

## LIMITED REVIEW REPORT

To

The Board of Directors  
Kandagiri Spinning Mills Limited  
P.O.No.3, Udayapatti,  
Salem – 636 140


We have reviewed the accompanying statement of unaudited financial results of ('the statement') of **Kandagiri Spinning Mills Limited** ('the Company') for the half year ended 30<sup>th</sup> September 2013. This statement (initialed by us for identification), prepared pursuant to Clause 41 of the Listing Agreement with the stock exchanges in India, is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in all material aspects in accordance with the applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211 (3C) of the Companies Act, 1956, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that the particulars relating to the number of shares as well as the percentage of shareholdings in respect of aggregate amount of Public shareholding, pledged/encumbered shares and non-encumbered share of promoters and promoter group shareholding (in terms of Clause 35 of the Listing Agreement) and the particulars relating to the investors complaints are as per the details furnished by the Company / Registrar and are, therefore, not expressing a review opinion thereon.

For M.S.KRISHNASWAMI & RAJAN  
Chartered Accountants  
Firm Registration No.01554S

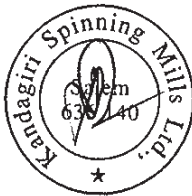
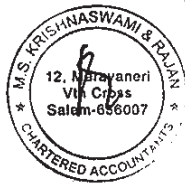


R.Krishnen – Partner  
Membership No.201133



Salem  
November 13, 2013

<b>KANDAGIRI SPINNING MILLS LIMITED</b>							
Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140							
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013							
						Rs. Lakhs	
		Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Part-I</b>							
1.	<b>Income from Operations</b>						
a.	Net Sales / Income from operations	4,969.09	4,474.09	3,834.46	9,443.18	7,579.05	16,038.97
b.	Other Operating Income	2.70	1.13	1.05	3.83	2.44	14.77
	<b>Total Income from Operations</b>	<b>4,971.80</b>	<b>4,475.23</b>	<b>3,835.52</b>	<b>9,447.02</b>	<b>7,581.50</b>	<b>16,053.75</b>
2.	<b>Expenses</b>						
a.	Consumption of materials	3,319.84	2,848.24	2,443.43	6,168.08	4,419.76	8,569.69
b.	Purchase of trading goods	--	--	--	--	--	--
c.	Changes in inventories of finished goods, work in progress and stock in trade	(373.85)	(261.27)	(429.38)	(635.11)	(398.54)	45.50
d.	Employee benefits expense	462.72	441.52	376.56	904.25	747.09	1,572.35
e.	Depreciation and amortisation expense	194.50	194.08	197.58	388.58	394.98	820.96
f.	Other expenses	775.99	726.18	434.32	1,502.19	1,040.55	3,004.26
	<b>Total Expenses</b>	<b>4,379.22</b>	<b>3,948.76</b>	<b>3,022.52</b>	<b>8,328.01</b>	<b>6,203.85</b>	<b>14,012.77</b>
3.	<b>Profit from operations before other income, finance costs and exceptional item (1-2)</b>	<b>592.58</b>	<b>526.47</b>	<b>813.00</b>	<b>1,119.01</b>	<b>1,377.65</b>	<b>2,040.98</b>
4.	Other income	1.14	6.25	5.45	7.39	12.34	24.51
5.	<b>Profit from ordinary activities before finance costs and exceptional item (3+4)</b>	<b>593.71</b>	<b>532.71</b>	<b>818.44</b>	<b>1,126.39</b>	<b>1,389.98</b>	<b>2,065.48</b>
6.	Finance costs	289.12	287.11	325.23	576.23	649.38	1,237.21
7.	<b>Profit from ordinary activities after finance costs but before exceptional item (5-6)</b>	<b>304.59</b>	<b>245.60</b>	<b>493.21</b>	<b>550.16</b>	<b>740.60</b>	<b>828.27</b>
8.	Exceptional item	-	-	-	-	-	-
9.	<b>Profit from ordinary activities before tax (7-8)</b>	<b>304.59</b>	<b>245.60</b>	<b>493.21</b>	<b>550.16</b>	<b>740.60</b>	<b>828.27</b>
10.	Tax expense - Income Tax						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	109.00	76.00	134.00	185.00	215.00	243.00
11.	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>195.59</b>	<b>169.60</b>	<b>359.21</b>	<b>365.16</b>	<b>525.60</b>	<b>585.27</b>
12.	Extraordinary item (net of tax)	-	-	-	-	-	-
13.	<b>Net profit for the period (11-12)</b>	<b>195.59</b>	<b>169.60</b>	<b>359.21</b>	<b>365.16</b>	<b>525.60</b>	<b>585.27</b>
14.	Paid-up equity share capital (Face value per share Re.10)	385.75	385.75	385.75	385.75	385.75	385.75
15.	Reserves excluding Revaluation Reserve						2,079.79
16.	Basic/diluted Earnings Per Share (EPS) (Rs.)	5.08	4.41	9.33	9.49	13.66	15.21
17.	Dividend Per Share (Rs.)						--



