



Kandagiri Spinning Mills Ltd.

Ref.: KSML/CS/032/2020-21

Date: 15-09-2020

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 first quarter ended 30.06.2020 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) of the Company for the quarter ended 30.06.2020 [which was duly reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on today 15.09.2020], 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 & Compliance Officer

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

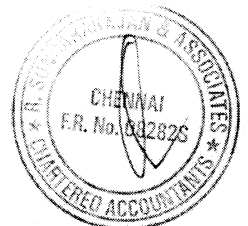


R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Consolidated Quarterly 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 ended June 30, 2020 (the "financial results") which are included in the accompanying "Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 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





R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

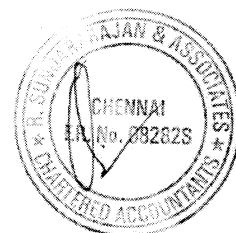
5. Basis of Qualified Opinion

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 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 loss after tax of Rs.15.22 lakhs for the quarter ended 30th June, 2020, 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

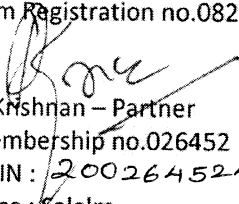




R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

accordance with SRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and their report dated August 18, 2020 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.

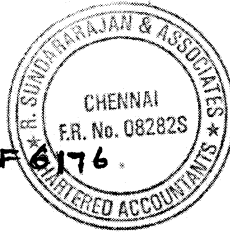
For R. Sundararajan & Associates
Chartered Accountants
Firm Registration no.08282S


S. Krishnan - Partner
Membership no.026452

UDIN : 20026452AAAAA **CF 6176**

Place : Salem

Dated:15th September 2020



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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

S.No.	Particulars	Quarter ended			Rs. lakhs
		30.06.2020	31.03.2020	30.06.2019	Year ended
		Unaudited	Audited - Refer Note 6	Unaudited	31.03.2020
I	Revenue from Operations	47.21	483.03	1,284.86	2,657.12
II	Other Income	15.71	514.93	1.36	678.31
III	Total Income (I+II)	62.92	997.96	1,286.22	3,335.43
IV	EXPENSES				
	Cost of materials consumed	1.20	116.77	885.59	1,913.14
	Changes in inventories of finished goods and work-in-progress	47.21	605.46	15.54	429.58
	Employee benefits expenses	1.01	67.62	143.17	405.67
	Finance costs	1.15	116.30	160.45	501.62
	Depreciation	7.29	41.06	56.67	211.08
	Other expenses	6.27	389.00	207.64	863.47
	Total Expenses	64.13	1,336.21	1,469.06	4,324.56
V	Profit/(loss) before share of profit of associate (III-IV)	(1.21)	(338.25)	(182.84)	(989.13)
VI	Share of profit of associate	(15.22)	(4.38)	3.16	3.11
VII	Profit/(loss) before exceptional item and tax (V-VI)	(16.43)	(342.63)	(179.68)	(986.02)
VIII	Exceptional items (Refer note 4)	-	(48.49)	-	(48.49)
IX	Profit/(loss) before tax (VII-VIII)	(16.43)	(391.12)	(179.68)	(1,034.51)
X	Tax expense:				
	(1) Current tax	-	40.00	-	40.00
	(2) MAT credit utilised	-	632.07	-	632.07
	(3) Deferred tax	-	(474.09)	-	(474.09)
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(16.43)	(589.10)	(179.68)	(1,232.49)
XII	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit and loss				
	Remeasurement of Defined benefits plan	-	82.85	(1.08)	79.61
	(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		82.85	(1.08)	79.61
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)				
XIV	Earnings per equity share of Rs.10/- each: (not annualised)	(16.43)	(506.25)	(180.76)	(1,152.88)
	Basic and Diluted	(0.43)	(13.12)	(4.69)	(29.89)
XV	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75
XVI	Other equity				(967.11)

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

S. Krishnan - Partner
Membership No.026452

UDIN: 20026452AAAAE9838



Notes

- 1 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 September 15, 2020.
- 2 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 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 wrt the same.

