



Kandagiri Spinning Mills Ltd.

Ref.: KSML/CS/009/2024-25

Date: 27.05.2024

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

Dear Sir,

Annual Audited Financial Results (Standalone and Consolidated) for the quarter/year ended 31.03.2024 along with Auditor's Report and Statement on Impact of Audit Qualifications

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 we herewith enclosed Audited Financial Results (Standalone and Consolidated) for the quarter/year ended 31.03.2024 [which have duly reviewed by the Audit Committee and duly approved by the Board of Directors at their meeting today held today on 27.05.2024], along with Independent Auditor's Report and Statement on Impact of Audit Qualifications (for Audit Report with modified opinion).

Date and Time of start of Board Meeting: 27-05-2024 at 1.00 p.m.

Date and Time of conclusion of Board Meeting: 27-05-2024 at 4.30 p.m.

Please take the same for your records

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



GSTIN: 33AABCK2694Q1Z1



Krishnen & Associates
Chartered Accountants

12, Maravaneri Vth Cross, Salem-636 007. Mobile : 98431 35817 email : cakrishnen@gmail.com

INDEPENDENT AUDITORS' REPORT ON AUDIT OF CONSOLIDATED ANNUAL FINANCIAL RESULTS OF
KANDAGIRI SPINNING MILLS LIMITED

(pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations 2015, as amended ("Listing Regulations"))

To the Board of Directors of Kandagiri Spinning Mills Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results of **KANDAGIRI SPINNING MILLS LIMITED** (hereinafter referred to as the 'Company') and its associate for the quarter and year ended March 31, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of audited financial statements of the associate, the aforesaid consolidated financial results:

(i) include the annual financial results of the following entities:

Associate:

- a. SPMM Health Care Services Private Limited

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the 'Act') and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company and its associate for the year ended March 31, 2024.

Basis for Qualified Opinion

3. The company has been incurring losses for the quarter and year ended March 31, 2024 coupled with erosion of net worth as on March 31, 2024. The company's lease of immovable property was also terminated during the third quarter of the financial 2023-24. Though the company started its yarn trading business in the last quarter, we are of the opinion that the above factors indicate existence of material uncertainty in the company's ability to continue as a going concern. The attached financial statements do not include any adjustments that might result had the above uncertainties been known. Management has represented in this regard that there is no further adjustments to be made in the carrying values/ financial statements even if the Going Concern Concept is not adopted.



4. We have conducted our audit in accordance with the Standards on Auditing ('SA') specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Company and its associates, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Annual Financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

5. These Consolidated financial results have been prepared on the basis of the Consolidated annual Ind AS financial statements. The Parent Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated Annual Financial Results that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Company and its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Company, as aforesaid.
6. In preparing the Consolidated Annual Financial Results, the respective Management and the Board of Directors of the Company and its associate are responsible for assessing the Company's ability of the Company and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company and its associate or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the Company and its associate are responsible for overseeing the Company's financial reporting process of the Company and its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always



detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Annual Financial Results.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Annual Financial Results made by the Management and Board of Directors.
 - Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results of the associates to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.




10. We communicate with those charged with governance of the Company and its associate included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

13. The consolidated annual financial results include the share of net profit after tax of Rs.5.16 lakhs and Rs.5.00 lakhs for the year ended March 31, 2024 and for the year ended March 31, 2023 respectively, as considered in the consolidated annual financial results, in respect one associate, which financial statements have been audited by us.
14. The Consolidated Annual Financial Results include the results for the quarter ended March 31, 2024 and 2023 being the balancing figures between the audited figures in respect of the full financial year(s) and the published consolidated unaudited year to date financial results up to the third quarter of the respective financial year, which were subjected to limited review by us. Our opinion is not modified in respect of this matter.

