



Kandagiri Spinning Mills Ltd.

Ref: KSML/CS/051/2019-20

Date: 09-02-2020

Bornbay Stock Exchangs Lirnited,
Floor No. 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 31.12.2019 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 third quarter ended / nine months ended 31.12.2019 along with Independent Auditor's Limited Review Report as approved by the Board of Directors at their meeting held today on 09.02.2020.

Kindly take the same for your records.

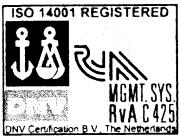
Thanking You,

Yours faithfully,

for KANDAGIRI SPINNING MILLS LIMITED


J. ASIFA
COMPANY SECRETARY

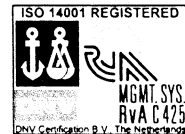
Encl.: As above



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

GST : 33 AABCK269A Q 121



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 NINE MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2019							
Rs. lakhs							
S.No.	Particulars	Quarter ended			Nine month ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited			Unaudited		Audited
I	Revenue from Operations	354.61	534.62	1,744.89	2,174.09	5,550.55	6,954.63
II	Other Income	160.66	1.36	79.74	163.38	140.99	138.74
III	Total Income (I+II)	515.27	535.98	1,824.63	2,337.47	5,691.54	7,093.37
IV	EXPENSES						
	Cost of materials consumed	462.27	1,706.74	1,376.33	1,796.38	4,090.29	5,163.42
	Changes in inventories of finished goods and work-in-progress	-80.81	-1,368.83	43.30	-175.88	379.36	437.86
	Employee benefits expenses	89.25	105.63	167.52	338.05	726.57	814.16
	Power and fuel	83.23	81.59	267.23	314.66	895.75	1,050.08
	Finance costs	108.09	116.78	137.57	385.32	500.60	639.91
	Depreciation and amortisation expense	56.67	56.68	87.41	170.02	262.23	320.79
	Other expenses	49.68	52.32	44.96	159.81	185.87	249.84
	Total Expenses	768.38	750.91	2,124.32	2,988.36	7,040.67	8,676.06
V	Profit/(loss) before share of profit of associates (III-IV)	(253.11)	(214.93)	(299.69)	(650.89)	(1,349.13)	(1,582.69)
VI	Share of profit of associates	1.04	3.03	3.46	7.49	9.33	12.33
VII	Profit/(loss) before exceptional items and tax (V-VI)	(252.07)	(211.90)	(296.23)	(643.40)	(1,339.80)	(1,570.36)
VIII	Exceptional items (Refer note 4)	-	-	(276.78)	-	(276.78)	(276.78)
IX	Profit/(loss) before tax (VII-VIII)	(252.07)	(211.90)	(573.01)	(643.40)	(1,616.58)	(1,847.14)
X	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	(44.18)	-	-	-
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(252.07)	(211.90)	(528.83)	(643.40)	(1,616.58)	(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)	(1.08)	11.49	(3.24)	34.47	(4.32)
	(u) 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)	(1.08)	11.49	(3.24)	34.47	(4.32)
XIII	Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(253.15)	(212.98)	(517.34)	(646.64)	(1,582.11)	(1,851.46)
XIV	Earnings per equity share of Rs.10/- each: (not annualised)						
	Basic and Diluted	(6.56)	(5.52)	(13.41)	(16.76)	(41.01)	(48.00)
XV	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75	385.75
XVI	Other equity						214.07

Notes

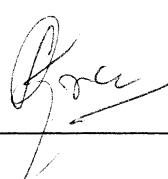
- The above unaudited standalone financial results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on February 9, 2020. The Statutory auditors have carried out a limited review of the above financial results.
- Segment information:
The Company is 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'.
- Ind AS 116 "Leases" has been adopted with effect from 1.4.2019 using 'Modified Retrospective Method'. The adoption did not have any significant impact on overall results.
- Exceptional items consists of:

Particulars	Rs. lakhs					
	Quarter ended			Nine month ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited			Unaudited		Audited
Impairment loss of property, plant and equipment			(276.78)		(276.78)	(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.

