



# Kandagiri Spinning Mills Ltd. Unit-I

Ref: KSML/CS/010/2019-20

Date: 26.05.2019

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

Dear Sir,

**Sub: Audited Standalone Financial Results of the Company for the Quarter /Year ended 31.03.2019 and Audited Consolidated Financial Results of the Company and its Associate for the year ended 31.03.2019 along with Auditor's Report, Declaration for Unmodified Opinion.**

Pursuant to Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we send herewith Audited Standalone Financial Results of the Company for the Quarter/Year ended 31.03.2019 and Audited Consolidated Financial Results of the Company and its Associates for the year ended 31.03.2019, which have been duly reviewed by the Audit Committee of our Company and then approved by our Board at the Board Meeting held on 26.05.2019 at the Registered Office of the Company, Udayapatti, Salem, together with Auditor's Report, Declaration for the Unmodified Opinion on Audited Financial Results.

Please take the same for your records.

The above results are also being uploaded in our Company's website [www.kandagirimills.com](http://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



Regd. Off : Mill Premises, Udayapatti (P.O.), P.B. No. 3, Salem - 636 140. Phone : Mill : 0427-2244400  
Fax: 0427-2244422 Grams: SUPERSPIN E-mail: sales@kandagirimills.com Web: www.kandagirimills.com

CIN : L17111TZ1976PLC000762 GSTIN : 33AABCK2694Q1Z1



**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 AUDITED (STANDALONE AND CONSOLIDATED) FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31, 2019**

S.No.	Particulars	Quarter ended			Year ended		Year ended	
		STANDALONE			STANDALONE		CONSOLIDATED	
		31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
		Unaudited			Audited		Audited	
I	Revenue from Operations	1,404.08	1,744.89	1,598.61	6,954.63	5,438.14	6,954.63	5,438.14
II	Other Income	(2.25)	79.74	5.18	138.74	69.09	138.74	69.09
III	<b>Total Income (I+II)</b>	<b>1,401.83</b>	<b>1,824.63</b>	<b>1,603.79</b>	<b>7,093.37</b>	<b>5,507.23</b>	<b>7,093.37</b>	<b>5,507.23</b>
IV	<b>EXPENSES</b>							
	Cost of materials consumed	1,073.13	1,376.33	1,110.86	5,163.42	3,102.21	5,163.42	3,102.21
	Changes in inventories of finished goods and work-in-progress	58.50	43.30	162.84	437.86	489.49	437.86	489.49
	Employee benefits expenses	87.59	167.52	184.71	814.16	779.38	814.16	779.38
	Power and fuel	154.33	267.23	306.48	1,050.08	1,252.71	1,050.09	1,252.71
	Finance costs	139.31	137.57	184.03	639.91	804.72	639.91	804.72
	Depreciation and amortisation expense	58.56	87.41	103.57	320.79	371.20	320.79	371.21
	Other expenses	63.97	44.96	77.51	249.34	320.25	249.83	320.24
	<b>Total Expenses</b>	<b>1,635.39</b>	<b>2,124.32</b>	<b>2,130.00</b>	<b>8,676.06</b>	<b>7,119.96</b>	<b>8,676.06</b>	<b>7,119.96</b>
V	Profit/(loss) before exceptional items and tax (III-IV)	(233.56)	(299.69)	(526.21)	(1,582.69)	(1,612.73)	(1,582.69)	(1,612.73)
VI	Share of profit of associate						12.33	10.44
VII	Profit/(loss) before exceptional items and tax (V - VI)	(233.56)	(299.69)	(526.21)	(1,582.69)	(1,612.73)	(1,570.36)	(1,602.29)
VIII	Exceptional items (Refer note 3)			21.43	(276.78)	(85.02)	(276.78)	(85.02)
IX	Profit/(loss) before tax (VII-VIII)	(233.56)	(576.47)	(504.78)	(1,859.47)	(1,697.75)	(1,847.14)	(1,687.31)
X	Tax expense:							
	(1) Current tax			24.83		24.83		24.83
	(2) Prior period tax		(44.18)	(561.14)		(561.14)		(561.14)
	(3) Deferred tax							
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(233.56)	(532.29)	31.53	(1,859.47)	(1,161.44)	(1,847.14)	(1,151.00)
XII	Other Comprehensive Income							
A	(i) Items that will not be reclassified to profit and loss							
	Remeasurement of Defined benefits plan	(30.15)	11.49	79.91	4.32	88.43	-	88.43
	(ii) Income tax relating to items that will not be reclassified to profit and loss							
	<b>Total Other Comprehensive Income</b>	<b>(30.15)</b>	<b>11.49</b>	<b>79.91</b>	<b>4.32</b>	<b>88.43</b>	<b>-</b>	<b>88.43</b>
XIII	<b>Total Comprehensive Income for the period (XII+XIV)</b> <b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(263.71)</b>	<b>(520.80)</b>	<b>111.44</b>	<b>(1,855.15)</b>	<b>(1,073.01)</b>	<b>(1,847.14)</b>	<b>(1,062.57)</b>
XIV	Earnings per equity share of Rs.10/- each: (not annualised)							
	Basic and Diluted	(6.05)	(13.80)	0.82	(48.20)	(30.11)	(47.88)	(29.84)
XV	Paid Up Equity Share Capital ( Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75	385.75	385.75
XVI	Other equity				214.07	2,037.23	214.07	2,077.85

