

REF.NO/DSL/PA/2023

Dated 24.05.2023

To,
BSE Limited,
P. J. Towers, 25th Floor,
Dalal Street,
Mumbai – 400 001
SCRIP CODE – 514030

Sirs,

Sub. : Outcome of meeting of the Board of Directors of Deepak Spinners Limited ('the Company')
Ref. : Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
('Listing Regulations')

Please refer to our letter dated 12th May 2023, informing you about meeting of the Board of Directors of the Company to be held on Wednesday, the 24th May 2023. This is to inform you that the Board at its meeting held today has –

- i) Approved the Audited Financial Results of the Company for the year ended 31st March 2023.
- ii) Recommended a dividend of Rs 2.50/- (Rupees Two and Fifty Only) per equity share of Rs. 10/- each equivalent to 25% (Twenty Five Percent) on paid up equity share capital of the Company for the year ended on 31st March 2023. The dividend will be subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.

Please find attached the following –

- a) Audited Financial Results
- b) Auditors' Report,
- c) Declaration on unmodified opinion of Auditors' Report.

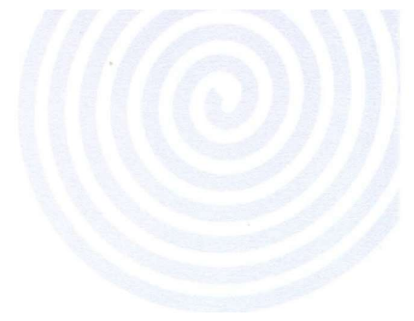
The meeting commenced at 4.00 p.m and concluded at 6.40 p.m.

The date of Annual General Meeting and book closure date will be intimated separately.

Yours faithfully,
FOR DEEPAK SPINNERS LIMITED

(PUNEETA ARORA)
COMPANY SECRETARY

Encl. : as above.



REF.NO/DSL/PA/2023

Dated 24th May 2023

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

SCRIP CODE : 514030

Dear Sirs,

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

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. Salarpuria & Partners, Chartered Accountants (Registration no. 302113E) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the quarter and year ended on 31.3.2023.

Thanking You,

Yours faithfully,
FOR DEEPAK SPINNERS LIMITED

(PUNEETA ARORA)
COMPANY SECRETARY



Salarpuria & Partners

CHARTERED ACCOUNTANTS

7, C. R. AVENUE, KOLKATA - 700 072

Phone : 2237 5400 / 5401, 4014 5400 - 5410

website : www.salarpuriaajajodia.com

e-mail : salarpuria.jajodia@rediffmail.com

office@salarpuriaajajodia.com

Branches at New Delhi & Bangalore

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

To the Board of Directors of DEEPAK SPINNERS LIMITED,

Report on the Audit of Financial Results

Opinion

We have audited the accompanying quarterly financial results of Deepak Spinners Limited ("the Company"), for the quarter ended March 31, 2023 and the year-to-date results for the period from 01.04.2022 to 31.03.2023 ("the statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listed 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:

- i. are presented in accordance with the requirement of Regulations 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the Profit including other comprehensive income and other financial information for the quarter ended March 31, 2023 as well as the year-to-date results for the period from 01.04.2022 to 31.03.2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 results under the provisions of the Companies Act, 2013 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.





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Management's Responsibilities for the Financial results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors have been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 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 Regulations 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 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors 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 financial results 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, but for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.





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- Conclude on the appropriateness of Board of Directors 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 statement 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.

Materiality is the Magnitude of Misstatements in the Statement that, individually or in aggregate, make 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 Matters

1. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures upto nine months of the current financial year, which were subjected to a limited review by us, as required under the listing regulations.
2. The Comparative financial information of the company for the corresponding quarter and year ended March 31, 2022 were audited by J K V S & Co., Chartered Accountants, the predecessor auditor who expressed an unmodified opinion vide their report dated May 10, 2022.
3. We have placed reliance on the reports given by the predecessor auditor for the purpose of our report on the financial results for the corresponding quarter and year ended March 31, 2022.

Our Opinion is not modified in respect of matters stated in other matters paragraph.

For Salarpuria & Partners

Chartered Accountants

(Firm ICAI Regd. No.302113E)

Anand Prakash


Chartered Accountant
Membership No.-56485
Partner



UDIN: 23056485BGZEIE8303

Place: Kolkata

Date: 24.05.2023

DEEPAK SPINNERS LIMITED

Regd. Office: 121, Indl Area, Baddi, Distt. 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, 2023