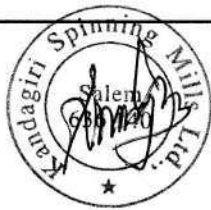
For Krishnen & Associates
Chartered Accountants
Registration No. 018163S


R Krishnen
Partner
Membership No. 201133
UDIN : 24201133BKBHAS8696
May 27, 2024
Salem



S.No.	Particulars	Quarter ended			Year ended	Year ended
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	150.31	-	123.10	150.31	123.10
II	Other Income	0.07	2.74	47.16	147.20	280.20
III	Total Income (I+II)	150.38	2.74	170.26	297.51	403.30
IV	EXPENSES					
	Cost of materials consumed	149.63	-	122.23	149.63	122.23
	Changes in inventories of finished goods and work-in-progress	-	-	-	-	-
	Employee benefits expenses	4.31	4.22	3.15	13.03	9.90
	Finance costs	75.00	85.72	31.99	232.97	132.07
	Depreciation	7.30	7.29	7.30	29.17	29.17
	Other expenses	1.52	19.25	3.29	49.45	15.87
	Total Expenses	237.76	116.48	167.96	474.25	309.24
V	Profit/(loss) before share of profit of associates (III-IV)	(87.38)	(113.74)	2.30	(176.74)	94.06
VI	Share of profit of associate	2.86	0.65	(0.65)	5.16	5.00
VII	Profit/(loss) after share of profit of associates (V-VI)	(84.52)	(113.09)	1.65	(171.58)	99.06
VIII	Exceptional items	-	-	-	-	-
IX	Profit/(loss) before tax (VII-VIII)	(84.52)	(113.09)	1.65	(171.58)	99.06
X	Tax expense:					
	(1) Current tax - for the year	-	(8.00)	(15.00)	-	-
	- prior year withdrawal	-	-	-	-	(13.58)
	(2) Deferred tax	-	-	-	-	-
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(84.52)	(105.09)	16.65	(171.58)	112.64
XII	Other Comprehensive Income					
A	(i) Items that will not be reclassified to profit and loss					
	Remeasurement of Defined benefits plan	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
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	-	-	-	-	-
XIII	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive income for the period)	(84.52)	(105.09)	16.65	(171.58)	112.64
XIV	Earnings per equity share of Rs.10/- each: (not annualised)					
	Basic and Diluted	(2.19)	(2.72)	0.43	(4.45)	2.92
XV	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75
XVI	Other equity				-1,024.00	-852.42

#There are no discontinued operations during the period



Consolidated Statement of Assets, Equity and Liabilities		
Balance Sheet as at March 31, 2024		Rs. lakhs
Particulars	31.03.2024	31.03.2023
	Audited	Audited
Non current assets		
Property, plant and equipment	1038.04	1067.21
Capital work in progress		
Intangible assets		
Financial assets		
Investments	207.82	202.66
Other financial asset	62.88	110.48
Other non-current assets	2.00	2.00
Non-current assets (A)	1,310.74	1,382.35
Current assets		
Inventories	0.00	0.00
Financial assets		
Trade receivables	158.78	129.25
Cash and cash equivalents	0.73	2.55
Other Bank balances	2.43	2.20
Others	0.00	0.08
Advance tax assets(net)	8.33	22.95
Other current assets	0.00	0.00
Current assets (B)	170.27	157.03
Total assets (A) + (B)	1,481.01	1,539.38
EQUITY AND LIABILITIES		
Equity		
Equity share capital	385.74	385.74
Other equity	-1024.00	-852.42
Equity (C)	-638.26	-466.68
Non-current liabilities		
Financial liabilities		
Borrowings	1733.27	1382.57
Deferred tax liabilities	0.00	0.00
Other non current liabilities	0.00	0.00
Non current liabilities (D)	1,733.27	1,382.57
Current liabilities		
Financial liabilities		
Borrowings	78.00	59.00
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises		
-Total outstanding dues of creditors other than micro and small enterprises	215.41	269.02
Provisions	0.00	0.00
Other financial liabilities	86.54	230.12
Other current liabilities	6.05	65.35
Current liabilities (E)	386.00	623.49
Total equity and liabilities (C)+ (D) + (E)	1,481.01	1,539.38