For Kandagiri Spinning Mills Limited

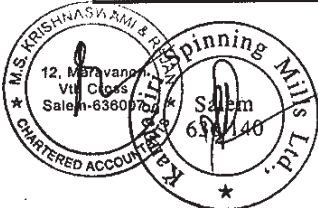
(R. Selvarajan)

Chairman and Managing Director

		Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Part-II</b>							
<b>A.</b>	<b>Particulars of Share Holding</b>						
	<b>1. Public shareholding</b>						
	- Number of shares	11,60,798	11,60,798	11,56,878	11,60,798	11,56,878	11,60,798
	- Percentage of share holding	30.16	30.16	30.05	30.16	30.05	30.16
	<b>2. Promoter shareholding</b>						
	<b>a. Pledged / Encumbered</b>						
	- Number of shares	--	--	--	--	--	--
	- Percentage of promoter shareholding	--	--	--	--	--	--
	- Percentage of total share capital	--	--	--	--	--	--
	<b>b. Non-encumbered</b>						
	- Number of shares	26,88,452	26,88,452	26,92,372	26,88,452	26,92,372	26,88,452
	- Percentage of promoter shareholding	100.00	100	100.00	100.00	100.00	100.00
	- Percentage of total share capital	69.84	69.84	69.95	69.84	69.95	69.84

	Three months ended September 30, 2013
<b>B. Investor Complaints</b>	
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed during the quarter	1
Remaining unresolved at the end of the quarter	-

<b>1. STATEMENT OF ASSETS AND LIABILITIES</b>		Rs. in lakhs	
Particulars		30.09.2013	31.03.2013
<b>A. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	385.75	385.75	
Reserves and surplus	4623.94	4273.23	
<b>Sub-Total-Shareholders funds</b>	<b>5009.69</b>	<b>4658.98</b>	
<b>Non-current liabilities</b>			
Long-term borrowings	3879.07	5004.11	
Deferred tax liabilities (Net)	1609.25	1424.25	
Other long term liabilities	0.00	0.00	
Long-term provisions	126.56	126.55	
<b>Sub-Total-Non-Current Liabilities</b>	<b>5614.88</b>	<b>6554.91</b>	
<b>Current liabilities</b>			
Short-term borrowings	3140.66	3427.25	
Trade payables	387.65	437.54	
Other current liabilities	2537.86	1788.57	
Short-term provisions	2.01	4.53	
<b>Sub-Total-Current Liabilities</b>	<b>6068.18</b>	<b>5657.89</b>	
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>16692.75</b>	<b>16871.78</b>	
<b>B. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10772.28	11158.91	
Intangible assets	0.00	0.00	
Capital work-in-progress	27.91	0.00	
Non-current investments	245.00	245.00	
Long-term loans and advances	1101.62	894.09	
Other non-current assets	12.15	10.42	
<b>Sub-Total-Non-Current Assets</b>	<b>12158.96</b>	<b>12308.42</b>	
<b>Current assets</b>			
Inventories	3019.42	2829.08	
Trade receivables	846.99	1355.82	
Cash and cash equivalents	225.31	98.08	
Short-term loans and advances	322.06	195.14	
Other current assets	120.01	85.24	
<b>Sub-Total-Non-Current Assets</b>	<b>4533.79</b>	<b>4563.36</b>	
<b>TOTAL-ASSETS</b>	<b>16692.75</b>	<b>16871.78</b>	



For Kandagiri Spinning Mills Limited

(R. Selvarajan)

Chairman and Managing Director

1. The above financial results were reviewed by the Audit Committee at their meeting held on November 12, 2013 and then approved by the Board of Directors at their meeting held on November 13, 2013.
2. The statutory auditors have conducted a limited review of the above results.
3. The company's primary segment is identified as business segment based on nature of products, risks, return and the internal business reporting system (i.e. cotton yarn) and operates in a single geographical segment as per Accounting Standard 17.
4. Figures for the previous periods have been regrouped/reclassified/amended, wherever necessary.

For and on behalf of the Board

  
R. Selvarajan

Chairman and Managing Director

Salem

November 13, 2013