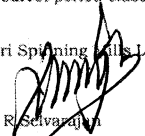
- 3 The Company is principally engaged in a single business segment viz. yarn based on nature of products, risks, returns and the internal business reporting system and accordingly there is no other reportable segment in terms of Ind AS 108 'Operating Segments'.
- 4 Exceptional items consists of:

Particulars	Quarter ended		Year ended
	30.06.2020	31.03.2020	31.03.2020
	Unaudited		Audited
(ii) Impairment loss of property, plant and equipment		(48.49)	(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.


- 5 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 ended June 30,2020 is not comparable with other reporting periods.
- 6 The figures for the quarter ended March 31, 2020 is 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, 2019, which were subject to limited review by the statutory auditors.
- 7 The previous period figures have been regrouped/reclassified wherever necessary to conform to curret period classification.

For Kandagiri Spinning Mills Limited


R. Sundararajan
Managing Director
DIN : 00001703

Salem
September 15, 2020

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


S. Krishnan - Partner
Membership No.026452

UDIN : 20026452AAAA CE9838



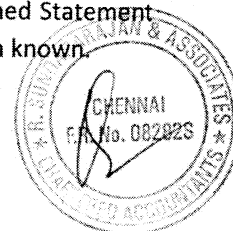
R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Standalone Quarterly 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 ended June 30, 2020 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter ended June 30, 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

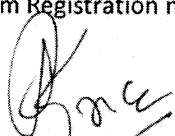
CHARTERED ACCOUNTANTS

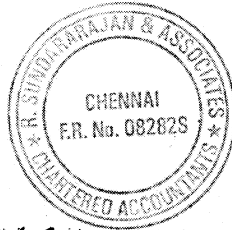
5. Qualified Conclusion

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.082825


S. Krishnan – Partner
Membership no.026452
UDIN : 20026452AAAACH5487



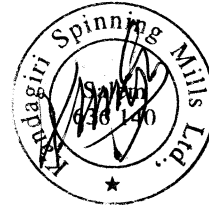
Place : Salem
Dated:15th September 2020

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 ENDED JUNE 30, 2020

		Rs. lakhs			
S.No.	Particulars	Quarter ended			Year ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited - Refer Note 6	Unaudited	Audited
I	Revenue from Operations	47.21	483.03	1,284.86	2,657.12
II	Other Income	15.71	514.93	1.36	678.31
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IV	EXPENSES				
	Cost of materials consumed	1.20	116.77	885.59	1,913.14
	Changes in inventories of finished goods and work-in-progress	47.21	605.46	15.54	429.58
	Employee benefits expenses	1.01	67.62	143.17	405.67
	Finance costs	1.15	116.30	160.45	501.62
	Depreciation	7.29	41.06	56.67	211.08
	Other expenses	6.27	389.00	207.64	863.47
	Total Expenses	64.13	1,336.21	1,469.06	4,324.56
V	Profit/(loss) before exceptional items and tax (III-IV)	(1.21)	(338.25)	(182.84)	(989.13)
VI	Exceptional items (Refer note 4)	-	(48.49)	-	(48.49)
VII	Profit/(loss) before tax (V-VI)	(1.21)	(386.74)	(182.84)	(1,037.62)
VIII	Tax expense:				
	(1) Current tax	-	40.00	-	40.00
	(2) MAT credit utilised	-	632.07	-	632.07
	(3) Deferred tax	-	(474.09)	-	(474.09)
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(1.21)	(584.72)	(182.84)	(1,235.60)
X	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit and loss				
	Remeasurement of Defined benefits plan	-	82.85	(1.08)	79.61
	(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	-	82.85	(1.08)	79.61
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(1.21)	(501.87)	(183.92)	(1,155.99)
XII	Earnings per equity share of Rs.10/- each: (not annualised)				
	Basic and Diluted	(0.03)	(13.01)	(4.77)	(29.97)
XIII	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75
XIV	Other equity				(941.94)

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

S.Krishnan - Partner
 Membership No 026452



UDIN: 20026452 AAAACG4297

Notes

- 1 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 September 15, 2020.
- 2 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 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 wrt the same.


- 3 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 Exceptional items consists of:

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited			Audited
(i) Impairment loss of property, plant and equipment		(48.49)	5	(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.

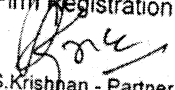
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- 7 The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

For Kandagiri Spinning Mills Limited


R. Sundararajan
Managing Director
DIN : 00001703

Salem
September 15, 2020

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


S. Krishnan - Partner
Membership No.026452

UDIN : 20026452 AAAACG4297