



Kandagiri Spinning Mills Ltd.

Ref.: KSML/CS/049/2020-21

Date: 08-02-2021

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

Dear Sir,

Enclosure of Unaudited Financial Results (Consolidated and Standalone) of the Company
for the third quarter / nine months ended 31.12.2020 along with
Independent Auditor's Limited Review Report

Pursuant to regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 we herewith enclosed Unaudited Financial Results (Consolidated and Standalone) for the third quarter / nine months ended 31.12.2020 [which have been duly reviewed by the Audit Committee and duly approved by the Board of Directors at their meeting held on today 08-02-2021], along with Independent Auditor's Limited Review Report.

Please take the same for your records.

Thanking you,

Yours faithfully,

For Kandagiri Spinning Mills Limited


(J. Asifa)
Company Secretary

Encl: As above



CIN : LI7111TZ1976PLC000762

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

Notes

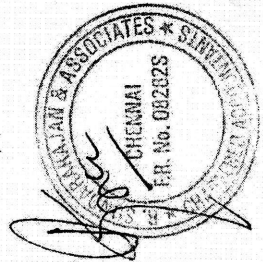
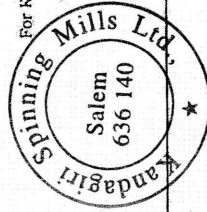
- The above audited consolidated financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on February 8, 2021. The limited review as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- The Company has been incurring losses and the net worth of the company has also been eroded at the end of the financial year 2019-20 and for the nine months ended December 31, 2020. Further, the Company ceased the yarn manufacturing business at the end of the financial year 2019-20. At present the company's income is the receipt of lease rental income from leasing out the land and buildings of the company. Hence there is an uncertainty in the going concern concept. The quality of goods produced hitherto by company has generated goodwill and brand image that the Board of Directors hope to continue to use by engaging inter alia in trading in Yarn. The cessation of Production of Yarn is thus to be viewed as an interim drastic measure to stem losses, protect shareholders' interests and retire all the bank liabilities to protect the reputation and credit ratings of the company. The situation arising out of Covid-19 Pandemic has justified the decision of the Board of Directors. The lease rentals from lease of Land and Building and the assurance of infusion by the Promoters of further interest-free funds as and when deemed necessary will ensure that all remaining liabilities will be fully discharged and accordingly, 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.
- 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'.
- Exceptional items consists of:

Particulars	Year ended	
	31.03.2020	Audited (Rs. 49)
(i) Impairment loss of property, plant and equipment		
Since the company has ceased its manufacturing activities, the Board of Directors, by way of abundant caution, have provided for capital advance of Rs.48.49 lakhs.		

- The outbreak of COVID-19 pandemic is causing significant slowdown of economic activity in India and Globally. In such a situation, the Company has taken care on concluding on accounting judgements and estimates and while assessing the recoverability of company's assets. The Company has considered internal and external information up to the date of approval of these financial results and expects to recover the carrying amount of the assets. The actual impact of the pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to monitor any material changes to the future economic conditions and consequent impact on its business, if any. Considering the adverse impact of COVID-19 and the cessation of yarn manufacturing business effective April 1, 2020 (refer clause 2 above), the results for the quarter/nine months ended December 31, 2020 are not comparable with other reporting periods.
- 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. SPM Health Care Services Private Limited.
- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

Salem
February 8, 2021

For Kandagiri Spinning Mills Limited
R Sivarajan
Managing Director
DIN : 00001703



UDIN : 21026452AAAAAY4194



R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

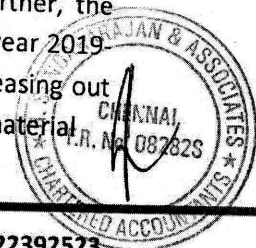
Independent Auditor's Review Report on Consolidated Quarterly/nine months ended Unaudited Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

The Board Directors of KANDAGIRI SPINNING MILLS LIMITED

1. We have reviewed the accompanying "Statement of Consolidated Unaudited Financial Results of KANDAGIRI SPINNING MILLS LIMITED (the Company) and its share of net profit after tax and total comprehensive income of its associates, for the quarter/nine months ended December 31, 2020 (the "financial results") which are included in the accompanying "Statement of Consolidated Unaudited Financial Results for the quarter/nine months ended December 31, 2020" (the "Statement"). The Statement has been prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. (the Listing Regulations'), which has been initialled by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, 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. Our responsibility is to express a conclusion 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.
4. The Statement Includes the results of the following Associate:
 - a. SPMM Health Care Services Private Limited