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

S.Krishnan - Partner  
 Membership No.026452



## 1 Notes

<b>Balance Sheet as at March 31, 2019</b>				
Particulars	Standalone		Consolidated	
	31/03/2019 Rs. lakhs	31/03/2018 Rs. lakhs	31/03/2019 Rs. lakhs	31/03/2018 Rs. lakhs
<b>Non current assets</b>				
Property, plant and equipment	2,641.42	5,289.86	2,641.42	5,289.86
Capital work in progress				
<b>Financial assets</b>				
Investments	154.96	154.71	126.68	114.10
Other financial asset	195.11	260.15	195.11	260.15
Advance tax assets(net)	20.70	14.96	20.70	14.96
Other non-current assets	354.13	354.13	354.13	354.13
Deferred tax asset (net)	157.98	157.98	157.98	157.98
	<b>3,524.30</b>	<b>6,231.79</b>	<b>3,495.02</b>	<b>6,191.18</b>
<b>Current assets</b>				
Inventories	1,515.80	2,672.38	1,515.80	2,672.38
<b>Financial assets</b>				
Investments	-	58.81	-	58.81
Trade receivables	287.37	282.67	287.37	282.67
Cash and cash equivalents	2.75	8.52	2.75	8.52
Other Bank balances	12.51	9.33	12.51	9.33
Others	8.21	120.42	8.21	120.42
Other current assets	19.17	86.86	19.17	86.86
Assets held for sale	2,550.00		2,550.00	
	<b>4,395.81</b>	<b>3,238.99</b>	<b>4,395.81</b>	<b>3,238.99</b>
<b>Total assets</b>	<b>7,920.11</b>	<b>9,470.78</b>	<b>7,891.83</b>	<b>9,430.17</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	385.74	385.74	385.74	385.74
Other equity	214.07	2,077.85	185.78	2,037.23
	599.81	2,463.59	571.52	2,422.97
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	2,314.86	2,293.87	2,314.86	2,293.87
Provisions	156.08	154.03	156.08	154.03
	<b>2,470.94</b>	<b>2,447.90</b>	<b>2,470.94</b>	<b>2,447.90</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	2,238.08	2,855.02	2,238.08	2,855.02
Trade payables	597.92	450.90	597.92	450.90
Provisions	3.21	4.99	3.21	4.99
Other financial liabilities	972.79	1,195.39	972.79	1,195.39
Other current liabilities	1,037.36	52.99	1,037.37	53.00
<b>Total equity and liabilities</b>	<b>4,849.36</b>	<b>4,559.29</b>	<b>4,849.37</b>	<b>4,559.30</b>
<b>Total liabilities</b>	<b>7,320.30</b>	<b>7,007.19</b>	<b>7,320.31</b>	<b>7,007.20</b>
<b>Total equity and liabilities</b>	<b>7,920.11</b>	<b>9,470.78</b>	<b>7,891.83</b>	<b>9,430.17</b>