- 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 associates viz. SPMM Health Care Services Private Limited
- The Board of Directors have considered to continue preparing the financial results on going concern basis as the measures of sale of plant/unit of the company, are part of restructuring exercise to repay debts.
- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

Salem
February 9, 2020



For Kandagiri Spinning Mills Limited

S. Devarajan
Chairman
DIN : 00001910

UDIN 20026452AAAAA62528



R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REVIEW REPORT ON QUARTERLY UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF KANDAGIRI SPINNING MILLS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

TO
THE BOARD OF DIRECTORS OF
KANDAGIRI SPINNING MILLS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Kandagiri Spinning Mills Limited ("the Parent Company") and its associate for the quarter and nine months ended December 31, 2019 (the "financial results") which are included in the accompanying "Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2019" (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 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 quarter ended December 31, 2018 and for the period from April 01, 2018 to December 31, 2018 as reported in these Unaudited Consolidated Financial Results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement which is the responsibility of the Parent Company's Management and approved by the Parent 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 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. (a) 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 to making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures to financial data. A review is substantially less on scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



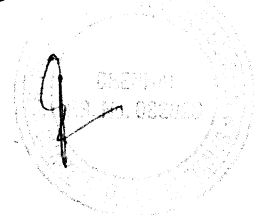
R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

(b) 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 results of the following associate:

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

5. The Company has generated negative operating cash flows and incurred substantial operating losses and operationalised plans to sell assets/unit of the company to repay debts. These 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 Financial Results do not include any adjustments that might result had the above uncertainties been known.
6. Based on our review conducted as stated above, except for the effect of the matter as mentioned in para 5, nothing has come to our attention that causes us to believe that the accompanying Financial Results, prepared in all material aspects in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other accounting practices and policies 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. The Unaudited Consolidated Financial Results also includes the Group's share of net profit after tax of Rs.1.04 lakhs and Rs.9.33 lakhs and total comprehensive income of Rs.1.04 lakhs and Rs.9.33 lakhs for the quarter ended December 31, 2019 and for the period from 1st April 2019 to 31st December, 2019, respectively, as considered in the Unaudited Consolidated Financial Results, in respect of one associate, whose interim financial statements / financial information/ financial results have not been reviewed by us. These interim financial statements / financial information / financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our



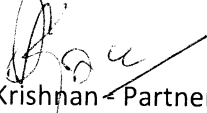


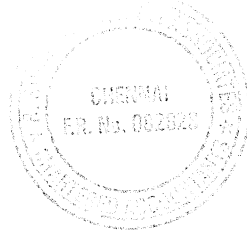
R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said associate, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters

For R. Sundararajan & Associates
Chartered Accountants
Registration No. 008282 S


S. Krishnan - Partner
Membership No. 26452
UDIN:
February 9, 2020
Salem



20026452AAAAA62528

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 NINE MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2019

Rs. lakhs

S.No.	Particulars	Quarter ended			Nine month ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited			Unaudited		Audited
I	Revenue from Operations	354.61	534.62	1,744.89	2,174.09	5,550.55	6,954.63
II	Other Income	160.66	1.36	79.74	163.38	140.99	138.74
III	Total Income (I+II)	515.27	535.98	1,824.63	2,337.47	5,691.54	7,093.37
IV	EXPENSES						
	Cost of materials consumed	462.27	1,706.74	1,376.33	1,796.38	4,090.29	5,163.42
	Changes in inventories of finished goods and work-in-progress	-80.81	-1,368.83	43.30	-175.88	379.36	437.86
	Employee benefits expenses	89.25	105.63	167.52	338.05	726.57	814.16
	Power and fuel	83.23	81.59	267.23	314.66	895.75	1,050.08
	Finance costs	108.09	116.78	137.57	385.32	500.60	639.91
	Depreciation and amortisation expense	56.67	56.68	87.41	170.02	262.23	320.79
	Other expenses	49.68	52.32	44.96	159.81	185.87	249.84
	Total Expenses	768.38	750.91	2,124.32	2,988.36	7,040.67	8,676.06
V	Profit/(loss) before exceptional items and tax (III-IV)	(253.11)	(214.93)	(299.69)	(650.89)	(1,349.13)	(1,582.69)
VI	Exceptional items (Refer note 4)	-	-	(276.78)	-	(276.78)	(276.78)
VII	Profit/(loss) before tax (V-VI)	(253.11)	(214.93)	(576.47)	(650.89)	(1,625.91)	(1,859.47)
VIII	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	-	-	(44.18)	-	-	-
IX	Profit/ (Loss) for the period from continuing operations (VII-VIII)	(253.11)	(214.93)	(532.29)	(650.89)	(1,625.91)	(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)	(1.08)	11.49	(3.24)	34.47	(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)	(1.08)	11.49	(3.24)	34.47	(4.32)
XV	Profit for the period attributable to						
	- Owners of the Company						
	- Non controlling interest						
XVI	Other Comprehensive Income attributable to						
	- Owners of the Company						
	- Non controlling interest						
XVII	Other Comprehensive Income for the period attributable to						
	- Owners of the Company						
	- Non controlling interest						
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(254.19)	(216.01)	(520.80)	(654.13)	(1,591.44)	(1,863.79)
XII	Earnings per equity share of Rs.10/- each: (not annualised)						
	Basic and Diluted	(6.59)	(5.60)	(13.50)	(16.96)	(41.26)	(48.32)
XIII	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	385.75	385.75	385.75	385.75	385.75	385.75
XIV	Other equity						214.07

