

November 12, 2020

To,
Manager- Dept. of Corporate Services
BSE Ltd.
25th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 542862

Sub: Outcome of Board meeting held on 12/11/2020 pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

This is to inform you that the Board of Directors of the Company at their meeting held on Thursday, the 12th November, 2020, inter alia, transacted the following business:

1. Considered and approved the Un-audited Financial Results for the quarter and half year ended on 30th September, 2020.
2. Noted the receipt of compensation against part of the property (land area admeasuring 22619 sq. mtrs. and part of 1 constructed factory premises) owned by the Company situated at land bearing Block no. 74, 75, 76 and 81 at Village: Karanj, Taluka: Mandvi, Dist.: Surat under compulsory acquisition by Government of India for Vadodara-Mumbai Express Highway. Operations of the Company will not be adversely affected since the activities carried out at the said location is not material in the context of the complete manufacturing set up of the Company and these can be easily transferred to other locations. Moreover the Company has sufficient manufacturing space available in existing set up at other locations.
3. Decided to approach The Cosmos Co-operative Bank Ltd. for restructuring of credit facilities of the company as per the guidelines of the Bank/Reserve Bank of India for corporate restructuring of standard accounts. The Company voluntarily proposes for resolution plan in view of uncertain business prospects and stress in cash flow in short term on account of ongoing COVID-19 pandemic situation.

We submit herewith Un-audited Financial Results for the quarter and half year ended on 30th September, 2020.

The Meeting of the Board of Directors of the Company commenced at 11.45 a.m. and concluded at 4:50 p.m. Please take the same on your record.

Thanking you.

Yours faithfully,
For Shahlon Silk Industries Limited



Hitesh K. Garmora
Company Secretary

Independent Auditor's Review Report on Quarterly Unaudited 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,
SHAHN Silk Industries Limited,
91, GIDC Khatodra, Behind Sub Jail,
Ring Road, Surat -395002,
Gujarat, India.

We have reviewed the accompanying statement of standalone unaudited financial results of "Shahlon Silk Industries Limited" for the quarter ended 30th September, 2020 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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 Standards (Ind-AS) – 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 is the responsibility of companies management and has been approved by the Board of Directors of the company. Our responsibility is to issue a report on the Statement based on our review.

We have conducted our review 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 financial statements are 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 draw your attention to Note No. 4 to the statement which explains the impact of COVID-19 on the operations of the Company and the management assessment thereon.



Based on our review conducted as 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 as laid down in Indian Accounting standards (Ind-AS) 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized 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 SEBI Circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Rasesh Shah & Associates
Chartered Accountants
ICAI Firm Registration No.: 0108671W**

Rasesh

**Rasesh B. Shah (Partner)
Membership No.: 034217
UDIN: 20034217AAAABH8987**



**Place: Surat
Date: 12-11-2020.**

SHAHLON SILK INDUSTRIES LTD.



Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended 30th September 2020

(₹ In lakhs)

