



# Kandagiri Spinning Mills Ltd.

Ref.: KSML/CS/043/2020-21

Date: 09-11-2020

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 second quarter / half year ended 30.09.2020 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 second quarter / half year ended 30.09.2020 [which have been duly reviewed by the Audit Committee and duly approved by the Board of Directors at their meeting held on today 09.11.2020], 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

Encl: As above



CIN : L17111TZ1976PLC000762

Regd. Off. Mill Premises, Udayapatti (P.O), P.E.No.3, Salem - 638 140 Phone : Mill 0427-2244400  
Fax:0427-2244422, Grams.SUPERSPINE: e-mail:sales@kandagirimills.com. Web.: www.kandagirimills.com



GSTIN: 33AABCK2694Q1Z1

KANDAGIRI SPINNING MILLS LIMITED (CIN : L1711TZ1976PLC000762)

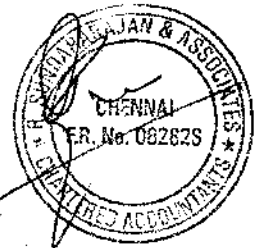
Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140

e-mail : sales@kandagirimills.com; website : www.kandagirimills.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/SIX MONTHS ENDED SEPTEMBER 30, 2020

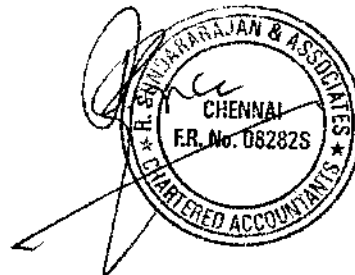
Rs. lakhs

S.No	Particulars	Quarter ended			Six months ended		Year ended
		30.09.2020	30.09.2019	30.09.2018	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	0.00	47.21	534.62	47.21	1,819.48	2,657.12
II	Other Income	45.93	15.71	1.36	61.64	2.72	678.31
III	<b>Total Income (I+II)</b>	<b>45.93</b>	<b>62.92</b>	<b>535.98</b>	<b>108.85</b>	<b>1,822.20</b>	<b>3,335.43</b>
IV	<b>EXPENSES</b>						
	Cost of materials consumed	-0.00	1.20	1,706.74	1.20	2,592.33	1,913.15
	Changes in inventories of finished goods and work-in-progress	-	47.21	-1,368.83	47.21	-1,353.29	429.58
	Employee benefits expenses	1.50	1.01	105.63	2.51	248.80	405.67
	Finance costs	83.12	1.15	116.78	84.27	277.23	501.62
	Depreciation	7.29	7.29	56.68	14.58	113.35	211.08
	Other expenses	11.67	6.27	133.91	17.94	341.55	863.47
	<b>Total Expenses</b>	<b>103.58</b>	<b>64.13</b>	<b>750.91</b>	<b>167.71</b>	<b>2,219.97</b>	<b>4,324.57</b>
V	Profit/(loss) before share of profit of associate (III-IV)	(57.65)	(1.21)	(214.93)	(58.86)	(397.77)	(989.14)
VI	Share of profit of associate	(1.93)	(15.22)	3.03	(17.15)	6.45	3.11
VII	Profit/(loss) before exceptional item and tax (V-VI)	(59.58)	(16.43)	(211.90)	(76.01)	(391.32)	(986.03)
VIII	Exceptional items (Refer note 4)	-	-	-	-	-	(48.49)
IX	Profit/(loss) before tax (VII-VIII)	(59.58)	(16.43)	(211.90)	(76.01)	(391.32)	(1,034.52)
X	Tax expense:						
	(1) Current tax	-	-	-	-	-	40.00
	(2) MAT credit utilised	-	-	-	-	-	632.07
	(3) Deferred tax	-	-	-	-	-	(474.09)
XI	Profit/ (Loss) for the period from continuing operations (IX-X)	(59.58)	(16.43)	(211.90)	(76.01)	(391.32)	(1,232.50)
XII	Other Comprehensive Income						
A	(i) Items that will not be reclassified to profit and loss						
	Remeasurement of Defined benefits plan	-	-	(1.08)	-	(2.16)	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	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(1.08)</b>	<b>-</b>	<b>(2.16)</b>	<b>79.61</b>
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b> (Comprising Profit (Loss) and Other Comprehensive Income for the period)	<b>(59.58)</b>	<b>(16.43)</b>	<b>(212.98)</b>	<b>(76.01)</b>	<b>(393.48)</b>	<b>(1,152.89)</b>
XIV	Earnings per equity share of Rs.10/- each: (not annualised)						
	Basic and Diluted	(1.54)	(0.43)	(3.52)	(1.97)	(10.20)	(29.89)
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	-	-	-	-	-	(967.11)



