

Kandagiri Spinning Mills Limited						
Regd. Office: Mill Premises, Udayapatti PO, Salem 636 140						
Unaudited financial Results for the quarter/six months ended September 30, 2011						
						Rs. lakhs
Corresponding three months ended 30.09.10 Unaudited	Three months ended 30.09.11 Unaudited	Particulars	Six months ended 30.09.11 Unaudited	Corresponding six months ended 30.09.10 Unaudited	Previous year ended 31.03.11 Audited	
3783	3828	1. Net sales/income from operations	6719	7134	15187	
9	3	2. Other income	11	10	18	
3792	3831	3. Total income (1+2)	6730	7144	15205	
		4. Expenditure				
		(i) Increase(-)/decrease in value of stocks of finished goods and work in progress	560	(101)	(1,271)	
276	1,021	(ii) Consumption of raw materials	4938	3709	9383	
1746	2622	(iii) Purchase of traded goods	--	--	--	
343	325	(iv) Employees cost	662	630	1312	
118	119	(v) Power and fuel-net	397	461	1373	
264	274	(vi) Other expenditure	528	521	1090	
193	204	(vii) Depreciation	401	388	784	
2940	4565	(viii) Total expenditure	7486	5608	12671	
257	370	5. Interest-net	741	585	1130	
--	--	6. Exceptional item	--	--	--	
595	(1,104)	7. Profit/(Loss) from Ordinary activities before tax (3-4-5+6)	(1,497)	951	1,404	
		8. Tax expense				
		(i) Current tax	--	--	--	
215	(370)	(iii) Deferred tax liability/(withdrawal)	(500)	320	478	
380	(734)	9. Net profit/(Loss) from Ordinary activities after Tax (7-8)	(997)	631	926	
--	--	10. Extraordinary items	--	--	--	
380	(734)	11. Net profit/(Loss) for the period (9-10)	(997)	631	926	
386	386	12. Paid-up Equity share capital (Face value Rs.10 per share)	386	386	386	
		13. Reserves excluding revaluation reserves			2792	
9.87	(19.06)	14. Earnings per share - Basic and diluted (not annualised) in Rs.	(25.91)	16.40	24.06	
		15. Public shareholding				
1159078	1159078	- Number of shares	1159078	1159078	1159078	
30.11	30.11	- Percentage of shareholding	30.11	30.11	30.11	
		16. Promoters and Promoter group shareholding				
2690172	2690172	- Number of shares	2690172	2690172	2690172	
69.89	69.89	- Percentage of shareholding	69.89	69.89	69.89	
Nil	Nil	- Pledged/encumbered	Nil	Nil	Nil	

Notes:

1. Production of yarn from high priced cotton and the steep fall in yarn prices during the quarter/six months ended September 30, 2011 severely affected the gross margin coupled with higher interest cost resulting in loss.
2. The company is principally engaged in a single business segment viz. cotton yarn and operates in a single geographical segment.
3. During the quarter, one investor complaint was received and resolved. No investor complaint was pending for redressal at the beginning and end of the quarter.

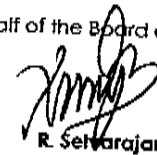


4. Disclosure of assets and liabilities as per clause 41(1)(e) of the listing agreement for the six months ended September 30, 2011 :-

Assets and liabilities	Rs. lakhs		
	Six months ended (Unaudited)		Previous year ended
	September 30, 2011	September 30, 2010	(Audited) March 31, 2011
1. Sources of funds			
Shareholders' funds			
Capital			
Reserves and surplus	386	386	386
	4032	4947	5044
Loan funds	4418	5332	5430
Secured loans			
Unsecured loans	11229	9777	12240
	721	638	644
	11951	10415	12884
Deferred tax liability-net			
	1391	1733	1891
	17760	17480	20206
Application of funds			
Fixed assets less depreciation (including capital work in progress)			
Investments	12230	12844	12570
Current assets, loans and advances	245	245	245
Inventories			
Sundry debtors	2790	1910	6222
Cash and bank balances	1930	1613	1913
Other current assets	87	95	110
Loans and advances	269	199	206
	943	859	1006
Less Current liabilities and provisions	6018	4677	9458
Liabilities			
Provisions	622	182	1858
	117	114	217
Net current assets	740	296	2075
	5279	4380	7383
Miscellaneous expenditure			
	6	11	8
	17760	17480	20206

The above financial results reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on October 29, 2011.

On behalf of the Board of Directors



R. Setharajan

Chairman and Managing Director



Place : Salem
Date : October 29, 2011