



DEEPAK SPINNERS LIMITED

A Government Recognised Export House
Corporate Identification No. : L17111HP1982PLC016465
Plot No. 194 - 195, Fourth Floor, Industrial Area, Phase 2,
Chandigarh - 160002, India | Phone: + 91 172 265 0973/74/77
usha@dsl-india.com | www.dsl-india.com

REF.NO/DSL/PA/2020

Dated 30.06.2020

BSE Limited,
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.J.Towers,
Dalal Street,
Mumbai – 400001

Dear Sirs,

Subject : Outcome of Board Meeting
STOCK CODE : 514030

Dear Sir,

Please refer to our letter dated 25th June 2020, informing you about meeting of the Board of Directors of the Company to be held on Tuesday, the 30th June 2020. This is to inform you that the Board at its meeting held today has approved the Audited Financial Results of the Company for the year ended 31st March 2020.

The Financial Results along with the Audit Report, declaration on unmodified opinion on Auditors' Report are attached herewith for your records. The meeting commenced at 11.30 a.m and concluded at 12.30 p.m.

Yours faithfully,
FOR DEEPAK SPINNERS LIMITED


(PUNEETA ARORA)
COMPANY SECRETARY



Encl. : as above.

DEEPAK SPINNERS LIMITED

Regd. Office: 121, Indl. Area, Baddi, Dist. Solan, H.P.-173205

CIN: L17111HP1982PLC016465

Phone No. 0172-2650973, 2650974. Email: usha@dsl-india.com Website: www.dsl-india.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note - 2	Unaudited	Refer Note -2	Audited	
1. Revenue From Operations	8,408	10,575	10,862	46,088	47,469
2. Other Income	75	101	141	330	397
Total Income	8,483	10,676	11,003	46,398	47,866
3. Expenses					
(a) Cost of Materials Consumed	6,240	6,887	7,970	27,317	31,153
(b) Changes in Inventories of Finished Goods, Work-in Progress and Waste	(1,758)	(1,128)	(1,412)	1,288	(1,701)
(c) Employees Benefit Expenses	1,377	1,485	1,320	5,592	5,248
(d) Finance Cost	198	197	252	939	1,042
(e) Depreciation & Amortization Expenses	402	401	408	1,809	1,601
(f) Other Expenses	2,038	2,225	2,297	8,412	8,796
Total expenses (a to f)	8,497	10,047	10,835	45,157	46,137
4. Profit before Exceptional Items and Tax	(14)	629	168	1,241	1,729
5. Exceptional Items	-	-	-	-	298
6. Profit before Tax	(14)	629	168	1,241	2,025
7. Tax expenses					
- Current Tax	(120)	255	72	453	753
- Deferred Tax	(567)	(34)	(50)	(700)	(101)
8. Net Profit(Loss) for the Period	673	408	146	1,488	1,373
9. Other Comprehensive Income (OCI)					
a. Items that will not be reclassified to profit or loss (net of tax)	4	-	3	4	11
10. Other Comprehensive Income for the period	4	-	3	4	11
11. Total Comprehensive Income	677	408	149	1,492	1,384
12. Paid up Equity Share Capital (face value of Rs. 10/-each)	719	720	720	719	720
13. Other Equity				13,627	12,393
14. Earning Per share- In Rs.					
Basic and Diluted (In Rs.)- Not annualized	9.36	5.67	2.03	20.70	19.10

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	Audited	Audited
Assets		
Non-Current Assets		
Property, Plant and Equipment	16,520	17,588
Capital work-in-progress	78	79
Right of use Assets	215	-
Intangible Assets	55	78
Financial Assets		
a. Other Non Current Financial Assets	254	288
Other Non-Current Assets	52	53
	17,174	18,086
Current Assets		
Inventories	7,507	8,190
Financial Assets		
a. Trade Receivables	2,852	3,681
b. Cash and Cash Equivalents	33	97
c. Bank Balances other than (b) above	43	24
d. Other Financial Assets	206	188
Current Tax Assets (net)	257	170
Other Current Assets	1,499	1,751
	12,397	14,099
Total Assets	29,571	32,185
Equity And Liabilities		
Equity		
Equity Share Capital	719	720
Other Equity	13,627	12,393
	14,346	13,113
Liabilities		
Non- Current Liabilities		
Financial Liabilities		
a. Borrowings	2,489	3,824
b. Lease Liability	144	-
Long-Term Provisions	214	235
Deferred Tax Liabilities (Net)	1,357	2,057
	4,204	6,116
Current Liabilities		
Financial Liabilities		
a. Borrowings	5,059	5,407
b. Trade Payables		
a. Total outstanding dues of micro and small enterprises	42	50
b. Total outstanding dues of creditors other than micro and small enterprises	2,388	2,981
c. Other Financial Liabilities	1,738	2,956
d. Lease Liability	23	-
Other Current Liabilities	194	95
Short Term Provisions	1,579	1,433
Current Tax Liabilities (Net)	-	34
	11,021	12,956
	29,571	32,185

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2020

(Rs. in Lakhs)