UDIN: 20026452AAAADF2667

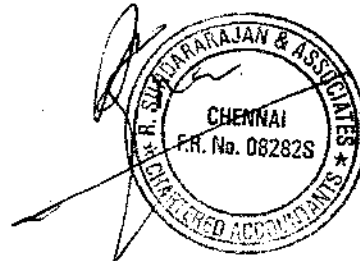
Consolidated Balance Sheet as at September 30, 2020		Rs. lakhs	
Particulars		30.09.2020 Unaudited	31.03.2020 Audited
<b>Non current assets</b>			
Property, plant and equipment		1140.14	1154.72
Capital work in progress		0.00	0.00
Intangible assets		0.00	0.00
<b>Financial assets</b>			
Investments		112.39	129.54
Loans		141.09	140.39
Other financial asset		4.03	2.22
Advance tax assets(net)		2.00	2.00
Other non-current assets		0.00	0.00
	<b>Non-current assets ( A )</b>	<b>1,399.65</b>	<b>1,428.81</b>
<b>Current assets</b>			
Inventories		0	79.29
<b>Financial assets</b>			
Trade receivables		0.00	302.65
Cash and cash equivalents		9.11	5.70
Other Bank balances		3.72	9.97
Others		4.19	2.72
Other current assets		0.63	0.63
Assets held for sale		0.00	0.00
	<b>Current assets ( B )</b>	<b>17.65</b>	<b>400.96</b>
	<b>Total assets ( A ) + ( B )</b>	<b>1,417.30</b>	<b>1,829.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital		385.74	385.74
Other equity		(1043.12)	(967.11)
	<b>Equity ( C )</b>	<b>(657.38)</b>	<b>(581.37)</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings		1297.71	1286.92
Provisions		0.00	0.00
Other non-current liabilities		0.00	0.00
	<b>Non current liabilities ( D )</b>	<b>1297.71</b>	<b>1286.92</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings		0.00	0.00
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.34	0.34
Total outstanding dues of creditors other than micro enterprises and small enterprises		211.77	196.06
Provisions		0.00	0.00
Other financial liabilities		384.69	420.21
Other current liabilities		180.18	507.61
	<b>Current liabilities ( E )</b>	<b>776.97</b>	<b>1124.22</b>
	<b>Total equity and liabilities ( C ) + ( D ) + ( E )</b>	<b>1417.30</b>	<b>1829.77</b>



UDIN: 20026452AAAA DF2667

Consolidated Statement of Cash Flows

Particulars	Rs. Lakhs	
	30.09.2020	30.09.2019
Cash flow from operating activities		
Profit/ (Loss) before tax	(76.01)	(391.32)
Adjustments for -		
Share of profits of associates	17.15	(6.45)
Depreciation & Amortisation expense	14.58	113.35
Finance cost	84.27	277.23
Dividend income	-	-
Loss/(Profit) on sale of Long term Investments	-	-
(Profit)/Loss on sale of Property, Plant and Equipment (PPE)	-	-
Impairment loss on assets	-	-
Interest income	(1.64)	(2.72)
Operating profit/ (loss) before working capital changes	38.35	(9.91)
Adjustments for changes in -		
Trade receivables	79.29	(84.80)
Inventories	302.65	(1,054.65)
Non current and current Financial Assets	4.01	7.88
Other non current and current assets	-	(10.27)
Trade payables	15.71	(278.62)
Non current and current Financial Liabilities	(46.54)	1,190.83
Other Non current and current Liabilities	(327.41)	(9.43)
Other Non current and Current provisions	-	-
Cash generated from operations	66.06	(248.97)
Income Tax (net)	(1.81)	(0.62)
Net cash from operating activities	64.25	(248.99)
Cash flow from Investing activities		
Payments for acquisition of Property, Plant & Equipment	-	(24.95)
Dividend received	-	-
Interest Received	1.64	2.72
Margin money deposit with bank	-	3.11
Advance for sale of undertaking	-	-
Proceeds from sale of shares	-	0.25
Proceeds from sale of assets	-	-
Net cash from investing activities	1.64	(18.87)
Cash flow from financing activities		
Proceeds from inter corporate loan-related party	-	-
Repayments of Non current Borrowings-Term loans - banks	-	(112.50)
Repayments of inter- corporate loan	-	-
Proceeds from unsecured loan-directors	21.79	674.44
Interest Paid	(84.27)	(277.23)
Net cash (used in) financing activities	(62.48)	284.71
Net increase/(decrease) in cash and cash equivalents	3.41	16.85
Cash and cash equivalents		
At beginning	5.70	2.75
At end	9.11	19.60
NET INCREASE/ (DECREASE) IN CASH	3.41	16.85