S.No.	Particulars	Quarter ended			Year ended	Year ended
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	150.31	-	123.10	150.31	123.10
II	Other Income	0.07	2.74	47.16	147.20	280.20
III	Total Income (I+II)	150.38	2.74	170.26	297.51	403.30
IV	EXPENSES					
	Cost of materials consumed	149.63	-	122.23	149.63	122.23
	Changes in inventories of finished goods and work-in-progress	-	-	-	-	-
	Employee benefits expenses	4.31	4.22	3.15	13.03	9.90
	Finance costs	75.00	85.72	31.99	232.97	132.07
	Depreciation	7.30	7.29	7.30	29.17	29.17
	Other expenses	1.52	19.25	3.29	49.45	15.87
	Total Expenses	237.76	116.48	167.96	474.25	309.24
V	Profit/(loss) before share of profit of associates (III-IV)	(87.38)	(113.74)	2.30	(176.74)	94.06
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VII	Profit/(loss) after share of profit of associates (V-VI)	(84.52)	(113.09)	1.65	(171.58)	99.06
VIII	Exceptional items	-	-	-	-	-
IX	Profit/(loss) before tax (VII-VIII)	(84.52)	(113.09)	1.65	(171.58)	99.06
X	Tax expense:					
	(1) Current tax - for the year	-	(8.00)	(15.00)	-	-
	- prior year withdrawal	-	-	-	-	(13.58)
	(2) Deferred tax	-	-	-	-	-
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(84.52)	(105.09)	16.65	(171.58)	112.64
XII	Other Comprehensive Income					
A	(i) Items that will not be reclassified to profit and loss					
	Remeasurement of Defined benefits plan	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
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	-	-	-	-	-
XIII	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive income for the period)	(84.52)	(105.09)	16.65	(171.58)	112.64
XIV	Earnings per equity share of Rs.10/- each: (not annualised)					
	Basic and Diluted	(2.19)	(2.72)	0.43	(4.45)	2.92
XV	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75
XVI	Other equity				-1,024.00	-852.42

#There are no discontinued operations during the period



Consolidated Statement of Cash Flows

Rs. lakhs

Particulars	31.03.2024	31.03.2023
Cash flow from operating activities		
Profit/ (Loss) before tax	(171.58)	99.06
<u>Adjustments for -</u>		
Share of profit of associate	(5.16)	(5.00)
Depreciation & Amortisation expense	29.17	29.17
Finance cost	232.97	132.07
Interest income	(2.43)	(7.13)
(Profit)/loss on sale of property, plant and equipment	(8.56)	
Net gain or loss arising on financial asset mandatorily measured at FVTPL		
Operating profit/ (loss) before working capital changes	74.41	248.17
<u>Adjustments for changes in -</u>		
Trade receivables	(29.53)	(129.25)
Inventories	-	-
Non current and current financial assets	47.45	47.47
Other Non current and current assets	-	-
Trade payables	(53.62)	111.91
Non current and current Financial Liabilities	(143.57)	31.80
Other Non current and current Liabilities	(59.30)	(182.71)
Other Non current and Current provisions	-	-
Cash generated from operations	(164.16)	127.39
Income Tax (net)	14.62	6.26
Net cash from operating activities	(149.54)	133.65
Cash flow from Investing activities		
Payments for acquisition of Property, Plant & Equipment		
Interest Received	2.43	7.13
Proceeds from sale of assets	8.56	
Net cash from investing activities	10.99	7.13
Cash flow from financing activities		
Interest Paid	(232.97)	(132.07)
Proceeds from longterm borrowings-directors	404.70	
Repayment of longterm borrowings-directors	(35.00)	
Net cash (used in) financing activities	136.73	(132.07)
Net increase/(decrease) in cash and cash equivalents	(1.82)	8.71
Cash and cash equivalents		
At beginning	2.55	(6.16)
At end	0.73	2.55
NET INCREASE/ (DECREASE) IN CASH	(1.82)	8.71

Notes

- The above consolidated audited financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on May 27, 2024.
- The company incurred a loss before tax of Rs.87.38 lakhs during the quarter ended March 31, 2024 and incurred cumulative loss before tax of Rs.176.74 lakhs for the year ended ended March 31, 2024 and also there has been an erosion of net worth as on March 31, 2024. Further the Company's lease of immovable property was terminated during the third quarter. In spite of the above, your directors have started yarn trading business in the fourth quarter of the current financial year. In the coming year also, your directors will continue the yarn trading business taking in to advantage of earlier performance. The promoters have started infusing funds and has given assurance of infusion of additional funds as and when deemed necessary. Considering the above, the Board of directors deem it fit to continue adoption of Going concern concept in preparation of the financial statements although the Statutory Auditors have qualified their opinion wrt the same.
- 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
- The consolidated financial results have been prepared in accordance with Ind AS 110 read with Ind AS 28. The consolidated results include the standalone results of the parent company, its associate viz. SPMM Healthcare Services Private Limited.
- The figures for the quarter ended 31.03.2024 and 31.03.2023 are the balancing figures between the audited figures in respect of the full financial year and nine months ended 31.12.2023 and 31.12.2022 respectively.
- The previous period figures have been regrouped/reclassified wherever necessary to confirm current period classification

