



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/020/ 2016-17

Date: 21/05/2016

Bombay Stock Exchange Limited,
Floor 25, P.J.Towers,
Dalal Street,
Mumbai 400 001

Dear Sir,

Audited Standalone Financial Results of the Company for the Quarter/Year ended 31.03.2016 and Audited Consolidated Financial Results of the Company and its Associate for the year ended 31.03.2016 along with Auditor's Report and Form A of the Annual Report to be filed with the Stock Exchanges

Pursuant to Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we send herewith Audited Standalone Financial Results of the Company for the Quarter/Year ended 31.03.2016 and Audited Consolidated Financial Results of the Company and its Associate for the year ended 31.03.2016, which have been duly reviewed by the Audit Committee of our Company at the Audit Committee Meeting held on 20.05.2016 and approved by our Board at the Board Meeting held on 21.05.2016 at the mill premises of Sambandam Spinning Mills Limited, Salem, together with Auditor's Report and Form-A (Unqualified Audit Report) duly signed by the Chairman of the Audit Committee, Chairman and Managing Director, Chief Financial Officer and Statutory Auditors of our Company.

We are also uploading the above said Results in our WEB Site 'www.kandagirimills.com' and also in BSE website <http://listing.bseindia.com>.

Kindly acknowledge the receipt of the above.

Thanking You,

Yours faithfully,

for KANDAGIRI SPINNING MILLS LTD.,

(J. ASIFA)

Company Secretary

Encl.: As above



CIN : L1711ITZ1976PLC000762

Regd. Off: Mill Premises, Udayapatti (P.O), P.B.No.3, Salem - 636 140. Phone : Mill 0427-2244400

Fax:0427-2244422; Grams:SUPERSPINE; e-mail:sales@kandagirimills.com; Web.: www.kandagirimills.com



KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)

Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140

e-mail : sales@kandagirimills.com

e-mail : sales@kandagirimills.com Phone 0427 2244400 Fax 0427 2244422 Web site : www.kandagirimills.com

STATEMENT OF AUDITED (STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2016

Rs. lakhs

		Quarter ended			Year ended	Year ended	Year ended
		STANDALONE			STANDALONE		CONSOLIDATED
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
	<u>Part-I</u>						
1.	Income from Operations						
a.	Net Sales / Income from operations	2,801.03	3,586.82	4,485.26	14,463.21	18,922.88	14,463.21
b.	Other Operating Income	3.25	4.10	1.43	9.87	13.30	9.87
	Total Income from Operations	2,804.28	3,590.92	4,486.69	14,473.08	18,936.18	14,473.08
2.	Expenses						
a.	Cost of Materials consumed	2,048.35	2,265.66	2,504.88	9,327.27	11,465.07	9,327.27
b.	Purchase of stock-in-trade	--	--	--	--	--	--
c.	Changes in inventories of finished goods, work in progress and stock in trade	(476.18)	224.55	32.55	(676.77)	(11.89)	(676.77)
d.	Employee benefits expense	435.05	416.54	502.83	1,910.35	2,040.03	1,910.35
e.	Depreciation and amortisation expense	192.74	188.63	206.17	758.67	753.89	758.67
f.	Power cost (net)	461.00	516.18	617.54	1,961.63	2,011.14	1,961.63
g.	Other expenses	234.52	222.62	333.56	1,108.76	1,379.03	1,108.76
	Total Expenses	2,895.49	3,834.18	4,197.54	14,389.92	17,637.27	14,389.92
3.	Profit/(Loss) from operations before other income, finance costs and exceptional item (1-2)	(91.21)	(243.26)	289.15	83.16	1,298.91	83.16
4.	Other income	3.89	6.75	12.39	26.74	43.18	26.74
5.	Profit/(Loss) from ordinary activities before finance costs and exceptional item (3+4)	(87.32)	(236.51)	301.54	109.90	1,342.09	109.90
6.	Finance costs	291.90	349.06	288.69	1,243.66	1,115.41	1,243.66
7.	Profit/(Loss) from ordinary activities after finance costs but before exceptional item (5-6)	(379.22)	(585.57)	12.85	(1,133.76)	226.68	(1,133.76)
8.	Exceptional item	-	-	-	-	-	-
9.	Profit/(Loss) from ordinary activities before tax (7-8)	(379.22)	(585.57)	12.85	(1,133.76)	226.68	(1,133.76)
10.	Tax expense - Income Tax						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax	-	-	(4.60)	-	71.00	-
11.	Net Profit/(Loss) from ordinary activities after tax (9-10)	(379.22)	(585.57)	17.45	(1,133.76)	155.68	(1,133.76)
12.	Extraordinary item (net of tax)	-	-	-	-	-	-
13.	Net Profit/(Loss) after tax before minority interest and share of profit of associates)	(379.22)	(585.57)	17.45	(1,133.76)	155.68	(1,133.76)
14.	Share of profit/(loss) of associates (net)						23.65
15.	Minority interest						
16.	Net profit/(Loss) after tax, minority interest and share of profit of associates for the period (13+14-15)	(379.22)	(585.57)	17.45	(1,133.76)	155.68	(1,110.11)
17.	Paid-up equity share capital (Face value per share Re.10)	385.75	385.75	385.75	385.75	385.75	385.75
18.	Reserves excluding Revaluation Reserve				1,519.03	2,625.78	1,459.00
19.	Basic/diluted Earnings Per Share (EPS) (Rs.)	(9.85)	(15.21)	0.45	(29.46)	4.04	(28.84)
20.	Dividend Per Share (Rs.)				--	--	--



