



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/068/2018-19

Date: 11.11.2018

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

Dear Sir,

**Enclosure of Unaudited Financial Results of the Company
for the second Quarter/ Half Year ended 30.09.2018**

In accordance with Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we herewith enclosed a copy of Unaudited Financial Results of the Company for the second quarter / half year ended 30.09.2018 along with Limited Review Report which was duly reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held today on 11.11.2018.

This is for your kind information and records.

Thanking You,

Yours faithfully,

for KANDAGIRI SPINNING MILLS LTD.,

(J. ASIFA)
Company Secretary

Encl.: As above



Regd. Off : Mill Premises, Udayapatti (P.O.), P.B. No. 3, Salem - 636 140. Phone : Mill : 0427-2244400
Fax : 0427-2244422 Grams: SUPERSPIN E-mail: sales@kandagirimills.com Web: www.kandagirimills.com
CIN : L17111TZ1976PLC000762



KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)

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

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/SIX MONTHS ENDED SEPTEMBER 30, 2018

S.No.	Particulars	Quarter ended			Six months ended		Year ended
		30/09/2018	30/06/2018	30/09/2017	30/09/2018	30/09/2017	31/03/2018
		Unaudited			Unaudited		Audited
I	Revenue from Operations	1,869.69	1,935.98	1,129.31	3,805.67	2,632.28	5,438.14
II	Other Income	14.44	46.80	48.51	61.23	55.94	69.09
III	Total Income (I+II)	1,884.13	1,982.78	1,177.82	3,866.90	2,688.22	5,507.23
IV	EXPENSES						
	Cost of materials consumed	1,388.48	1,325.68	714.65	2,714.16	1,695.76	3,102.21
	Changes in inventories of finished goods and work-in-progress	111.56	224.50	-62.30	336.06	-101.18	489.49
	Employee benefits expenses	240.51	318.54	211.12	559.05	405.63	779.38
	Power and fuel	301.66	326.86	350.83	628.52	646.95	1,252.71
	Finance costs	191.45	171.58	194.43	363.03	410.69	804.72
	Depreciation and amortisation expense	87.41	87.41	86.84	174.82	176.05	371.20
	Other expenses	76.75	64.18	61.78	140.92	193.53	320.25
	Total Expenses	2,397.82	2,518.75	1,557.35	4,916.56	3,427.43	7,119.96
V	Profit/(loss) before exceptional items and tax (III-IV)	(513.69)	(535.97)	(379.53)	(1,049.66)	(739.21)	(1,612.73)
VI	Exceptional items (Refer note 3)	-	-	-	-	-	(85.02)
VII	Profit/(loss) before tax (VII-VIII)	(513.69)	(535.97)	(379.53)	(1,049.66)	(739.21)	(1,697.75)
VIII	Tax expense:						
	(1) Current tax	-	-	1.75	-	1.75	24.83
	(2) Prior period tax	-	-	-	-	-	-
	(3) Deferred tax	14.47	29.71	0.51	44.18	-	(561.14)
IX	Profit/ (Loss) for the period from continuing operations (IX-X)	(528.16)	(565.68)	(381.79)	(1,093.84)	(740.96)	(1,161.44)
X	Other Comprehensive Income						
A	(i) Items that will not be reclassified to profit and loss						
	Remeasurement of Defined benefits plan	(11.49)	(11.49)	(4.66)	(22.98)	(5.68)	88.43
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	1.75	-	1.75	-
	Total Other Comprehensive Income	(11.49)	(11.49)	(2.91)	(22.98)	(3.93)	88.43
XV	Profit for the period attributable to						
	- Owners of the Company						
	- Non controlling interest						
XVI	Other Comprehensive Income attributable to						
	- Owners of the Company						
	- Non controlling interest						
XVII	Other Comprehensive Income for the period attributable to						
	- Owners of the Company						
	- Non controlling interest						
XI	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(516.67)	(554.19)	(384.70)	(1,070.86)	(744.89)	(1,249.87)
XII	Earnings per equity share of Rs.10/- each: (not annualised)						
	Basic and Diluted	(13.69)	(14.66)	(9.90)	(28.36)	(19.21)	(30.11)
XVII	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75	385.75
XVIII	Other equity						2,077.85