Particulars		For the quarter months ended (dd-mm-yyyy)			For the six months ended (dd-mm-yyyy)		For the Year ended
		01-07-20	01-04-20	01-07-19	01.04.2020	01-04-19	01-04-19
A	Date of start of reporting period	01-07-20	01-04-20	01-07-19	01.04.2020	01-04-19	01-04-19
B	Date of end of reporting period	30-09-20	30-06-20	30-09-19	30.09.2020	30-09-19	31-03-20
C	Whether results are audited or unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue From Operations						
(a)	Revenue from operations	3,959.34	1,041.04	8,902.61	5,000.38	18,856.81	38,214.68
(b)	Other income	5.18	13.24	11.89	18.42	20.69	37.11
	Total Revenue	3,964.52	1,054.27	8,914.51	5,018.79	18,877.50	38,251.80
2	Expenses						
(a)	Cost of materials consumed	2,259.51	622.01	2,580.89	2,881.52	6,977.80	16,233.11
(b)	Purchases of stock-in-trade	184.66	91.87	2,918.26	276.54	5,140.41	10,999.69
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(301.74)	(168.16)	224.70	(469.90)	316.17	(327.18)
(d)	Employee benefit expense	467.44	214.27	924.89	681.71	1,763.87	3,281.88
(e)	Finance costs	570.35	337.68	488.98	908.03	961.53	1,822.00
(f)	Depreciation and amortisation expense	278.99	276.88	318.22	555.87	636.44	1,317.36
(g)	Other Expenses						
i	Manufacturing Expenses	536.37	216.24	997.92	752.61	2,034.46	3,798.05
ii	Administrative & Other Expenses	88.83	73.00	164.56	161.82	344.12	615.09
iii	Selling & Distribution Expenses	153.94	22.40	93.83	176.35	189.86	399.18
	Total other expenses	779.14	311.64	1,256.30	1,090.78	2,568.43	4,812.32
	Total expenses	4,238.35	1,686.19	8,712.23	5,924.54	18,364.65	38,139.19
3	Profit before exceptional and extraordinary items and tax	(273.83)	(631.92)	202.27	(905.75)	512.85	112.61
4	Exceptional items	275.52	-	-	275.52	-	-
5	Profit before extraordinary items and tax	1.69	(631.92)	202.27	(630.23)	512.85	112.61
6	Extraordinary items	-	-	-	-	-	-
7	Profit before tax	1.69	(631.92)	202.27	(630.23)	512.85	112.61
8	Tax Expense						
	Current tax	(1.73)	-	68.58	(1.73)	159.66	98.18
	Deferred tax	(35.17)	(23.66)	(27.98)	(58.82)	(51.06)	(10.98)
	Total tax expenses	(36.90)	(23.66)	40.60	(60.56)	108.60	87.20
9	Net Profit Loss for the period	38.59	(608.26)	161.68	(569.67)	404.25	25.41
10	Other Comprehensive Income/(Expense) for period						
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	115.84
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income for the year (Net of Tax)	-	-	-	-	-	115.84
11	Total Comprehensive Income for the period (9+10)	38.59	(608.26)	161.68	(569.67)	404.25	141.25
12	Details of equity share capital						
	Paid-up equity share capital	1,786.05	1,786.05	1,786.05	1,786.05	1,786.05	1,786.05
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00	10.00
13	Other Equity (excluding Revaluation Reserves)						6,689.60
14	Earnings per equity share						
	Basic earnings (loss) per share	0.22	(3.41)	0.91	(3.19)	2.26	0.15
	Diluted earnings (loss) per share	0.22	(3.41)	0.91	(3.19)	2.26	0.15

FOR SHAHLON SILK INDUSTRIES LTD.



(Signature)

DIRECTOR / AUTHORISED SIGNATORY

Statement of Assets and Liability as at 30th September 2020 (₹ In lakhs)

Particulars	Current year	Previous year
	ended (dd-mm-yyyy)	ended (dd-mm-yyyy)
Date of start of reporting period	01-04-20	01-04-19
Date of end of reporting period	30-09-20	31-03-20
Whether results are audited or unaudited	Unaudited	Audited
Assets		
1 Non-current assets		
Property, plant and equipment	10,382.76	11,089.08
Capital work-in-progress	488.45	432.18
Intangible assets	27.49	30.99
Investment property	-	-
Goodwill	-	-
Other intangible assets	-	-
Intangible assets under development	70.16	143.17
Non-current financial assets		
Non-current investments	89.48	79.48
Loans, Non-current	-	-
Other Non-current Financial assets	-	-
Total non-current financial assets	89.48	79.48
Deferred tax assets (net)	-	-
Other non-current assets	802.04	799.82
Total non-current assets	11,860.38	12,574.72
2 Current assets		
Inventories	5,408.79	5,209.35
Current financial asset		
Current investments	-	-
Trade receivables	9,659.77	10,384.23
Cash and cash equivalents	22.33	18.18
Bank balance other than cash and cash equivalents	194.83	165.20
Loans, current	-	-
Other current financial assets	-	-
Total current financial assets	9,876.93	10,567.61
Current tax assets (net)	-	-
Other current assets	1,079.80	926.17
Total current assets	16,365.52	16,703.14
3 Non-current assets classified as held for sale		
Regulatory deferral account debit balances and related deferred tax Assets	-	-
Total assets	28,225.90	29,277.86
Equity and liabilities		
1 Equity		
Equity Share capital	1,786.05	1,786.05
Other equity	6,657.48	7,227.16
Total equity	8,443.53	9,013.21
2 Liabilities		
Non-current liabilities		
Non-current financial liabilities		
Borrowings, non-current	7,642.71	5,121.36
Trade payables, non-current	-	-
Other non-current financial liabilities	-	-
Total non-current financial liabilities	7,642.71	5,121.36
Provisions, non-current	-	-
Deferred tax liabilities (net)	98.67	157.49
Deferred government grants, Non-current	-	-
Other non-current liabilities	194.36	197.86
Total non-current liabilities	7,935.74	5,476.51
Current liabilities		
Current financial liabilities		
Borrowings, current	9,121.26	9,437.41
Trade Payables	2,263.17	4,103.35
Other current financial liabilities	462.09	1,274.53
Total current financial liabilities	11,846.52	14,815.29
Other current liabilities	-	-
Provisions, current	-	-
Current tax liabilities (Net)	0.11	(27.15)
Deferred government grants, Current	-	-
Total current liabilities	11,846.63	14,788.13
3 Liabilities directly associated with assets in disposal group classified as held for sale		
Regulatory deferral account credit balances and related deferred tax liability	-	-
Total liabilities	19,782.37	20,264.65
Total equity and liabilities	28,225.90	29,277.86