Rs. in lakhs

1. STATEMENT OF ASSETS AND LIABILITIES <i>Particulars</i>	STANDALONE		CONSOLIDATED
	31.03.2016 Audited	31.03.2015 Audited	31.03.2016 Audited
A. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	385.75	385.75	385.75
Reserves and surplus	3629.54	4763.31	3,569.50
Sub-Total-Shareholders funds	4015.29	5149.06	3955.25
Non-current liabilities			
Long-term borrowings	3608.89	3223.30	3,608.89
Deferred tax liabilities (Net)	1683.84	1683.84	1,683.84
Other long term liabilities	0.00	0.00	-
Long-term provisions	148.88	143.92	148.88
Sub-Total-Non-Current Liabilities	5441.61	5051.06	5441.61
Current liabilities			
Short-term borrowings	3508.72	4043.32	3,508.72
Trade payables	1272.70	1230.24	1,272.70
Other current liabilities	2209.45	1580.47	2,209.45
Short-term provisions	2.55	4.80	2.55
Sub-Total-Current Liabilities	6993.42	6858.83	6993.42
TOTAL-EQUITY AND LIABILITIES	16450.31	17058.95	16390.28
B. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9297.50	9854.53	9,297.50
Intangible assets	0.00	0.00	-
Capital work-in-progress	0.00	27.20	-
Non-current investments	201.00	201.00	140.96
Long-term loans and advances	1301.98	1389.34	1,301.98
Other non-current assets	0.00	4.17	-
Sub-Total-Non-Current Assets	10800.48	11476.24	10740.44
Current assets			
Inventories	3599.78	4317.90	3,599.78
Trade receivables	1804.19	934.39	1,804.19
Cash and cash equivalents	69.49	154.18	69.49
Short-term loans and advances	139.62	128.81	139.62
Other current assets	36.75	47.43	36.75
Sub-Total-Non-Current Assets	5649.83	5582.71	5649.83
TOTAL-ASSETS	16450.31	17058.95	16390.28

NOTES:

The above standalone and consolidated financial results have been audited by the Company's Statutory Auditors, reviewed by the Audit Committee at their meeting held on May 20, 2016 and taken on record by the Board of Directors at its meeting held on May 21, 2016.

