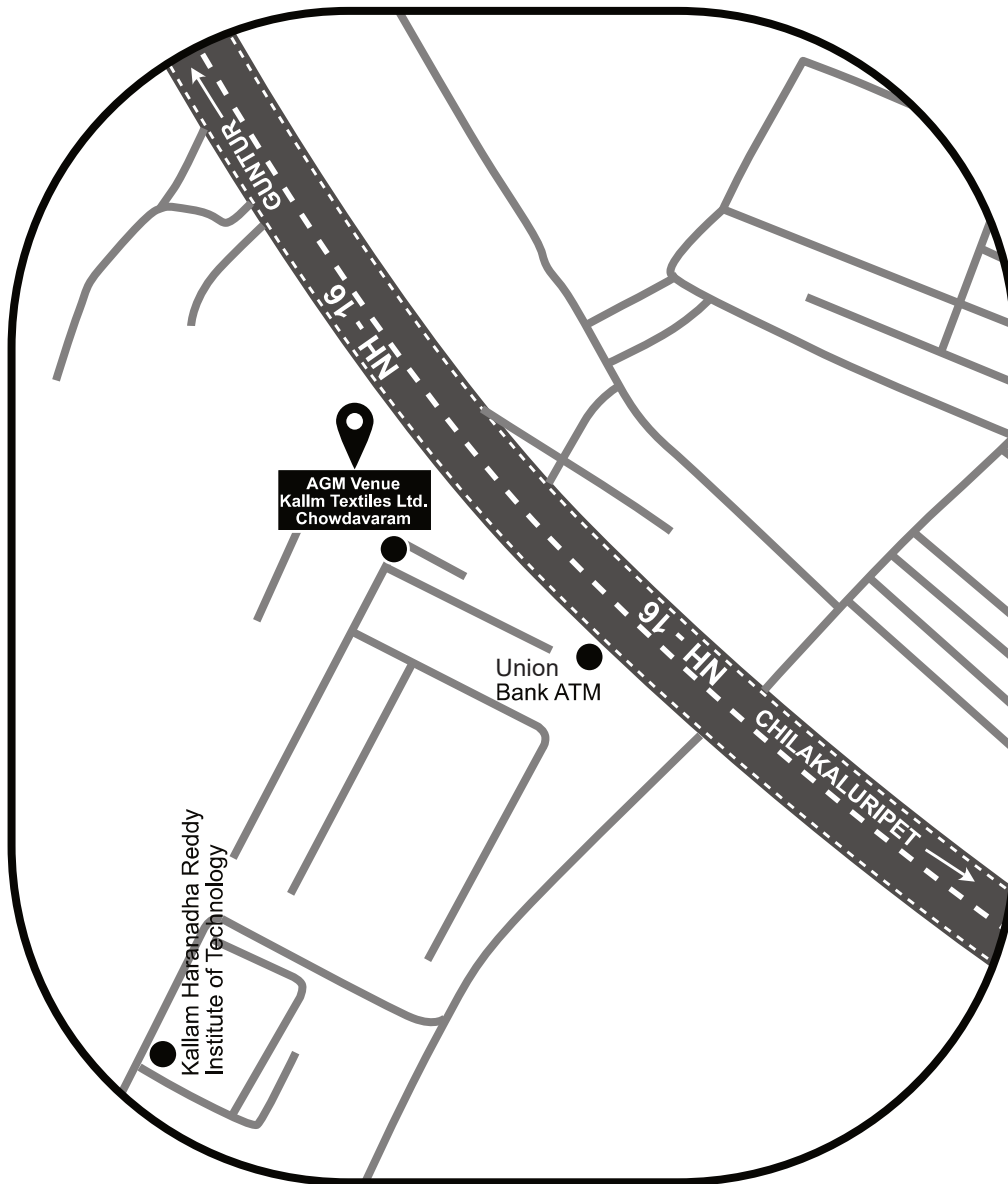
I hereby record my presence at the 32nd ANNUAL GENERAL MEETING of the Company held on Thursday, The 29th August, 2024 at 3.00 pm. at Chowdavaram, Guntur- 522019, Andhra Pradesh, India.

Name of the member/Proxy (IN BLOCK LETTERS)

Signature of the member/Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall, Members are requested to bring their copies of the Annual Report to the meeting.

For the Venue of the 32nd Annual General Meeting of
Kallam Textiles Limited



KALLAM TEXTILES LIMITED

Chowdavaram, Guntur-522019, A.P., India. Phones : 0863-2344010 / 16. E-mail : corp@kallamtextiles.in Website : www.ksml.in

For Queries, Contact us :

Ph. : 0863- 2344016, Fax : 0863- 2344000, E-mail : corp@kallamtextiles.in

If undelivered Please return to

Kallam Textile Limited (Formerly known as Kallam Spinning Mills Limited)
NH5, Chowdavaram, Guntur - 522 019
CIN No. : L18100AP1992PLC013860

BOOK - POST



*Sustainable development
is the peace policy
of the future*



Registered and Corporate Office :

Chowdavaram, Guntur-522019, A.P., India. Phones : 0863-2344010 / 16. E-mail : corp@kallamtextiles.in Website : www.ksml.in

WORKS :

Ginning, Spinning, Open End Plants :

Chowdavaram, Guntur-522019, A.P., India.

Weaving and Dyeing Plants :

Kunkupadu - 523265, Addanki, Bapatla (Dist.), A.P., India.

Hydel Plants :

Nelakondapalli (M) - 507160, Khammam (Dist.), Telangana, India