**For R.Sundararajan & Associates
Chartered Accountants
Firm Registration No.08282S**

**S. Krishnan - Partner
Membership No.026452**

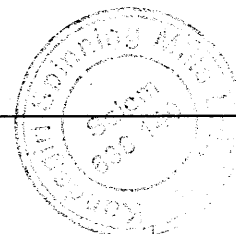
1 Notes

Balance Sheet as at September 30, 2018			
Particulars	Note No.	30/09/2018 Rs. lakhs	31/03/2018 Rs. lakhs
Non current assets			
Property, plant and equipment	1	5,000.26	5,289.86
Capital work in progress			
Financial assets			
Investments	2	155.10	154.71
Other financial asset	3	182.60	260.15
Advance tax assets(net)	4	20.85	14.96
Other non-current assets	5	354.14	354.13
Deferred tax asset (net)	16	113.80	157.98
		5,826.75	6,231.79
Current assets			
Inventories	6	2,195.82	2,672.38
Financial assets			
Investments	7	48.85	58.81
Trade receivables	8	123.64	282.67
Cash and cash equivalents	9a	5.00	8.52
Other Bank balances	9b	13.16	9.33
Others	10	15.59	120.42
Other current assets	11	76.14	86.86
		2,478.20	3,238.99
Total assets		8,304.95	9,470.78
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	385.74	385.74
Other equity	13	1,007.00	2,077.85
		1,392.74	2,463.59
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,233.39	2,293.87
Provisions	15	154.03	154.03
Deferred tax liabilities (Net)	16		
		2,387.42	2,447.90
Current liabilities			
Financial liabilities			
Borrowings	17	2,502.35	2,855.03
Trade payables	18	731.52	450.89
Provisions	19	8.49	4.99
Other financial liabilities	20	1,269.71	1,195.39
Other current liabilities	21	12.73	52.99
Total equity and liabilities		4,524.80	4,559.29
Total liabilities		6,912.21	7,007.19
Total equity and liabilities		8,304.95	9,470.78

Note

- 2 The above standalone unaudited financial results for the quarter ended September 30, 2018 were reviewed by the Audit Committee at its meeting held
- 3 Exceptional items consists of: Rs. lakhs
- | Particulars | Quarter ended | | | Six months ended | | Year ended |
|--|---------------|------------|------------|------------------|------------|------------|
| | 30/09/2018 | 30/06/2018 | 30/09/2017 | 30/09/2018 | 30/09/2017 | 31/03/2018 |
| | Unaudited | | | Unaudited | | Audited |
| Profit on sale of investment | | | | - | 21.43 | 21.43 |
| Loss on sale of industrial undertaking | | | | | | (106.45) |
- 4 Segment Information:
The Company is principally engaged in a single business segment viz. yarn based on nature of products, risks, returns and the internal business
- 5 The Ministry of Corporate Affairs (MCA), on March 28, 2018, notified Ind As 115 "Revenue from contracts with customers" as part of the Companies
- 6 The Company would be consolidating and presenting its Consolidated Financial Statements at the end of the year ie. March 31, 2019.
- 7 The figures for the previous period have been reclassified/ regrouped wherever necessary.

For Kandagiri Spinning Mills Limited

Salem
November 11, 2018For R.Sundararajan & Associates
Chartered Accountants
Firm Registration No.08282SS. Krishnan - Partner
Membership No.026452

Chairman



R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

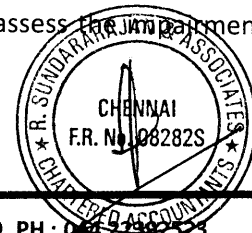
INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE SIXTH MONTHS/QUARTER ENDED SEPTEMBER 30, 2018

TO THE BOARD OF DIRECTORS OF KANDAGIRI SPINNING MILLS LIMITED

1. We have reviewed the Unaudited Standalone Financial Results of **Kandagiri Spinning Mills Limited** (the "Company") for the six months/quarter ended September 30, 2018 (the "financial results") which are included in the accompanying Statement of Unaudited Standalone Financial Results for the six months/quarter ended September 30, 2018 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. ('the Listing Regulations')
2. This Statement which is the responsibility of the Company's Management, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Emphasis of Matter**
The Company has generated negative cash flows and incurred substantial operating losses during the current period and earlier. In order to continue the Company is apparently dependent on infusion of sufficient funds and restructuring of operations. There is thus, in our opinion, existence of a material risk as to the Company's ability to continue as a going concern but the company is taking necessary steps to address the above.

Further in view of the recurring operating losses, the company needs to assess the impairment of carrying value of Cash Generating Units of the Company.

Our conclusion is not qualified in respect of these matters.





R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

5. The Standalone financial results of the Company for the six months/quarter ended September 30, 2017 was reviewed by predecessor statutory auditors, who have issued an unmodified report vide their "Independent Auditors' review report on review of Interim financial results" dated December 11, 2017. The financial results for the six months/quarter ended September 30, 2017 were reclassified and regrouped wherever necessary to conform to current period.

R.Sundararajan & Associates

Chartered Accountants

Firm's Registration No. 008282S


S. Krishnan

Partner

Membership No. 26452



November 11, 2018

Salem