


To

The Board of Directors  
Kandagiri Spinning Mills Limited  
Udayapatti PO  
Salem 636 140.

**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

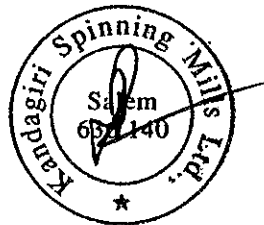
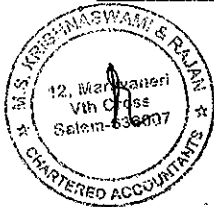
1. We have reviewed the accompanying statement of Unaudited financial results of **Kandagiri Spinning Mills Limited** ("the Company) for the quarter ended June 30, 2015("the statement") being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the stock exchanges, except for the disclosures in Part II of the of the Statement referred to in Paragraph 4 below. This Statement (initialled by us for identification) 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 the statement based on our review.
2. We conducted our review of the Standard in accordance with 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement .
4. Further, we also report that we have traced the number of shares as well as the percentages of shareholdings in respect of aggregate amount of Public shareholding and the number of shares as well as the percentages of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to the investors complaints disclosed in part II of the Statement from the details furnished by the Company/Registrars.

for M.S.KRISHNASWAMI & RAJAN  
Chartered Accountants  
Registration No.01554S

R.Krishnen  Partner  
Membership No.201133  
Salem  
August 12, 2015



<b>KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)</b>					
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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015					
					Rs. lakhs
		Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		Unaudited	Unaudited	Unaudited	Audited
<b>Part-I</b>					
1.	<b>Income from Operations</b>				
a.	Net Sales / Income from operations	3,707.70	4,485.26	4,240.53	18,922.88
b.	Other Operating Income	1.14	1.43	1.92	13.30
	<b>Total Income from Operations</b>	<b>3,708.84</b>	<b>4,486.69</b>	<b>4,242.45</b>	<b>18,936.18</b>
2.	<b>Expenses</b>				
a.	Consumption of materials	2,586.03	2,504.88	2,845.20	11,465.07
b.	Purchase of trading goods	--	--	--	--
c.	Changes in inventories of finished goods, work in progress and stock in trade	(879.00)	32.55	(492.78)	(11.89)
d.	Employee benefits expense	513.50	502.83	487.44	2,040.03
e.	Depreciation and amortisation expense	188.64	206.17	181.07	753.89
f.	Other expenses	988.18	951.10	732.04	3,390.17
	<b>Total Expenses</b>	<b>3,397.35</b>	<b>4,197.53</b>	<b>3,752.97</b>	<b>17,637.26</b>
3.	<b>Profit from operations before other income, finance costs and exceptional item (1-2)</b>	<b>311.48</b>	<b>289.15</b>	<b>489.48</b>	<b>1,298.92</b>
4.	Other income	8.08	12.39	5.95	43.18
5.	<b>Profit from ordinary activities before finance costs and exceptional item (3+4)</b>	<b>319.56</b>	<b>301.54</b>	<b>495.43</b>	<b>1,342.10</b>
6.	Finance costs	301.98	288.69	269.83	1,115.41
7.	<b>Profit from ordinary activities after finance costs but before exceptional item (5-6)</b>	<b>17.58</b>	<b>12.85</b>	<b>225.60</b>	<b>226.69</b>
8.	Exceptional item	-	-	-	-
9.	<b>Profit from ordinary activities before tax (7-8)</b>	<b>17.58</b>	<b>12.85</b>	<b>225.60</b>	<b>226.69</b>
10.	Tax expense - Income Tax				
	- Current Tax	-	-	-	-
	- Deferred Tax	5.10	(4.60)	64.00	71.00
11.	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>12.48</b>	<b>17.45</b>	<b>161.60</b>	<b>155.69</b>
12.	Extraordinary item (net of tax)	-	-	-	-
13.	<b>Net profit for the period (11-12)</b>	<b>12.48</b>	<b>17.45</b>	<b>161.60</b>	<b>155.69</b>
14.	Paid-up equity share capital (Face value per share Re.10)	385.75	385.75	385.75	385.75
15.	Reserves excluding Revaluation Reserve				2,625.78
16.	Basic/diluted Earnings Per Share (EPS) (Rs.)	0.32	0.45	4.20	4.04
17.	Dividend Per Share (Rs.)	--	--	--	--



For Kandagiri Spinning Mills Limited

(R. Selvarajan)  
Chairman and Managing Director

		Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		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	12,18,031	12,10,798	12,13,598	12,10,798
	- Percentage of share holding	31.64	31.46	31.53	31.46
	<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	26,31,219	26,38,452	26,35,652	26,38,452
	- Percentage of promoter shareholding	100.00	100.00	100.00	100.00
	- Percentage of total share capital	68.36	68.54	68.47	68.54

	Particulars	30.06.2015
<b>B.</b>	<b>Investor Complaints</b>	
	Pending at the beginning of the quarter	
	Received during the quarter	
	Disposed during the quarter	
	Remaining unresolved at the end of the quarter	

**NOTES:**

- The above financial results, reviewed by the Audit Committee, were approved at the meeting of the Board of Directors held on August 12, 2015. Limited Review of these results, as required under clause 41 of the Listing Agreement, has been completed by the Statutory Auditors.
- The company's profitability was affected for the quarter ended June 30, 2015 as compared to the quarter ended June 30, 2014, mainly due to delay on onset of wind resulting in lower production of power as also lower evacuation. Besides, lower demand for yarn also affected profitability.
- The company's primary segment is identified as business segment based on nature of products, risks, return and the internal business reporting system (ie. cotton yarn) and operates in a single geographical segment as per Accounting Standard 17.
- The figures of the last quarters of the year ended March 31, 2015 and March 31, 2014 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.

For Kandagiri Spinning Mills Limited

R. Sivarajan

Chairman and Managing Director

Salem  
August 12, 2015