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

S.Krishnan Partner  
Membership No.026452



**Note**

1 The above audited standalone and consolidated financial results were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on May 26, 2019. The information for the year ended March 31, 2019 and March 31, 2018 presented above is extracted from the audited financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind As) as prescribed under section 133 of the Companies Act, 2013.

2 Exceptional items consists of:

Particulars	Quarter ended			Year ended	
	31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
	Unaudited			Unaudited	Audited
Profit on sale of investment					21.43
Impairment loss of property, plant and equipment		(276.78)		(276.78)	
Loss on sale of industrial undertaking					(106.45)

Pursuant to the approval of the shareholders, prospective customers have been identified by the customer for sale of Unit II and part of Unit I undertakings. Consequently, the carrying value of the net assets of the said undertakings have been reclassified and disclosed as 'Assets held for sale' in the Statement of Assets and Liabilities. Further, pursuant to the proposed sale, the carrying value of the undertakings have been reflected at the contracted values and the consequent impairment loss considered in the Financial results of the year.

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 figures for the quarters ended March 31, 2019 and March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the quarter ended December 31, 2018 and December 31, 2017 respectively, which were subject to limited review by the statutory auditors.

6 Deferred tax reflected in the statement of assets and liabilities includes MAT credit entitlement eligible thereof.

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

For Kandagiri Spinning Mills Limited

Salem  
May 26, 2019



*[Signature]*  
Chairman

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

*[Signature]*  
S. Krishnan - Partner  
Membership No. 026452



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

INDEPENDENT AUDITOR'S REPORT ON QUARTERLY AND YEAR TO DATE AUDITED FINANCIAL RESULTS  
OF KANDAGIRI SPINNING MILLS LIMITED  
pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations 2015

TO THE BOARD OF DIRECTORS OF  
KANDAGIRI SPINNING MILLS LIMITED

1. We have audited the accompanying Statement of the quarterly standalone Ind AS Financial Results of KANDAGIRI SPINNING MILLS LIMITED ("the Company") for the quarter and year ended March 31, 2019 together with the notes thereon ("the 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 Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to Note 5 to the Statement with regard to the results for the quarters ended March 31, 2019 and 2018 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial years. The figure up to the end of the third quarter was subject to limited review and not subjected to audit.

**Management's Responsibility**

2. The Statement together with the notes is the responsibility of the Company's Management and approved by the Board of Directors. These standalone Ind AS financial results are compiled from the audited standalone Ind AS financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and the published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our audit of the standalone Ind AS financial statements for the year ended 31 March 2019 and our review of standalone Ind AS financial results for the nine months period ended 31 December 2018.
4. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the results are free from material misstatement.



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Email: krish\_ca@hotmail.com

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

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5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the statement.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our audit opinion.

7. **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information of the Company for the year ended March 31, 2019.

8. **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.

Our conclusion is not qualified in respect of these matters.



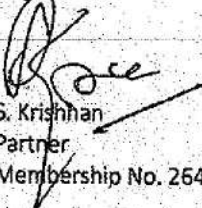


**R. SUNDARARAJAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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9. The Statement dealt with by this report has been prepared for the express purpose of filing with the BSE Limited. This Statement is based on and should be read with the audited standalone Ind AS financial statements of the Company for the year ended March 31, 2019 on which we have issued an unmodified opinion vide our report dated May 26, 2019.