For Kandagiri Spinning Mills Limited

(Signature)

R Selvarajan
Managing Director
DIN : 00001703

Salem
May 27, 2024



For Krishnen & Associates
Chartered Accountants
Firm Registration No:0181535

R. Krishnen - Partner
Membership No: 701133



KANDAGIRI SPINNING MILLS LIMITED

Regd. Office: Post Box No.3, Mill Premises, Udayapatti P.O, Salem 636 140
CIN: L17111TZ1976PLC000762; Ph.No:0427-2244400; Fax: 0427-2244422
E-mail:sales@kandagirimills.com; Web: www.kandagirimills.com

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated) for the year ended 31.03.2024

Statement on Impact of Audit Qualifications for the financial year ended March 31, 2024 [Regulation 33 of SEBI (LODR) Amendment Regulations, 2016]				
I	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualification) (Rs. lakhs)	Audited Figures (audited figures after adjusting for qualifications) (Rs. lakhs)
	1.	Turnover/ Total Income	297.51	297.51
	2.	Total expenditure	474.25	474.25
	3.	Net Profit/(Loss) including comprehensive income	(171.58)	(171.58)
	4.	Earnings Per share	(4.45)	(4.45)
	5.	Total Assets	1481.01	1481.01
	6.	Total Liabilities (excluding networth)	2119.27	2119.27
	7.	Net worth	(638.26)	(638.26)
	8.	Any other financial item(s) as felt appropriate by the Management	Nil	Nil
II	Audit Qualification (each audit qualification separately)			
	a.	Details of Audit Qualification: The company has been incurring losses for the quarter and year ended march 31, 2024 coupled with erosion of networth as on March 31, 2024. The Company's lease of immovable property was also terminated during the third quarter of the financial year 2023-24. Though the Company started the yarn trading business in the last quarter, we are of the opinion that the above factors indicate existence of material uncertainty in the Company's ability to continue as a going concern. The attached financial statements do not include any adjustments that might result had the above uncertainties been known. Management has represented in this regard that there is no further adjustments to be made in the carrying values/financial statements even if the Going Concern is not adopted		
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of qualification: Fifth Time		
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management views: Not applicable		

Signatories:

Managing Director

CFO

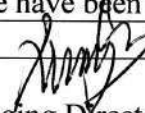
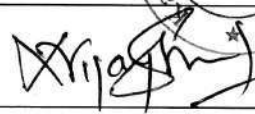

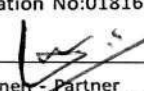
Audit Committee Chairman

For Krishnen & Associates
Chartered Accountants
Registration No:0181635
Statutory Auditor

R. Krishnen Partner
Membership No: 201133



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	<p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: NA</p> <p>(ii) If Management is unable to estimate the impact, reasons for the same: The company incurred a loss before tax of Rs 84.52 lakhs during the quarter ended March 31, 2024 and incurred cumulative loss before tax of Rs 171.58 lakhs for the year ended March 31, 2024 and also there has been an erosion of networth as on March 31, 2024. Further the Company's lease of immovable property was terminated during the third quarter of the financial year 2023-24. In spite of the above, your directors have started yarn trading business in the fourth quarter of the financial year 2023-24. In the coming year also, your directors will continue the yarn trading business taking into advantages of earlier performance. The promoters have started infusing funds and has given assurance of infusion of additional funds as and when deemed necessary. Considering the above, the Board of Directors deem it fit to continue adoption of Going Concern concept in preparation of the financial statements although the statutory Auditors qualified their opinion with respect to the same</p>
	<p>(iii) Auditor's Comments on (i) or (ii) above: Management's explanation on the impact of Audit qualification as stated in clause (ii) above have been reviewed and we have no further comments</p>
III	<p>Signatories:</p> <ul style="list-style-type: none"> • Managing Director:  • CFO:  • Audit Committee Chairman:  • Statutory Auditor: 
	<p>Place: Salem</p> <p>Date: May 27, 2024</p>