Notes

- The above unaudited standalone financial results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on February 9, 2020. The Statutory auditors have carried out a limited review of the above financial results.
- 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'.
- Ind AS 116 "Leases" has been adopted with effect from 1.4.2019 using 'Modified Retrospective Method'. The adoption did not have any significant impact on overall results.
- Exceptional items consists of:

Rs. lakhs

Particulars	Quarter ended			Nine month ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited			Unaudited		Audited
Impairment loss of property, plant and equipment			(276.78)		(276.78)	(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.

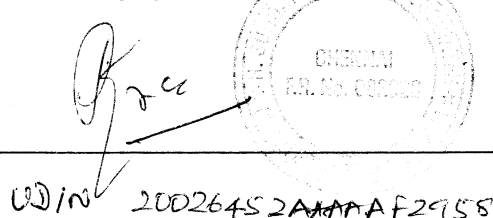
- The Board of Directors have considered to continue preparing the financial results on going concern basis as the measures of sale of plant/unit of the company, are part of restructuring exercise to repay debts.
- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

Salem
February 9, 2020

For Kandagiri Spinning Mills Limited


Chairman

DIN : 00001910


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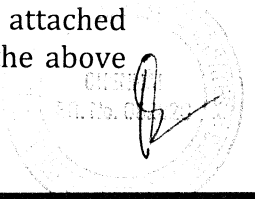


R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REVIEW REPORT ON QUARTERLY UNAUDITED STANDALONE FINANCIAL RESULTS OF KANDAGIRI SPINNING MILLS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To
The Board of Directors
Kandagiri Spinning Mills Limited

1. We have reviewed the Unaudited Standalone Financial Results of Kandagiri Spinning Mills Limited (the "Company") for the quarter and nine months ended December 31, 2019 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2019" (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').
2. This Statement which is the responsibility of the Company's Management, 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 and has been approved by the Board of Directors. Our responsibility is to express a conclusion issue 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The Company has generated negative operating cash flows and incurred substantial operating losses and operationalised plans to sell assets/unit of the company to repay debts. These 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 Financial Results do not include any adjustments that might result had the above uncertainties been known.

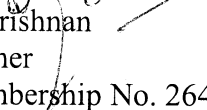


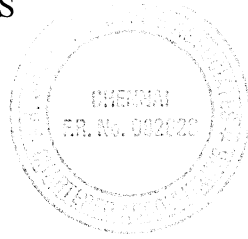


R. SUNDARARAJAN & ASSOCIATES
CHARTERED ACCOUNTANTS

5. Based on our review conducted as stated above, except for the effect of the matter as mentioned in para 4 , nothing has come to our attention that causes us to believe that the accompanying Financial Results, prepared in all material aspects in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other accounting practices and policies 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.

R. Sundararajan & Associates
Chartered Accountants
Firm's Registration No. 008282 S


S. Krishnan
Partner
Membership No. 26452



UDIN: 20026452AAAAAF2958
February 9, 2020
Salem