For R. Sundararajan & Associates  
Chartered Accountants  
Registration No. 082825

  
S. Krishnan  
Partner  
Membership No. 26452



May 26, 2019  
Salem

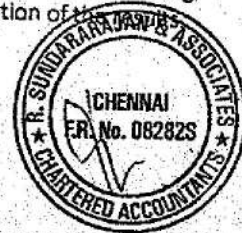


**R. SUNDARARAJAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

INDEPENDENT AUDITOR'S REPORT ON AUDITED CONSOLIDATED FINANCIAL RESULTS OF KANDAGIRI SPINNING MILLS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

TO THE BOARD OF DIRECTORS OF  
KANDAGIRI SPINNING MILLS LIMITED

1. We have audited the accompanying Statement containing the audited Consolidated Ind As Financial Results ("Results") of KANDAGIRI SPINNING MILLS LIMITED ("the company") and its associate for the year ended March 31, 2019 together with the notes thereon ("the 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 Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, which have been initialled by us for identification purpose only.
2. The Statement is the responsibility of the Company's Management and approved by the Board of Directors. These Consolidated Ind As Financial Results are based on the Consolidated Ind As Financial Statements for the year ended March 31, 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. Our responsibility is to express an opinion on these consolidated Ind As financial results for the year ended March 31, 2019. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the results are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Result in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the



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Email: krish\_ca@hotmail.com





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

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our audit opinion.

6. Opinion:

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate financial statements and the other financial information of associate, these consolidated Ind As financial results:

(a) Includes the share of profit of SPMM Healthcare Services Private Limited

(b) Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(c) give a true and fair view of the consolidated net loss including other comprehensive income and other financial information of the Company for the year ended March 31, 2019 with the accounting principles generally accepted in India.

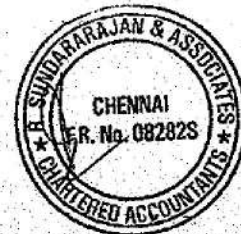
7. Emphasis of Matter

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.

Our conclusion is not qualified in respect of these matters.

8. We did not audit the financial statements of associate whose financial statement reflect the Group's share of net profit of Rs.12.33 Lakhs as considered in the Results. These financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Result, in so far as it relates to the amount and disclosure included in respect of the associate is based solely on the report of the other auditor.

Our opinion on the Results is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and financial statements certified by the Management.

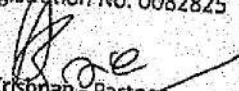


**CA R. SUNDARARAJAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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9. The Statement dealt with by this report has been prepared for the express purpose of filing with BSE Limited. This Statement is based on and should be read with the audited consolidated financial statements of the Company for the year ended March 31, 2019 on which we have issued an unmodified opinion vide our report dated May 26, 2019.

For R. Sundararajan & Associates  
Chartered Accountants  
Registration No. 0082825

  
S. Krishnan - Partner  
Membership No. 26452

May 26, 2019  
Chennai



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Email: krish\_ca@hotmail.com



# Kandagiri Spinning Mills Ltd. Unit-I

Date: 26.05.2019

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

Dear Sir,

**Sub.: Declaration pursuant to Regulations 33(3) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015**

## Declaration


I, R.Selvarajan, Managing Director of Kandagiri Spinning Mills Limited (CIN:L17111TZ1976PLC000762) having its Registered Office at Post Box No.3, Udayapatti, Salem 636 140, Tamilnadu, India, hereby declared that the Statutory Auditors of the Company, M/s R.Sundararajan & Associates, Chartered Accountants (Firm Registration No.008282S) have issued an Audited Report with unmodified opinion on Audited Financial Results of the Company (Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March, 2019.

This Declaration is given in compliance to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2016, vide Notification No.SEBI/LAD-NRO/GN/2016-17/001 dated 25<sup>th</sup> May, 2016.

Requested you to take this record.

Yours faithfully,

for KANDAGIRI SPINNING MILLS LIMITED

  
(R. Selvarajan)  
Managing Director



Regd. Off : Mill Premises, Udayapatti (P.O.), P.B. No. 3, Salem - 636 140. Phone : Mill : 0427-2244400  
Fax: 0427-2244422 Grams: SUPERSPIN E-mail: sales@kandagirimills.com Web: www.kandagirimills.com

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