(A) Notes to the Standalone results of the Company

- The company's profitability was continued to be affected throughout year due to low selling price coupled with sluggish trend in offtake of yarn. The backing out decision taken by the Tamilnadu Government was severely affected the wind mill performance resulting in lower power production by nearly 30 lakh units, though the wind mills are capable of producing power.
- The company's primary segment is identified as business segment based on nature of products, risks, return and the internal business reporting system and operates in a single geographical segment as per Accounting Standard 17. The Company is principally engaged in a single business segment viz. cotton yarn.
- The figures of the last quarters of the year ended March 31, 2016 and March 31, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures of the third quarter of the respective financial year.
- Figures for the previous periods have been regrouped/reclassified/amended, wherever necessary.

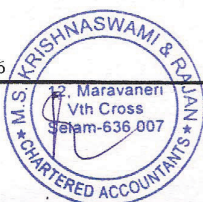
(B) Notes to the Consolidated results of the Company

- The group's primary segment is identified as business segment based on nature of products, risks, return and the internal business reporting system and operates in a single geographical segment as per Accounting Standard 17. The Group is principally engaged in a single business segment viz. cotton yarn.
- Since this is the first year of consolidation of accounts, the previous year figures has not been given.

For and on behalf of the Board

R. Selvarajan

Chairman and Managing Director

Salem
May 21, 2016

Auditor's Report On Quarterly Standalone Financial Results and Standalone Year to Date Results of M/S Kandagiri Spinning Mills Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of M/S Kandagiri Spinning Mills Limited

We have audited the quarterly standalone financial results ('the Statement') of M/S Kandagiri Spinning Mills Limited for the quarter ended March 31, 2016 and standalone financial results for the year ended March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended March 31, 2016 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

The Statement has been prepared on the basis of annual financial statements and reviewed quarterly financial results up to the end of the third quarter which are the responsibility of the company's management. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down under section and 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



In our opinion and to the best of our information and according to the explanations given to us, the Statement

(iii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(iv) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 and the year ended March 31, 2016

Salem
May 21, 2016



For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. 01554S

A handwritten signature in blue ink, appearing to be "R. Krishnen".

R. Krishnen – Partner
Membership no.201133

Auditor's Report on Consolidated Year to Date Results of M/S Kandagiri Spinning Mills Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of M/S Kandagiri Spinning Mills Limited

We have audited the consolidated financial results ('the Statement') of M/S Kandagiri Spinning Mills Limited ('the Company'), its associate (collectively referred to as 'the Group') for the year ended March 31, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Statement has been prepared on the basis of annual consolidated financial statements which are the responsibility of the company's management. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



In our opinion and to the best of our information and according to the explanations given to us the Statement:

(iv) includes the financial results of M/S SPMM Health Care Services Private Limited (associate)

(v) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(vi) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 (standalone), year ended March 31, 2016 (standalone) and consolidated for the year ended March 31, 2016.

Salem
May 21, 2016

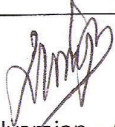
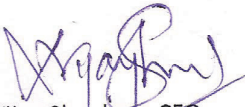
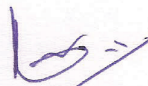
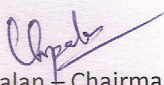


For M.S. Krishnaswami & Rajan
Chartered Accountants
Firm Registration No. 01554S

R. Krishnen – Partner
Membership no.201133

FORM A

Format of covering letter of the annual report to be filled with the Stock Exchanges

1.	Name of the Company	Kandagiri Spinning Mills Limited
2.	Annual financial statements for the year ended	March 31, 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA
5.	To be signed by – <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	 R. Selvarajan – Chairman and Managing Director  S. Vijay Shankar - CFO  R. Krishnen – Partner M.S. Krishnaswami & Rajan  Dr. V. Gopalan – Chairman of Audit Committee

Note : In the Independent Auditor's report, it has been pointed out that there were delays in repayment of term loans and interest during the financial year 2015-16. The management reported in the board of directors report that due to cash flow constraints, since repaid as reported.