

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 ENDED JUNE 30, 2018

S.No.	Particulars	Quarter ended			Year ended 31/03/2018 Audited
		30/06/2018 Unaudited	31/03/2018 Audited (refer note 5)	30/06/2017 Unaudited	
I	Revenue from Operations	1,935.98	1,598.61	1,502.97	5,438.14
II	Other Income	46.80	5.19	7.43	69.09
III	<b>Total Income (I+II)</b>	<b>1,982.78</b>	<b>1,603.80</b>	<b>1,510.40</b>	<b>5,507.23</b>
IV	<b>EXPENSES</b>				
	Cost of materials consumed	1,325.68	1,110.86	981.11	3,102.21
	Changes in inventories of finished goods and work-in-progress	224.50	162.85	-38.88	489.49
	Employee benefits expenses	318.54	184.71	194.51	779.38
	Power and fuel	326.86	306.48	296.13	1,252.71
	Finance costs	171.58	184.03	216.26	804.72
	Depreciation and amortisation expense	87.41	103.57	89.21	371.20
	Other expenses	62.75	77.51	131.75	320.25
	<b>Total Expenses</b>	<b>2,517.32</b>	<b>2,130.01</b>	<b>1,870.09</b>	<b>7,119.96</b>
V	Profit/(loss) before exceptional items and tax (III-IV)	(534.54)	(526.21)	(359.69)	(1,612.73)
VI	Exceptional items (Refer note 2)	(1.43)	21.43	-	(85.02)
VII	Profit/(loss) before tax (VII-VIII)	(535.97)	(504.78)	(359.69)	(1,697.75)
VIII	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) Prior period tax	-	24.83	-	24.83
	(3) Deferred tax	29.71	(561.14)	(0.51)	(561.14)
IX	Profit/ (Loss) for the period from continuing operations (IX-X)	(565.68)	31.53	(359.18)	(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	79.91	(1.02)	88.43
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>-11.49</b>	<b>79.91</b>	<b>(1.02)</b>	<b>88.43</b>
XI	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(554.19)</b>	<b>(48.38)</b>	<b>(358.16)</b>	<b>(1,249.87)</b>
XII	Earnings per equity share of Rs.10/- each: (not annualised)				
	Basic and Diluted	(14.66)	0.82	(9.31)	(30.11)
XVII	Paid Up Equity Share Capital ( Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75
XVIII	Other equity				2,463.59

Note

1 The above standalone unaudited financial results for the quarter ended June 30, 2018 were reviewed by the Audit Committee at its meeting held on August 10, 2018 and then approved by the Board of Directors at its meeting held on August 11, 2018. The statutory auditors have conducted a limited review of the above standalone unaudited financial results.

2 Exceptional items consists of:

Rs. lakhs

Particulars	Three months ended			Year ended
	STANDALONE			STANDALONE
	Unaudited	Audited	Unaudited	Audited
Profit on sale of investment	(1.43)	21.43		21.43
Loss on sale of industrial undertaking				(106.45)

3 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 reporting system and accordingly there is no other reportable segment in terms of Ind AS 108 'Operating Segments'.

4 The Ministry of Corporate Affairs (MCA), on March 28, 2018, notified Ind As 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2018. The adoption of the standard did not have any material impact to the financial statements/informations of the Company.

5 The statement includes the results for the quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the year ended March 31, 2018, and the published figures of the Company upto the third quarter of the previous financial year ended March 31, 2018 adjusted for reclassification/regrouping wherever necessary.

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  
August 11, 2018



S. Devarajan  
Chairman

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

S. Krishnan - Partner  
Membership No. 026452



# R. SUNDARARAJAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 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 quarter ended June 30, 2018 (the "financial results") which are included in the accompanying Statement of Unaudited Standalone Financial Results for the quarter ended June 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 thereunder 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.




**CA****R. SUNDARARAJAN & ASSOCIATES****CHARTERED ACCOUNTANTS**

---

5. The Standalone financial results of the Company for the quarter ended June 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 August 12, 2017. The financial results for the quarter ended June 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



August 10, 2018  
Salem