

Kandagiri Spinning Mills Limited

Regd. Office: Mill Premises, Udayapatti PO, Salem 636 140.

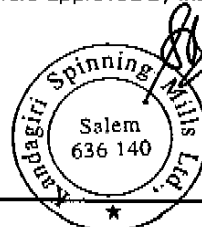
Unaudited Financial Results for the period ended September 30, 2008

Rs. lakhs

Corresponding three months ended 30.09.07	Three months ended 30.09.08	Particulars	Six months ended 30.09.08	Corresponding six months ended 30.09.07	Previous year ended 31.03.08 (Audited)
2365	2351	1. Net sales/Income from operations	4627	4474	8220
5	-1	2. Other income	0	5	7
2370	2350	3. Total Income (1+2)	4627	4479	8227
		4. Expenditure			
		(i) Increase(-)/decrease in value of stocks of			
324	-68	finished goods and work in progress	-190	266	222
1119	1386	(ii) Consumption of raw materials	2715	2265	4217
-	--	(iii) Purchase of traded goods	--	-	--
211	241	(iv) Employees cost	432	408	791
70	132	(v) Power and fuel-net	294	255	457
230	213	(vi) Other expenditure	386	466	804
149	164	(vii) Depreciation	357	287	583
2103	2068	(viii) Total expenditure	3994	3947	7074
173	221	5. Interest-net	454	323	683
-	--	6. Exceptional item - Income	--	231	231
94	61	7. Profit from Ordinary activities before tax (3-4-5+6)	179	440	701
		8. Tax expense			
	--	(i) Current tax	--	-	-
2	1	(ii) Fringe benefit tax	3	3	5
47	19	(iii) Deferred tax	79	154	238
45	41	9. Net profit from Ordinary activities after Tax (7-8)	97	283	458
-	--	10. Extraordinary items	--	-	-
45	41	11. Net profit for the period (9-10)	97	283	458
386	386	12. Paid-up Equity share capital (Face value Rs.10 per share)	386	386	386
		13. Reserves excluding revaluation reserves			2006
1.18	1.07	14. Earnings per share - Basic and diluted (not annualised) in Rs.	2.53	7.34	11.89
		15. Public shareholding			
1159078	1159078	- Number of shares	1159078	1159078	1159078
30.11	30.11	- Percentage of shareholding	30.11	30.11	30.11

Notes

- The company's expansion project, involving 13,200 spindles at a cost of Rs.41.60 crores, has been successfully completed during July 2008.
- Power cost for the year ended March 31, 2008, for the three months and six months ended September 30, 2008 is net of income by way of carbon credit earnings of Rs.293 lakhs, Rs.19 lakhs and Rs.34 lakhs respectively for the company's 6.15 MW wind energy converters, pertaining to the period March 2003 to September 2008.
- Exceptional item for the period ended September 30, 2007 and for the year ended March 31, 2008 represents the compensation received, as one time settlement, for the shortfall in power generation from a supplier of wind energy converters.
- In view of the MAT credit entitlement under section 115JAA of the Income tax Act, 1961, no provision for current income tax has been considered.
- The company is principally engaged in a single business segment viz., cotton yarn and operates in a single geographical segment.
- During the quarter, no investor complaints were received nor pending for redressal at the beginning and end of the quarter.
- The above unaudited financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on October 31, 2008.

Salem,
October 31, 2008

for Kandagiri Spinning Mills Limited

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Chairman cum Managing Director