UDIN: 20026452 AAAADF 2667

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 November 9, 2020. 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 six months ended September 30, 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
(ii) Impairment loss of property, plant and equipment		(48.49)

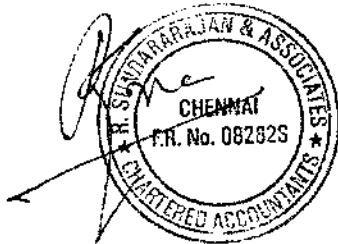
Since the company has ceased its manufacturing activities, the Board of Directors, by way of abundant caution, have provided for capital advance of Rs.48.49 lakhs.

- 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/six months ended September 30,2020 are not comparable with other reporting periods.
- The previous period figures have been regrouped/reclassified wherever necessary to conform to current period classification.

For Kandagiri Spinning Mills Limited

R Selvarajan  
Managing Director  
DIN : 00001703

Salem  
November 9, 2020



UDIN: 20026452 AAAADF2667



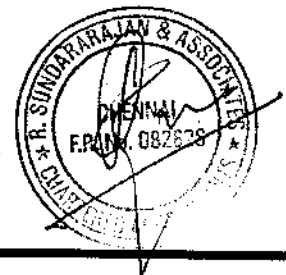
# R. SUNDARARAJAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Consolidated Quarterly/six 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 loss after tax and total comprehensive income of its associates ,for the quarter/six months ended September 30, 2020 (the "financial results") which are included in the accompanying "Statement of Consolidated Unaudited Financial Results for the quarter/six months ended September 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.





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

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4. The Statement Includes the results of the following Associate:  
a. SPM Health Care Services Private Limited

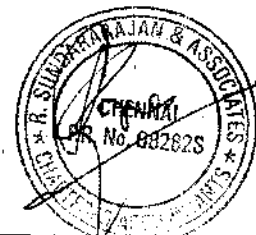
5. **Basis of Qualified Opinion**

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 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.



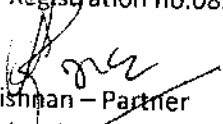


**R. SUNDARARAJAN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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8. The consolidated unaudited financial results include the share of net loss after tax of Rs.1.93 lakhs and share of net loss after tax of Rs.17.15 lakhs for the quarter and sixmonths ended 30th September, 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 November 5, 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

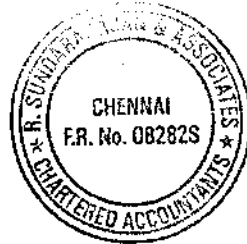
  
S. Krishnan - Partner  
Membership no.026452

UDIN :

Place : Salem

Dated: 9<sup>th</sup> September 2020

UDIN: 20026452AAAADG5903





**MANDAGIRI SPINNING MILLS LIMITED (CIN : L17111T21976PLC000762)**  
 Regd. Office : Mill Premises, Udayapatti (P.O.), Salem 636 140  
 e-mail : salem@mandagirimills.com; website : www.mandagirimills.com  
**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/SIX MONTHS ENDED SEPTEMBER 30, 2020**

