



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/019/2019-20

Date: 11/08/2019

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 30.06.2019 along with Independent Auditor's Limited Review Report

In accordance with regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclosed herewith a copy of Unaudited Standalone Financial Results (Consolidated and Standalone) of the Company for the first quarter ended 30.06.2019 along with Independent Auditor's Limited Review Report as approved by the Board of Directors at their meeting held today on 11.08.2019.

Kindly take the same for your records.

Thanking You,

Yours faithfully,

for KANDAGIRI SPINNING MILLS LIMITED

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



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 CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019 *Rs. In Lakhs*

S.No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited			Audited
I	Revenue from Operations	1,284.86	1,404.08	1,935.98	6,954.63
II	Other Income	1.36	-2.25	46.80	138.74
III	Total Income (I+II)	1,286.22	1,401.83	1,982.78	7,093.37
IV	EXPENSES				
	Cost of materials consumed	885.59	1,073.13	1,325.68	5,163.42
	Changes in inventories of finished goods and work-in-progress	15.54	58.50	224.50	437.86
	Employee benefits expenses	143.17	87.59	318.54	814.16
	Power and fuel	149.84	154.33	326.86	1,050.08
	Finance costs	160.45	139.31	171.58	639.91
	Depreciation and amortisation expense	56.67	58.56	87.41	320.79
	Other expenses	57.80	63.97	62.75	249.84
	Total Expenses	1,469.06	1,635.39	2,517.32	8,676.06
V	Profit/(loss) before share of profit of associates (III-IV)	(182.84)	(233.56)	(534.54)	(1,582.69)
VI	Share of profit of associate	3.16	3.00	3.42	12.33
VII	Profit/(loss) before exception items and tax (V+VI)	(179.68)	(230.56)	(531.12)	(1,570.36)
VIII	Exceptional items (Refer note 2)	-	-	(1.43)	(276.78)
IX	Profit/(loss) before tax (VII-VIII)	(179.68)	(230.56)	(532.55)	(1,847.14)
X	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	-	-	29.71	-
XI	Profit/ (Loss) for the period from continuing operations (IX - X)	(179.68)	(230.56)	(562.26)	(1,847.14)
XII	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit and loss				
	Remeasurement of Defined benefits plan	(1.08)	(30.15)	(11.49)	(4.32)
	(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	(1.08)	(30.15)	(11.49)	(4.32)
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(180.76)	(260.71)	(573.75)	(1,851.46)
XIV	Earnings per equity share of Rs.10/- each: (not annualised)				
	Basic and Diluted	(4.66)	(5.98)	(14.58)	(47.88)
XV	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75
XVI	Other equity				185.78



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

S.Krishnan - Partner
Membership No.026452

Notes

1 The above unaudited consolidated financial results for the quarter ended June 30, 2019 were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on August 11, 2019. The Statutory auditors have conducted a limited review of the above financial results.

2 Exceptional items consists of:

Rs. lakhs

Particulars	Quarter ended			Year ended
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited			Audited
Profit on sale of investment			(1.43)	
Impairment loss of property, plant and equipment	-			(276.78)

Pursuant to the approval of the shareholders, prospective customers have been identified 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 year ending March 31, 2019.

3 The Board of Directors have considered it appropriate to continue preparing the financial statements/results on going concern basis.

4 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'.

5 The statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the year ended March 31, 2019 and the published figures upto the quarter ended December 31, 2018, which were subject to limited review by the statutory auditors.

6 Effective April 1, 2019, the Company has adopted Ind AS 116, Leases (which replaces the earlier Lease standard) under the modified retrospective method. There is no material impact on transition to Ind AS 116 on retained earnings as on April 1, 2019 and the unaudited financial results for the quarter ended June 30, 2019.

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

For Kandagiri Spinning Mills Limited

Salem
August 11, 2019

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

S. Devarajan
Chairman

S. Krishnan - Partner
Membership No.026452



KANDAGIRI SPINNING MILLS LIMITED (CIN : L17111TZ1976PLC000762)
Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140
e-mail : sales@kandagirimills.com Phone 0427 2244400 Fax 0427 2244422
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019 *Rs. In lakhs*