For Krishnen & Associates
 Chartered Accountants
 Firm Registration No:0181635

R. Krishnen - Partner
 Membership No: 201133





**INDEPENDENT AUDITORS' REPORT ON AUDIT OF STANDALONE ANNUAL FINANCIAL RESULTS OF
KANDAGIRI SPINNING MILLS LIMITED**

(pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations"))

To the Board of Directors of Kandagiri Spinning Mills Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results of **KANDAGIRI SPINNING MILLS LIMITED** (hereinafter referred to as the 'Company') for the quarter and year ended March 31, 2024 and statement of Assets and Liabilities and Statement of Cash Flows as at and for the year ended on that date (together referred to as the "Standalone Annual Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

(i) are presented in accordance with the requirements of Regulation 33 the Listing Regulations; and

(ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 (the 'Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) ("Ind AS") and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2024, and the Statement of assets and liabilities and the Statement of Cash flows as at and further year ended on that date.

Basis for Qualified Opinion

3. The company has been incurring losses for the quarter and year ended March 31, 2024 coupled with erosion of net worth as on March 31, 2024. The company's lease of immovable property was also terminated during the third quarter of the financial 2023-24. Though the company started its yarn trading business in the last quarter, we are of the opinion that the above factors indicate existence of material uncertainty in the company's ability to continue as a going concern. The attached financial statements do not include any adjustments that might result had the above uncertainties been known. Management has represented in this regard that there is no further adjustments to be made in the carrying values/ financial statements even if the Going Concern Concept is not adopted.



4. We have conducted our audit in accordance with the Standards on Auditing ('SA') specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Annual Financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

5. These Standalone annual financial results have been prepared on the basis of the standalone IndAS financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Standalone Annual Financial Results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards of the company and the Statement of assets and liabilities and the Statement of Cash Flows prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the Standalone Annual Financial Results by the Directors of the company, as aforesaid.
6. In preparing the Standalone Annual Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are responsible for overseeing the Company's financial reporting process of the Company.



Auditor's Responsibility for the Audit of the Standalone Annual Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Standalone Annual Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Annual Financial Results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Standalone Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
 - Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Annual Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Annual Financial Results, including the disclosures, and whether the Standalone Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. The Standalone Annual Financial Results include the results for the quarter ended March 31, 2024 and 2023 being the balancing figures between the audited figures in respect of the full financial year(s) and the published standalone unaudited year to date financial results up to the third quarter of the respective financial year which were reviewed by us. Our opinion on the standalone financial results is not modified in respect of the above matter.

For Krishnen & Associates
Chartered Accountants
Registration No. 018163S


R Krishnen
Partner

Membership No. 201133
UDIN : 24201133BKBHAR6260



May 27, 2024
Salem

KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)

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

e-mail : sales@kandagirimills.com; website : www.kandagirimills.com

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

Rs. lakhs

S.No.	Particulars	Quarter ended			Year ended	Year ended
		31.03.2024 Audited	31.12.2023 Unaudited	31.03.2023 Audited	31.03.2024 Audited	31.03.2023 Audited
I	Revenue from Operations	150.31		123.10	150.31	123.10
II	Other Income	0.07	2.74	92.45	147.20	325.49
III	Total Income (I+II)	150.38	2.74	215.55	297.51	448.59
IV	EXPENSES					
	Cost of materials consumed	149.63	-	122.23	149.63	122.23
	Changes in inventories of finished goods and work-in-progress					
	Employee benefits expenses	4.31	4.22	3.15	13.03	9.90
	Finance costs	75.00	85.72	31.99	232.97	132.07
	Depreciation	7.30	7.29	7.30	29.17	29.17
	Other expenses	1.52	19.25	3.29	49.45	15.87
	Total Expenses	237.76	116.48	167.96	474.25	309.24
	Profit/(loss) before exceptional items and tax (III-IV)	(87.38)	(113.74)	47.59	(176.74)	139.35
V	Exceptional items					
VII	Profit/(loss) before tax (V-VI)	(87.38)	(113.74)	47.59	(176.74)	139.35
VIII	Tax expense:					
	(1) Current tax - for the year		-8.00	-15.00	-	-
	- prior year withdrawal	-	-	-	-	-13.58
	(2) Deferred tax	-	-	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(87.38)	(105.74)	62.59	(176.74)	152.93
X	Other Comprehensive Income					
A	(i) Items that will not be reclassified to profit and loss					
	Remeasurement of Defined benefits plan	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
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	-	-	-	-	-
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(87.38)	(105.74)	62.59	(176.74)	152.93
XII	Earnings per equity share of Rs.10/- each: (not annualised)					
	Basic and Diluted	(2.27)	(2.74)	1.62	(4.59)	3.97
XIII	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75
XIV	Other equity				-1,031.82	-855.08