5. **Basis of Qualified Opinion**

The Company and the Group has been incurring losses and the net worth of the Company and Group has also been eroded at the end of the financial year 2019-20. Further, the Company has ceased the yarn manufacturing business at the end of the financial year 2019-20. At present the company's income is the receipt of lease rental income from leasing out the land and buildings of the company. All the above factors indicate existence of material



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Email: krish_ca@hotmail.com



R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

~~uncertainty in the Company's ability to continue as a going concern for a reasonable period of~~
time. The attached Statement do not include any adjustments that might result had the above uncertainties been known.


6. **Qualified Conclusion**

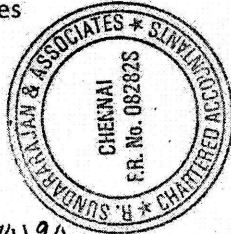
Based on our review conducted as in clause 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, except for the effect of matters as mentioned in para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 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.

7. We draw attention to Note No.5 to the Statement, which discloses the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

8. The consolidated unaudited financial results include the share of net profit after tax of Rs.24.83 lakhs and share of net profit after tax of Rs.7.68 lakhs for the quarter and nine months ended 31st December, 2020 respectively, as considered in the consolidated unaudited financial results in respect of one associate, whose financial results have not been reviewed by us. These interim financial information have been reviewed by other auditor in accordance with SRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and their report dated February 6, 2021 vide which they have issued an unmodified conclusion, have been furnished to us by the Parent's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the one associate, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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


S. Krishnan - Partner
Membership no.026452
UDIN : 21026452AAAAA4194
Place : Salem
Dated: 8th February 2021

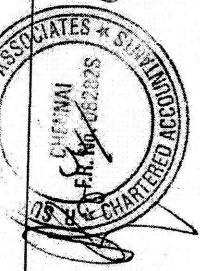




KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)
 Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140
 e-mail : sales@kandagirimills.com; website : www.kandagirimills.com
 STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2020

S.No.	Particulars	Three months ended			Nine months ended			Rs. lakhs	
		31.12.2020 Unaudited	30.09.2020 Unaudited	31.12.2019 Unaudited	31.12.2020 Unaudited	31.12.2019 Unaudited	31.03.2020 Audited	Year ended	
I	Revenue from Operations	0.00	-	354.61	47.21	2,174.09	2,657.12		
II	Other Income	45.77	45.93	160.66	107.41	163.38	678.31		
III	Total Income (I+II)	45.77	45.93	515.27	154.62	2,337.47	3,335.43		
IV	EXPENSES								
	Cost of materials consumed	-0.00	-	462.27	1.20	1,796.38	1,913.15		
	Changes in inventories of finished goods and work-in-progress			-80.81	47.21	-175.88	429.58		
	Employee benefits expenses	1.50	1.50	89.26	4.01	338.05	405.67		
	Finance costs	56.75	83.12	108.09	141.02	385.32	501.62		
	Depreciation	7.29	7.29	56.68	21.87	170.02	211.08		
	Other expenses	4.75	11.67	132.89	22.69	474.47	863.47		
	Total Expenses	70.29	103.58	768.38	238.00	2,988.36	4,324.57		
V	Profit/(loss) before exceptional items and tax (III-IV)	(24.52)	(57.65)	(253.11)	(83.38)	(650.89)	(989.14)		
VI	Exceptional items (Refer note 4)	-	-	-	-	-	(48.49)		
VII	Profit/(loss) before tax (V-VI)	(24.52)	(57.65)	(253.11)	(83.38)	(650.89)	(1,037.63)		
VIII	Tax expense:								
	(1) Current tax	-	-	-	-	-	40.00		
	(2) MAT credit utilised	-	-	-	-	-	632.07		
	(3) Deferred tax	-	-	-	-	-	(474.09)		
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(24.52)	(57.65)	(253.11)	(83.38)	(650.89)	(1,235.61)		
X	Other Comprehensive Income								
A	(i) Items that will not be reclassified to profit and loss								
	Remeasurement of Defined benefits plan			(1.08)		(3.24)	79.61		
	(ii) Items that will be reclassified to profit and loss								
B	Total Other Comprehensive Income								
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(24.52)	(57.65)	(1.08)	(83.38)	(654.13)	(1,156.00)		
XII	Earnings per equity share of Rs.10/- each: (not annualised)								
XIII	Basic and Diluted	(0.64)	(1.49)	(6.59)	(2.16)	(16.96)	(29.97)		
XIV	Paid-Up Equity Share Capital (Face Value Rs.10/- each)	385.75	385.75	385.75	385.75	385.75	385.75		
	Other equity						-941.94		