S.No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		Unaudited			Audited
I	Revenue from Operations	1,284.86	1,404.08	1,935.98	6,954.63
II	Other Income	1.36	-2.25	46.80	138.74
III	Total Income (I+II)	1,286.22	1,401.83	1,982.78	7,093.37
IV	EXPENSES				
	Cost of materials consumed	885.59	1,073.13	1,325.68	5,163.42
	Changes in inventories of finished goods and work-in-progress	15.54	58.50	224.50	437.86
	Employee benefits expenses	143.17	87.59	318.54	814.16
	Power and fuel	149.84	154.33	326.86	1,050.08
	Finance costs	160.45	139.31	171.58	639.91
	Depreciation and amortisation expense	56.67	58.56	87.41	320.79
	Other expenses	57.80	63.97	62.75	249.84
	Total Expenses	1,469.06	1,635.39	2,517.32	8,676.06
V	Profit/(loss) before exceptional items and tax (III-IV)	(182.84)	(233.56)	(534.54)	(1,582.69)
VI	Exceptional items (Refer note 2)	-	-	(1.43)	(276.78)
VII	Profit/(loss) before tax (V-VI)	(182.84)	(233.56)	(535.97)	(1,859.47)
VIII	Tax expense:				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	-	-	29.71	-
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(182.84)	(233.56)	(565.68)	(1,859.47)
X	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit and loss				
	Remeasurement of Defined benefits plan	(1.08)	(30.15)	(11.49)	(4.32)
	(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	(1.08)	(30.15)	(11.49)	(4.32)
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(183.92)	(263.71)	(577.17)	(1,863.79)
XII	Earnings per equity share of Rs.10/- each: (not annualised)				
	Basic and Diluted	(4.74)	(6.05)	(14.66)	(48.20)
XIII	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75
XIV	Other equity				214.07



For R. Sundararajan & Associates
Chartered Accountants
Firm Registration No. 06282S

S. Krishnan - Partner
Membership No. 026452

Notes

1 The above unaudited standalone financial results for the quarter ended June 30, 2019 were reviewed by the Audit Committee and then approved by the Board of Directors at its meeting held on August 11, 2019. The Statutory auditors have conducted a limited review of the above financial results.

2 Exceptional items consists of:

Particulars	Quarter ended			Rs. lakhs
	30.06.2019	31.03.2019	30.06.2018	31.03.2019
	Unaudited			Audited
Profit on sale of investment			(1.43)	
Impairment loss of property, plant and equipment				(276.78)

Pursuant to the approval of the shareholders, prospective customers have been identified 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 year ending March 31, 2019.

3 The Board of Directors have considered it appropriate to continue preparing the financial statements/results on going concern basis.

4 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'.

5 The statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the year ended March 31, 2019 and the published figures upto the quarter ended December 31, 2018, which were subject to limited review by the statutory auditors.

6 Effective April 1, 2019, the Company has adopted Ind AS 116, Leases (which replaces the earlier Lease standard) under the modified retrospective method. There is no material impact on transition to Ind AS 116 on retained earnings as on April 1, 2019 and the unaudited financial results for the quarter ended June 30, 2019.

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

Salem
August 11, 2019

For Kandagiri Spinning Mills Limited

S. Sundararajan
Chairman

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

S. Krishnan - Partner
Membership No.026452





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Limited Review Report on unaudited quarterly consolidated financial results of Kandagiri Spinning Mills Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure) Regulations, 2015

To the Board of Directors of Kandagiri Spinning Mills Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results ("Results") of **KANDAGIRI SPINNING MILLS LIMITED** ("the Company") and its share of the net profit after tax and total comprehensive income of its associate for the quarter ended June 30, 2019 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 ("the Regulation"), read with SEBI Circular No CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018, and the last quarter ended March 31, 2019, as reported in these unaudited consolidated financial results have been approved by the Company's Board of directors, but have not been subjected to review.
2. This Statement which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared by the Company 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 issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus 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 Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the result of the following entities:

S. No.	Company Name	Nature
1.	SPMM Healthcare services Private Limited	Associate

5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as amended



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

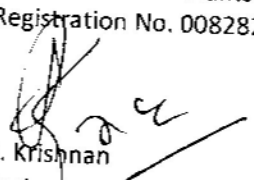
other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. 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.

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


S. Krishnan
Partner

Membership No. 26452

ICAI UDIN: 19026452AAAAA79714



August 11, 2019
Salem



R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

Limited Review Report on unaudited quarterly standalone financial results of Kandagiri Spinning Mills Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure) Regulations, 2015

To the Board of Directors of Kandagiri Spinning Mills Limited

1. We have reviewed the accompanying statement of unaudited standalone Financial Results of **Kandagiri Spinning Mills Limited** (the "Company") for the quarter ended June 30, 2019 (the "financial results") 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, read with SEBI circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the circular'). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018, and the last quarter ended March 31, 2019, as reported in these unaudited standalone financial results have been approved by the Company's Board of directors, but have not been subjected to review.
2. This Statement which is the responsibility of the Company's Management and approved by 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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as amended, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.





R. SUNDARARAJAN & ASSOCIATES

CHARTERED ACCOUNTANTS

5. 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

Firm's Registration No. 008282S



S.Krishnan

Partner

Membership No. 26452

ICAI UDIN: 19086452AAAAAX1956

August 11, 2019

Salem