#There are no discontinued operations during the period



Standalone Statement of Assets, Equity and Liabilities		
Balance Sheet as at March 31, 2024	Rs. lakhs	
	31.03.2024	31.03.2023
Particulars	Audited	Audited
Non current assets		
Property, plant and equipment	1038.04	1067.21
Capital work in progress		
Intangible assets		
Financial assets		
Investments	200.00	200.00
Other financial asset	62.88	110.48
Other non-current assets	2.00	2.00
Non-current assets (A)	1,302.92	1,379.69
Current assets		
Inventories	0.00	0.00
Financial assets		
Trade receivables	158.78	129.25
Cash and cash equivalents	0.73	2.55
Other Bank balances	2.43	2.20
Others	0.00	0.08
Advance tax assets(net)	8.33	22.95
Other current assets	0.00	0.00
Current assets (B)	170.27	157.03
Total assets (A) + (B)	1,473.19	1,536.72
EQUITY AND LIABILITIES		
Equity		
Equity share capital	385.74	385.74
Other equity	-1031.82	-855.08
Equity (C)	-646.08	-469.34
Non-current liabilities		
Financial liabilities		
Borrowings	1733.27	1382.57
Deferred tax liabilities	0.00	0.00
Other non current liabilities	0.00	0.00
Non current liabilities (D)	1,733.27	1,382.57
Current liabilities		
Financial liabilities		
Borrowings	78.00	59.00
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	0.00	0.00
-Total outstanding dues of creditors other than micro and small enterprises	215.41	269.02
Provisions	0.00	0.00
Other financial liabilities	86.54	230.12
Other current liabilities	6.05	65.35
Current liabilities (E)	386.00	623.49
Total equity and liabilities (C) + (D) + (E)	1,473.19	1,536.72



Standalone Statement of Cash Flows

Rs. lakhs

Particulars	Rs. lakhs	
	31.03.2024	31.03.2023
Cash flow from operating activities		
Profit/ (Loss) before tax	(176.74)	139.35
Adjustments for -		
Depreciation & Amortisation expense	29.17	29.17
Finance cost	232.97	132.07
Interest income	(2.43)	(7.13)
(Profit)/loss on sale of property, plant and equipment	(8.56)	
Net gain or loss arising on financial asset mandatorily measured at FVTPL		(45.29)
Operating profit/ (loss) before working capital changes	74.41	248.17
Adjustments for changes in -		
Trade receivables	(29.53)	(129.25)
Inventories	-	-
Non current and current financial assets	47.45	47.47
Other Non current and current assets	-	-
Trade payables	(53.62)	111.91
Non current and current Financial Liabilities	(143.57)	31.80
Other Non current and current Liabilities	(59.30)	(182.71)
Other Non current and Current provisions	-	-
Cash generated from operations	(164.16)	127.39
Income Tax (net)	14.62	6.26
Net cash from operating activities	(149.54)	133.65
Cash flow from Investing activities		
Payments for acquisition of Property, Plant & Equipment	-	-
Interest Received	2.43	7.13
Proceeds from sale of assets	8.56	-
Net cash from investing activities	10.99	7.13
Cash flow from financing activities		
Interest Paid	(232.97)	(132.07)
Proceeds from longterm borrowings-directors	404.70	-
Repayment of longterm borrowings-directors	(35.00)	-
Net cash (used in) financing activities	136.73	(132.07)
Net increase/(decrease) in cash and cash equivalents	(1.82)	8.71
Cash and cash equivalents		
At beginning	2.55	(6.16)
At end	0.73	2.55
NET INCREASE/ (DECREASE) IN CASH	(1.82)	8.71