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	Refer Note - 2	Unaudited	Refer Note - 2	Audited	
1. Income					
(a) Revenue From Operations	10,791	14,004	13,842	56,136	53,153
(b) Other Income	95	44	83	228	324
Total Income	10,886	14,048	13,925	56,364	53,477
2. Expenses					
(a) Cost of Materials Consumed	7,984	8,928	8,411	34,151	29,947
(b) Changes in Inventories of Finished Goods, Work-in Progress and Waste	(2,908)	(1,161)	(916)	(3,408)	(449)
(c) Employees Benefit Expenses	1,810	1,873	1,587	7,236	6,338
(d) Finance Cost	92	58	90	288	438
(e) Depreciation & Amortization Expenses	398	437	399	1,601	1,568
(f) Other Expenses	2,684	2,766	2,757	11,094	10,376
Total expenses (a to f)	10,060	12,901	12,328	50,962	48,218
3. Profit before Exceptional Items and Tax	826	1,147	1,597	5,402	5,259
4. Exceptional Items	-	-	-	-	-
5. Profit before Tax	826	1,147	1,597	5,402	5,259
6. Tax expenses					
- Current Tax	195	289	429	1,350	1,496
- Deferred Tax	33	2	(25)	43	(166)
7. Profit after Tax for the Period	598	856	1,193	4,009	3,929
8. Other Comprehensive Income (OCI)					
a. Items that will not be reclassified to profit or loss (net of tax)	28	-	11	28	11
9. Other Comprehensive Income for the period	28	-	11	28	11
10. Total Comprehensive Income for the period	626	856	1,204	4,037	3,940
11. Paid up Equity Share Capital (face value of Rs. 10/-each)	719	719	719	719	719
12. Other Equity				22,836	18,979
13. Earning Per share- In Rs.					
Basic and Diluted (In Rs.)- Not annualized	8.32	11.91	16.59	55.76	54.64



STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
	Audited	Audited
Assets		
Non-Current Assets		
Property, Plant and Equipment	17,814	14,862
Capital work-in-progress	370	74
Right of use Assets	147	168
Other Intangible Assets	4	14
Financial Assets		
a. Investment	2	2
b. Other Non Current Assets	482	341
Other Non-Current Assets	808	1,704
	19,627	17,165
Current Assets		
Inventories	9,838	8,118
Financial Assets		
a. Trade Receivables	2,967	3,314
b. Cash and Cash Equivalents	36	7
c. Bank Balances other than (b) above	56	61
d. Other Financial Assets	187	188
Current Tax Assets (net)	381	361
Other Current Assets	1,779	1,235
	15,244	13,284
Total Assets	34,871	30,449
Equity And Liabilities		
Equity		
Equity Share Capital	719	719
Other Equity	22,836	18,979
	23,555	19,698
Liabilities		
Non- Current Liabilities		
Financial Liabilities		
a. Borrowings	362	891
b. Lease Liabilities	101	115
Provisions	172	169
Deferred Tax Liabilities (Net)	1,230	1,177
	1,865	2,352
Current Liabilities		
Financial Liabilities		
a. Borrowings	4,469	3,867
b. Lease Liabilities	19	21
c. Trade Payables		
a. Total outstanding dues of micro and small enterprises	89	75
b. Total outstanding dues of creditors other than micro and small enterprises	2,316	1,760
d. Other Financial Liabilities	1,050	963
Other Current Liabilities	138	366
Provisions	1,325	1,286
Current Tax Liabilities (Net)	45	61
	9,451	8,399
Total Equity and Liabilities	34,871	30,449

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2023

(Rs in Lakhs)

Particulars	Year Ended	Year Ended
	31.03.2023	31.03.2022
	Audited	Audited
A. Cash Flow from Operating Activities		
Net Profit before Tax	5,402	5,259
Adjustment for :		
Depreciation and Amortization Expense	1,801	1,568
Net profit on sale/discard of property, plant and equipment	(62)	(31)
Finance Costs	288	438
Provision for Exepected Credit Loss written back	-	(6)
Interest Income	(105)	(121)
Dividend on Non-Current Investment	(1)	(1)
Sundry credit balance written back	(4)	
Provision for Exepected Credit Losses	-	150



Operating Profit Before Working Capital Changes	7,119	7,256
Movements in working capital :-		
(Increase)/ Decrease in Inventories	(1,720)	(2,221)
(Increase)/Decrease in Trade and other Receivables	(327)	(316)
Increase /(Decrease) in Trade and Other Payables	491	659
Cash Generated from Operations	5,563	5,378
Less :- Income Tax Paid (net of refunds)	(1,390)	(1,495)
Net Cash from Operating Activities	4,173	3,883
B. Cash Flow from Investment Activities		
Movement in Fixed Deposits	17	(11)
Interest received	105	123
Purchases of Property, Plant and Equipments (including capital advance)	(3,951)	(2,808)
Proceeds from sales of Property, Plant & Equipments	81	79
Purchase of Investment	-	(2)
Dividend on Non-Current Investment	1	1
Net Cash Used in Investing Activities	(3,747)	(2,618)
C. Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(563)	(935)
Net Proceeds / (Repayment) of Short Term Borrowings	637	224
Dividend paid	(180)	(144)
Payment of Lease liabilities	(17)	(13)
Finance Costs	(274)	(447)
Net Cash Used in Financing Activities	(397)	(1,315)
Net Increase/ (Decrease) in Cash and Cash Equivalents	29	(50)
Cash and Cash Equivalents at the beginning of the year	7	57
Cash and Cash Equivalents at the end of the year (Refer note 11)	36	7
	29	(50)

Notes:

1. 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'.
2. The figures for three months ended 31st March, 2023 and 31st March, 2022 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 respective financial year.
3. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 24th May, 2023.
4. The Board of directors in their meeting held on 24th May, 2023 have recommended dividend of Rs. 2.50 per share subject to approval of the shareholders in the Annual General Meeting.
5. The figure for the previous periods have been regrouped/ rearranged, wherever considered necessary.

For and behalf of Board of Directors

P.K Daga
P.K Daga

Chairman and Managing Director

Place : Chandigarh
Date : 24th May, 2023