CIN : 21026452 AAAAWJ293



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 February 8, 2021. The limited review as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- The Company has been incurring losses and the net worth of the company has also been eroded at the end of the financial year 2019-20 and for the nine months ended December 31, 2020. Further, the Company ceased the yarn manufacturing business at the end of the financial year 2019-20. At present the company's income is the receipt of lease rental income from leasing out the land and buildings of the company. Hence there is an uncertainty in the going concern concept.

The quality of goods produced hitherto by company has generated goodwill and brand image that the Board of Directors hope to continue to use by engaging inter alia in trading in Yarn. The cessation of Production of Yarn is thus to be viewed as an interim drastic measure to stem losses, protect shareholders' interests and retire all the bank liabilities to protect the reputation and credit ratings of the company. The situation arising out of Covid-19 Pandemic has justified the decision of the Board of Directors. The lease rentals from lease of Land and Building and the assurance of infusion by the Promoters of further interest-free funds as and when deemed necessary will ensure that all remaining liabilities will be fully discharged and accordingly, 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.

- 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'.

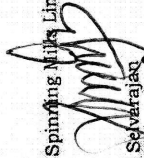
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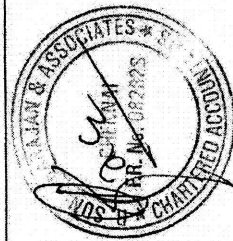
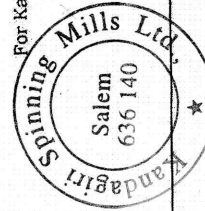
Particulars	Year ended	
	31.03.2020	Audited
(i) Impairment loss of property, plant and equipment		(48.49)
Since the company has ceased its manufacturing activities, the Board of Directors, by way of abundant caution, have provided for capital advance of Rs.48.49 lakhs.		

- The outbreak of COVID -19 pandemic is causing significant slowdown of economic activity in India and Globally. In such a situation, the Company has taken care on concluding on accounting judgements and estimates and while assessing the recoverability of company's assets. The Company has considered internal and external information up to the date of approval of these financial results and expects to recover the carrying amount of the assets. The actual impact of the pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to monitor any material changes to the future economic conditions and consequent impact on its business, if any. Considering the adverse impact of COVID-19 and the cessation of yarn manufacturing business effective April 1,2020 (refer clause 2 above), the results for the quarter/nine months ended December 31,2020 are not comparable with other reporting periods.

- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

Salem
February 8, 2021

For Kandagiri Spinning Mills Limited

 R. Selvarajoo
 Managing Director
 DIN : 00001703



UIN: 21026452AAAW12-93



R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Standalone Quarterly/Nine months ended Unaudited Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Review Report to The Board of Directors of **KANDAGIRI SPINNING MILLS LIMITED**

1. We have reviewed the accompanying "Statement of Standalone Unaudited Financial Results of **KANDAGIRI SPINNING MILLS LIMITED** ('the Company') for the quarter/nine months ended December 31, 2020 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter/nine months ended December 31, 2020" (the "Statement"). The Statement has been prepared by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. ('the Listing Regulations'), which has been initialled by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, 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. Our responsibility is to express a conclusion 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Basis of Qualified Opinion**

The Company has been incurring losses and the net worth of the Company has also been eroded at the end of the financial year 2019-20. Further, the Company has ceased the yarn manufacturing business at the end of the financial year 2019-20. At present the company's income is the receipt of lease rental income from leasing out the land and buildings of the company. All the above factors indicate existence of material uncertainty in the Company's ability to continue as a going concern for a reasonable period of time. The attached Statement do not include any adjustments that might result had the above uncertainties been known.





R. SUNDARARAJAN & ASSOCIATES


CHARTERED ACCOUNTANTS

5. Qualified Conclusion

Based on our review conducted as in clause 3 above, except for the effect of matters as mentioned in para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 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.

6. We draw attention to Note No.5 to the Statement, which discloses the uncertainties and the management's assessment of the financial impact due to lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

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


S. Krishnan – Partner
Membership no.026452

UDIN : 21026452AAAAW1293



Place : Salem
Dated:8th February 2021