Notes

- The above audited standalone financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on May 27, 2024.
- The company incurred a loss before tax of Rs.87.38 lakhs during the quarter ended March 31, 2024 and incurred cumulative loss before tax of Rs.176.74 lakhs for the year ended ended March 31, 2024 and also there has been an erosion of net worth as on March 31, 2024. Further the Company's lease of immovable property was terminated during the third quarter. In spite of the above, your directors have started yarn trading business in the fourth quarter of the current financial year. In the coming year also, your directors will continue the yarn trading business taking in to advantage of earlier performance. The promoters have started infusing funds and has given assurance of infusion of additional funds as and when deemed necessary. Considering the above, the Board of directors deem it fit to continue adoption of Going concern concept in preparation of the financial statements although the Statutory Auditors have qualified their opinion wrt the same.
- 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'.
- The figures for the quarter ended 31.03.2024 and 31.03.2023 are the balancing figures between the audited figures in respect of the full financial year and nine months ended 31.12.2023 and 31.12.2022 respectively.
- The previous period figures have been regrouped/reclassified wherever necessary to confirm current period classification

For Kandagiri Spinning Mills Limited

R. Selvarajan
R. Selvarajan
Managing Director
DIN : 00001703

Salem
May 27, 2024



For Krishnen & Associates
Chartered Accountants
Firm Registration No:0181635

R. Krishnen
R. Krishnen - Partner
Membership No:201133



KANDAGIRI SPINNING MILLS LIMITED

Regd. Office: Post Box No.3, Mill Premises, Udayapatti P.O. Salem 636 140
CIN: L17111TZ1976PLC000762: Ph No.:0427-2244400: Fax:0427-2244422
E-Mail: sales@kandagirimills.com; Web: www.kandagirimills.com

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Audited Financial Results - (Standalone) for the Year ended 31.03.2024

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. lakhs)
	1	Turnover / Total Income	297.51	297.51
	2	Total Expenditure	474.25	474.25
	3	Net Profit / (Loss)	(176.74)	(176.74)
	4	Earnings Per Share	(4.59)	(4.59)
	5	Total Assets	1473.19	1473.19
	6	Total Liabilities(excluding net worth)	2119.27	2119.27
	7	Net Worth	(646.08)	(646.08)
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualification each audit qualification separately):			
	f.	Details of Audit Qualification: The company has been incurring losses for the quarter and year ended March 31, 2024 coupled with erosion of net worth as on March 31, 2024. The company's lease of immovable property was also terminated during the third quarter of the financial 2023-24. Though the company started its yarn trading business in the last quarter, we are of the opinion that the above factors indicate existence of material uncertainty in the company's ability to continue as a going concern. The attached financial statements do not include any adjustments that might result had the above uncertainties been known. Management has represented in this regard that there is no further adjustments to be made in the carrying values/ financial statements even if the Going Concern Concept is not adopted.		
	g.	Type of Audit Qualification : Qualified Opinion		
	h.	Frequency of qualification: Fifth time		
	i.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable		

Signatories:


Managing Director



CFO



Audit Committee Chairman

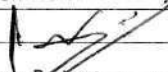


Statutory Auditor

For Krishnen & Associates
Chartered Accountants
Firm Registration No:0181638

R. Krishnen Partner
Membership No: 201133



II	j	For Audit Qualification(s) where the impact is not quantified by the auditor:
	i)	Management's estimation on the impact of audit qualification: N.A
	ii)	<p>If management is unable to estimate the impact, reasons for the same:</p> <p>The company incurred a loss before tax of Rs.87.38 lakhs during the quarter ended March 31, 2024 and incurred cumulative loss before tax of Rs.176.74 lakhs for the year ended ended March 31, 2024 and also there has been an erosion of net worth as on March 31, 2024. Further the Company's lease of immovable property was terminated during the third quarter. In spite of the abvoe, your directors have started yarn trading business in the fourth quarter of the current financial year. In the coming year also, your directors will continue the yarn trading business taking in to advantage of earlier performance. The promoters have started infusing funds and has given assurance of infusion of additional funds as and when deemed necessary. Considering the above, the Board of directors deem it fit to continue adoption of Going concern concept in preparation of the financial statements although the Statutory Auditors have qualified their opinion with respect to the same.</p>
	i)	<p>Auditors' Comments on (i) or (ii) above:</p> <p>Management's explanation on the impact of Audit qualification as stated in clause (ii) above have been reviewed and we have no further comments</p>
III	Signatories:	
	Managing Director	 
	CFO	
	Audit Committee Chairman	
	Statutory Auditor	<p>For Krishnen & Associates Chartered Accountants Firm Registration No:0181635</p>
	Date: May 27, 2024	<p>Place ; Salem</p>   <p>R. Krishnen - Partner Membership No. 201133</p>