



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/093/2017-18

Date: 08/02/2018

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

Dear Sir,

Unaudited Financial Results for the third quarter and nine months ended 31.12.2017 of the Company along with Independent Auditor's Limited Review Report

In accordance with regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclosed herewith a copy of Unaudited Standalone Financial Results of the Company for the third quarter and nine months ended 31.12.2017 as approved by the Board of Directors at their meeting held today on 08.02.2018.

We are also uploading the above referred Unaudited Financial results in our website www.kandagirimills.com.

Kindly acknowledge the receipt of the above.

Thanking You,

Yours faithfully,

for **KANDAGIRI SPINNING MILLS LIMITED**


(J. ASIFA)
Company Secretary

Encl.: As above



CIN : L17111TZ1976PLC000762

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)

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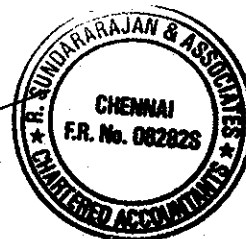
e-mail : sales@kandagirimills.com Phone 0427 2244400 Fax 0427 2244422 Web site : www.kandagirimills.com
STATEMENT OF UNAUDITED FINANCIAL RESULTS (STANDALONE) FOR THE NINE MONTHS/QUARTER ENDED DECEMBER 31, 2017

Rs. lakhs

S.No.	Particulars	Quarter ended			Nine months ended	
		31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
		Unaudited			Unaudited	
I	Revenue from Operations	1,206.93	1,130.30	1,416.18	3,839.21	6,566.86
II	Other Income	8.27	47.52	38.50	64.22	74.67
III	Total Income (I+II)	1,215.20	1,177.82	1,454.68	3,903.43	6,641.53
IV	EXPENSES					
	Cost of materials consumed	609.31	714.65	730.49	1,991.35	3,974.20
	Purchases of Stock-in trade					
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress	114.11	-62.30	571.08	326.65	779.72
	Employee benefits expenses	189.06	211.12	209.37	594.67	974.97
	Finance costs	210.00	194.43	337.93	620.69	999.81
	Depreciation and amortisation expense	91.58	86.84	190.70	267.63	572.10
	Other expenses	348.43	412.60	491.86	1,188.93	1,208.95
	Total Expenses	1,562.49	1,557.34	2,531.43	4,989.92	8,509.75
V	Profit/ (loss) before exceptional items and tax (III-IV)	-347.29	-379.52	-1,076.75	-1,086.49	-1,868.22
VI	Exceptional items	-106.45			-106.45	
VII	Profit/ (loss) before tax (V-VI)	-453.74	-379.52	-1,076.75	-1,192.94	-1,868.22
VIII	Tax expense:					
	(1) Current tax	0.88	1.75	5.22	2.63	15.63
	(2) Deferred tax		0.51			
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	-454.62	-381.78	-1,081.97	-1,195.57	-1,883.85
X	Other Comprehensive Income					
A	(i) Items that will not be reclassified to profit and loss					
	Remeasurement of Defined benefits plan	-2.84	-4.66	-16.86	-8.52	-50.58
	(ii) Income tax relating to items that will not be reclassified to profit and loss	0.88	1.75	5.22	2.63	15.63
B	(i) Items that will be reclassified to profit and loss					
	(ii) Income tax relating to items that will be reclassified to profit and loss					
	Total Other Comprehensive Income	-1.96	-2.91	-11.64	-5.89	-34.95
XI	Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(456.57)	(384.69)	(1,093.61)	(1,201.45)	(1,918.80)
XII	Earnings per equity share of Rs.10/- each: (not annualised)					
	Basic and Diluted	(11.79)	(9.90)	(28.05)	(30.99)	(48.84)
XIII	Paid Up Equity Share Capital (Face Value ` 10/- each)	385.75	385.75	385.75	385.75	385.75
	# There are no discontinued operations during the period					



[Handwritten Signature]