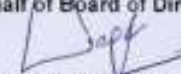
Particulars	Year Ended	Year Ended
	31.03.2020	31.03.2019
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit & Loss	1,241	2,025
Adjusted For :		
Depreciation and Amortization Expenses	1,609	1,601
Net profit on sale/discard of property, plant and equipment	(7)	10
Finance Costs	939	1,042
Interest Income	(219)	(193)
Allowances For Credit Losses	41	241
Operating profit before working capital changes	3,604	4,725

II Adjusted For :		
Change in Inventories	683	(947)
(Increase)/Decrease in Trade and other Receivables	1,053	(554)
Increase /Decrease) in Trade and Other Payables	(370)	446
Cash generation from Operation	4,970	3,670
Less - Income Tax Paid (net of Refund)	574	758
Net Cash Flow from Operating Activities (A)	4,396	2,912
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Movement in Fixed Deposit	(0)	(8)
Interest Received	219	193
Purchases of Property, Plant and Equipments (including capital advance)	(560)	(560)
Proceeds from sales of Property, plant & Equipments	14	10
Net Cash Generated/ (Used) - Investing Activities	(328)	(365)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	(2,536)	(2,168)
Proceeds of Long Term Borrowings	-	28
Net Proceeds / (Repayment) of Short Term Borrowings	(348)	658
Dividend including dividend distribution tax paid	(260)	-
Finance Costs Paid	(963)	(1,042)
Payment of Lease liability	(26)	-
Net Cash Generated/ (Used) - Financing Activities	(4,133)	(2,524)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(64)	23
Add : Opening Cash and Cash Equivalents	97	74
Closing Cash and Cash Equivalents	33	97

Notes:

- The business activity of the Company falls within a single primary business segment viz 'Yarn' and hence there is no other reportable segment as per Ind AS 108 'Operating Segments'.
- The figures for three months ended 31st March, 2020 and 31st March, 2019 are the balancing figure between audited figures in respect of the full financial year and published year to date figures up to the nine months of the current financial year.
- Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach, accordingly comparative information has not been restated. The adoption of the new standard has resulted in recognising a right of use assets and corresponding lease liabilities. The effect of the adoption does not have any material impact on the financial results.
- The Company's operations were affected during the quarter ended 31st March, 2020 due to lockdown announced on account of COVID-19 pandemic by State/Central Govt. w.e.f. 23rd March, 2020. Company has re-started its operations on 10th April 2020 and 20th April 2020 for Baddi & Guna unit respectively, after seeking necessary permission and approvals and following social distancing, hygiene and other safety measures. The Company estimates to recover the carrying amount of all its assets including inventories and receivables in the ordinary course of business based on information available on current economic conditions. These estimates are subject to uncertainty and may be effected by the severity and duration of pandemic. The Company is continuously monitoring any material changes in future economic conditions.
- During the year the company has adopted revised income tax rate of 22% as the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA, in the Income Tax Act, 1961, which provides an option to the Company for paying income tax rate at reduced rates as per the provisions/conditions defined in the said section. Due to adoption of revised income tax rate, the company has remeasured its opening deferred tax and reversed net deferred tax liability of Rs. 575.42 lakhs.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 30th June, 2020.

For and behalf of Board of Directors


Yashwant Kumer Daga
Director

Place : Kolkata
Date : 30th June, 2020

JKVS & CO.

Chartered Accountants

Independent Auditor's Report on the Quarterly and Annual Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Deepak Spinners Limited

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and annual audited financial results of Deepak Spinners Limited ("the Company"), for the quarter and year ended March 31 2020 ("the Statement"), 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 "Listing Regulations").

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

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income for the quarter ended March 31, 2020, net profit and other comprehensive income for the year ended March 31, 2020 and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

Page 1 of 3

209, Hans Bhawan 1, Bahadur Shah Zafar Marg, New Delhi-110002
Email ID : newdelhi@jkaganwal.com | Ph. No.: 9015157141, 9891751599
Office at Kolkata & Mumbai



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judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



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Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Date: June, 30, 2020
Place: New Delhi



For JKVS & Co,
Chartered Accountants
Firm Reg. No. 318086E

Sajal Goyal
Sajal Goyal
Partner

Membership No. 523903

UDIN : 20523903 AAAA331533



DEEPAK SPINNERS LIMITED

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REF.NO/DSL/PA/2020

Dated 30th June 2020

BSE Limited,
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.J.Towers,
Dalal Street,
Mumbai – 400001

Dear Sirs,

Subject : Declaration in case of Audit Report with Unmodified Opinion
Reference : Regulation 33 of SEBI(LODR) Regulations, 2015

STOCK CODE : 514030

Dear Sir,

Pursuant to Regulation 33 (3)(d) of SEBI (LODR) Regulations, 2015 as amended by notification no. SEBI/LAD-NRO/GN/2016-17/001 DATED 25.5.2015 AND Circular no. CIR/CFD/CMD/56/2016 dated 27.5.2016 , we confirm that the Statutory Auditors of the Company, M/s. J K V S & Co, Chartered Accountants (Registration no. 318086E) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the quarter and year ended on 31.3.2020.

Thanking You,

Yours faithfully,
FOR DEEPAK SPINNERS LIMITED

(PUNEETA ARORA)
COMPANY SECRETARY