NOTES

1	The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th November, 2020.
2	The financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3	Exceptional items include Profit on Land under compulsory acquisition by Government of India for Vadodara - Mumbai Express Highway of Rs. 275.52 lakhs.
4	The operations and financial results of the company for the quarter ended 30th Sep, 2020 were adversely impacted on account of the lock down imposed by the Government of India due to the Covid-19 Pandemic. The manufacturing plants operations partially resumed at lower capacities from 27th April, 2020 till the end of quarter. The results for the quarter are therefore not comparable with those for the previous quarter. The company has assessed the impact of the above, and there is no impact on the going concern of the company.
5	The Company is engaged in the business of "Textiles" and therefore has only one reportable segment in accordance with Ind AS 108 'Operating Segments'.
6	Previous years' figures have been regrouped / rearranged wherever considered necessary.

Date : 12.11.2020
Place: SURATFor Shahlon Silk Industries Ltd.
By Order of the Board

Director

SHAHLON SILK INDUSTRIES LTD.

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE Half-YEAR ENDED 30th September, 2020	30-09-20 Unaudited (₹ in lakhs)	2019-20 Audited (₹ in lakhs)
(A) Cash Flow from Operating Activities :		
Net profit before Tax and Extraordinary Items	(630.23)	228.45
<u>Adjusted For :</u>		
Depreciation	555.87	1,317.36
Interest Paid	908.03	1,822.00
Proportionate Capital Subsidy on Plant Machinery	(3.30)	(6.59)
Extra ordinary item ((Profit) /loss on sale of assets)	(278.39)	(12.23)
Operating Profit before Working Capital Charges	551.98	3,348.99
<u>Adjusted For :</u>		
Trade and other receivables	570.83	1,264.03
Inventories	(199.44)	124.59
Trade payables & Provisions	(2,625.57)	(123.36)
Cash Generated From Operations	(1,702.20)	4,614.24
Interest Paid on operations	(794.27)	(1,559.48)
Cash flow before Extraordinary items	(2,496.47)	3,054.76
Short Provision for taxation (Earlier Year)	(1.73)	-
Current tax	-	(98.18)
Net Cash from Operating Activities	(2,498.21)	2,956.58
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(60.63)	(872.90)
Sales of Fixed Assets	440.38	56.71
(Purchase) / Sales of Investments	(10.00)	(9.12)
Long Term Advances	41.17	302.30
Net Cash used in Investing Activities	410.92	(523.01)
(C) Cash Flow from Financing Activities		
Repayment of Finance / Lease / Loan (Net)	2,521.34	(1,632.14)
Short Term Loan	(316.15)	(343.65)
Interest Paid on Term Loan	(113.76)	(262.52)
Dividend Paid including Dividend Distribution Tax	-	(107.48)
Net Cash used in Financial Activities	2,091.44	(2,345.80)
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	4.15	87.78
Opening Cash and Cash Equivalents	213.01	125.23
Closing Cash and Cash Equivalents	217.16	213.01



FOR SHAHLON SILK INDUSTRIES LTD.

Rakesh
DIRECTOR / AUTHORISED SIGNATORY