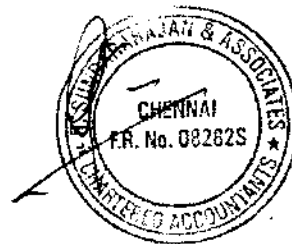
Rs. Lakhs

S.No.	Particulars	Three months ended			Six months ended		Year ended
		30.09.2020	30.06.2019	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from Operations	0.00	47.21	534.62	47.21	1,810.46	2,657.12
II	Other Income	45.93	15.71	1.36	61.64	2.72	678.31
III	<b>Total Income (I+II)</b>	<b>45.93</b>	<b>62.92</b>	<b>535.98</b>	<b>108.85</b>	<b>1,822.20</b>	<b>3,335.43</b>
IV	<b>EXPENSES</b>						
	Cost of materials consumed	0.00	1.20	1,706.74	1.20	2,592.33	1,913.15
	Changes in inventories of finished goods and work-in-progress	-	47.21	-1,368.83	47.21	-1,353.29	429.58
	Employee benefits expenses	1.50	1.01	105.63	2.51	248.80	405.67
	Finance costs	83.12	1.15	116.78	84.27	277.23	501.62
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	Other expenses	11.67	6.27	133.91	17.94	341.55	863.47
	<b>Total Expenses</b>	<b>103.58</b>	<b>64.13</b>	<b>750.91</b>	<b>167.71</b>	<b>2,219.97</b>	<b>4,324.57</b>
V	Profit/(loss) before exceptional items and tax (III-IV)	(57.65)	(1.21)	(214.93)	(58.86)	(397.77)	(989.14)
VI	Exceptional items (Refer note 4)	-	-	-	-	-	(48.49)
VII	Profit/(loss) before tax (V-VI)	(57.65)	(1.21)	(214.93)	(58.86)	(397.77)	(1,037.63)
VIII	Tax expense:						
	(i) Current tax	-	-	-	-	-	40.00
	(ii) MAT credit utilized	-	-	-	-	-	632.07
	(iii) Deferred tax	-	-	-	-	-	(474.09)
IX	Profit/(loss) for the period from continuing operations (VII-VIII)	(57.65)	(1.21)	(214.93)	(58.86)	(397.77)	(1,235.61)
X	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit and loss						
	Remeasurement of Defined benefits plan	-	-	(1.08)	-	(2.16)	79.61
	(b) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-	-
	(ii) Items that will be reclassified to profit and loss						
	(iii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	-	-	<b>(1.08)</b>	-	<b>(2.16)</b>	<b>79.61</b>
XI	<b>Total Comprehensive Income for the period (IX+X)</b> (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	<b>(57.65)</b>	<b>(1.21)</b>	<b>(216.01)</b>	<b>(58.86)</b>	<b>(399.93)</b>	<b>(1,156.00)</b>
XII	Earnings per equity share of Rs.10/- each: (not annualised)						
	Basic and Diluted	(1.49)	(0.03)	(5.60)	(1.53)	(10.37)	(29.97)
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	-	-	-	-	-	(941.94)



UDIN: 20026452 AAAA DD 3810

Particulars		Rs. lakhs	
		30.09.2020 Unaudited	31.03.2020 Audited
<b>Non-current assets</b>			
Property, plant and equipment		1,140.14	1,154.72
Capital work in progress		-	-
Intangible assets		-	-
<b>Financial assets</b>			
Investments		154.71	154.71
Loans		141.09	140.33
Other financial asset		4.03	2.22
Advance tax assets/net		2.00	2.00
Other non-current assets		0.00	-
	<b>Non-current assets (A)</b>	<b>1,441.97</b>	<b>1,453.98</b>
<b>Current assets</b>			
Inventories		-	79.29
<b>Financial assets</b>			
Trade receivables		-	302.65
Cash and cash equivalents		9.11	5.70
Other Bank balances		3.72	9.97
Others		4.19	2.72
Other current assets		0.63	0.63
Assets held for sale		-	-
	<b>Current assets (B)</b>	<b>17.65</b>	<b>400.96</b>
	<b>Total assets (A) + (B)</b>	<b>1,459.62</b>	<b>1,854.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital		385.74	385.74
Other equity		-1,000.80	-941.94
	<b>Equity (C)</b>	<b>-615.06</b>	<b>-556.20</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings		1,297.71	1,286.92
Provisions		-	-
Other non-current liabilities		-	-
	<b>Non-current liabilities (D)</b>	<b>1,297.71</b>	<b>1,286.92</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings		-	-
Trade payables		-	-
-Total outstanding dues of micro enterprises and small enterprises		0.34	0.34
-Total outstanding dues of creditors other than micro enterprises and small enterprises		211.77	196.06
Provisions		-	-
Other financial liabilities		364.68	420.21
Other current liabilities		180.18	507.61
	<b>Current liabilities (E)</b>	<b>776.97</b>	<b>1,124.22</b>
	<b>Total equity and liabilities (C) + (D) + (E)</b>	<b>1,459.62</b>	<b>1,854.94</b>