- 2 The above unaudited standalone financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on February 8, 2018.
- 3 The company's profitability is affected due to lower production during the quarter. The production is expected to increase in the fourth quarter.
- 4 Pursuant to the approval given by the shareholders and approval from the Board of Directors, your company has disposed off its undertaking (Unit III) during this quarter and as a result of the disposal, the loss on sale of undertaking is shown as an exceptional item above. The sale proceeds was mainly used to pay off the bank dues as a part of restructuring activities.
- 5 The Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 and accordingly above standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Ind AS compliant financial results for the corresponding quarter and nine months ended 31 December 2017 have been stated in terms of the Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016. Accordingly and in terms of the same circular, the figures and reconciliation for March 31, 2017 have not been furnished.
- 6 The statutory auditors of the Company have carried out the limited review of the results for the quarter and nine months ended 31st December 2017.
- 7 Segment Information:
The Company is principally engaged in a single business segment viz. cotton yarn based on nature of products, risks, returns and the internal business reporting system, there is no other reportable segment in terms of Ind AS 108 'Operating Segments'.
- 8 The Company would be consolidating and presenting its Consolidated Financial Statements at the end of the year i.e. March 31, 2018.
- 9 Reconciliation of the financial results to those reported under the previous GAAP are summarised as follows:

Particulars	Three months ended December 31, 2016 (Rs. In lakhs)	Nine months ended December 31, 2016 (Rs. In lakhs)
Net profit/(loss) after Tax as per previous GAAP	(1,125.22)	(1,972.91)
Adjustments:		
Impact on fair valuation of investments	31.59	54.09
Reclassification of actuarial (gains) / losses arising in respect of employee benefit schemes	16.86	50.58
Tax Adjustments	-5.20	(15.61)
Net profit/(loss) after Tax as reported under Ind AS	(1,081.97)	(1,883.85)
Other Comprehensive Income (net of tax)	(11.64)	(34.95)
Total Comprehensive Income as reported under Ind AS	(1,093.61)	(1,918.80)

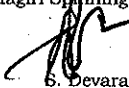
Under previous GAAP, non current equity investments were measured at historical cost. Under Ind AS all equity securities other than in subsidiaries, joint ventures and associates are to be measured at fair value at the reporting date and changes in fair value is to be recognised in Statement of Profit and Loss.

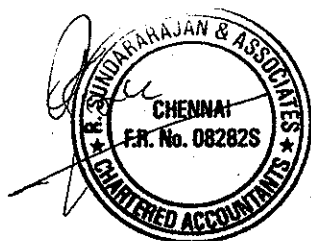
Under previous GAAP, actuarial gains/losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains/losses forms part of the remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Additionally, the tax effect of the same has also been recognised in other comprehensive income as required by Ind AS.

- 10 The figures for the previous period have been reclassified/ regrouped wherever necessary.

Salem
February 8, 2018

For Kandagiri Spinning Mills Limited


S. Devarajan
Chairman





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
KANDAGIRI SPINNING MILLS LIMITED

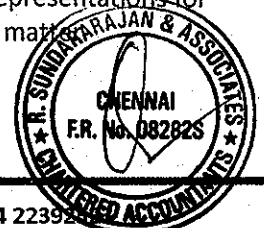
1. We have reviewed the Unaudited Standalone Financial Results of **KANDAGIRI SPINNING MILLS LIMITED** ("the Company") for the quarter ended December 31, 2017 ("Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared by the Company 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 thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Emphasis of matter:

The Company has generated negative operating cash flows and has incurred operating losses during the current period and earlier. One of the Units of the Company has been sold during the current quarter and the sale consideration has been fully utilised to repay loan from banks and creditors. In order to have a continued operations, the Company is dependent on infusion of sufficient funds and restructuring of operations. The management has represented that the company has already initiated plans to ensure continuity of operations and we have relied on the said representations for the purpose of this statement. Our opinion is not qualified in respect of the above matter.





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

4. Based on our review conducted as above, read with our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 and regulation 52 of the Listing Regulations as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

R Sundararajan Associates

Chartered Accountants

Firm's Registration No. 008282S


S. Krishnan
Partner
Membership No. 26452



February 8, 2018

Salem

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