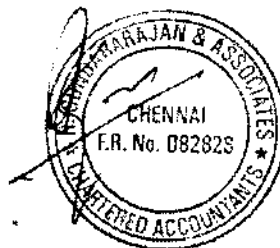
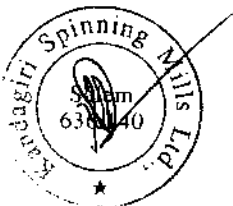


UDIN : 20026452AAAA DD3810

Standalone Statement of Cash Flows

Rt. Lacs

Particulars	30.09.2020	30.09.2019
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax	(58.86)	(397.77)
<b>Adjustments for:</b>		
Depreciation & Amortisation expense	14.58	113.35
Finance cost	84.27	277.23
Dividend Income	-	-
Loss/(Profit) on sale of Long term Investments	-	-
(Profit)/Loss on sale of Property, Plant and Equipment (PPE)	-	-
Impairment loss on assets	-	-
Interest income	(1.64)	(2.72)
<b>Operating profit/ (loss) before working capital changes</b>	<b>38.35</b>	<b>(9.91)</b>
<b>Adjustments for changes in:</b>		
Trade receivables	79.29	(84.80)
Inventories	302.65	(1,054.65)
Non current and current Financial Assets	4.01	7.88
Other non current and current assets	-	(10.27)
Trade payables	15.71	(278.62)
Non current and current Financial Liabilities	(46.54)	1,190.83
Other Non current and current Liabilities	(327.41)	(9.43)
Other Non current and Current provisions	-	-
<b>Cash generated from operations</b>	<b>66.06</b>	<b>(248.97)</b>
Income Tax (net)	(1.81)	(0.02)
<b>Net cash from operating activities</b>	<b>64.25</b>	<b>(248.99)</b>
<b>Cash flow from Investing activities</b>		
Payments for acquisition of Property, Plant & Equipment	-	(24.95)
Dividend received	-	-
Interest Received	1.64	2.72
Margin money deposit with bank	-	3.11
Advance for sale of undertaking	-	-
Proceeds from sale of shares	-	0.25
Proceeds from sale of assets	-	-
<b>Net cash from investing activities</b>	<b>1.64</b>	<b>(18.87)</b>
<b>Cash flow from financing activities</b>		
Proceeds from inter corporate loan-related party	-	-
Repayments of Non current Borrowings-Term loans - banks	-	(112.50)
Repayments of inter- corporate loan	-	-
Proceeds from unsecured loan-directors	21.79	674.44
Interest Paid	(84.27)	(277.23)
<b>Net cash (used in) financing activities</b>	<b>(62.48)</b>	<b>284.71</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3.41</b>	<b>16.85</b>
<b>Cash and cash equivalents</b>		
At beginning	5.70	2.75
At end	9.11	19.60
<b>NET INCREASE/ (DECREASE) IN CASH</b>	<b>3.41</b>	<b>16.85</b>



UDIN: 20026452AAAADD3810

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 November 9, 2020. 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 six months ended September 30, 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 into aia 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'.

4 Exceptional items consists of:

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/six months ended September 30, 2020 are not comparable with other reporting periods.

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

For Kantlagiri Spinning Mills Limited

*(Signature)*  
R. Srinivasan  
Managing Director  
DIN : 00001763

Salem  
November 9, 2020

*(Signature)*



UDIN: 20026452 AAAADD3810



# **R. SUNDARARAJAN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

**Independent Auditor's Review Report on Standalone Quarterly/Six 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/six months ended September 30, 2020 (the "financial results") which are included in the accompanying "Statement of Unaudited Financial Results for the quarter/six months ended September 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.



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**Email: krish\_ca@hotmail.com**



# R. SUNDARARAJAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

#### 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.

#### 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 : 20026452AAAAD E8575



Place : Salem

Dated:9<sup>th</sup> November 2020

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