



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SALONA COTSPIN LIMITED

1. We have reviewed the accompanying statement of Unaudited Financial Results of Salona Cotspin Limited ("the Company"), for the quarter and six months ended September 30, 2020 ("the statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI-(Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the Company's 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 as amended, read with relevant rules issues 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 Engagement (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 the 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 specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 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 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Gopalaiyer and Subramanian
Chartered Accountants
FRN: 000960S

R. Mahadevan
Partner
M.No. 027497



UDIN : 20027497AAAAPN3356

Place : Coimbatore
Date : 11.11.2020

SALONA COTSPIN LIMITED
CIN L17111TZ1994PLC004797

Regd. Office : S.F.No. 74/12 & 75/3, Sathy Main Road, Pungampalli Village, Valipalayam Post
Sathy Taluk, Erode District. Pin No. 638 402

PART I

STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR AND THREE MONTHS ENDED 30TH SEPTEMBER 2020

(Rs.in lakhs)

Sl No.	PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	
		(Unaudited)		(Unaudited)		Audited
I	Income from Operations :					
	Revenue from Operations	5,294.09	2,493.92	2,909.92	7,788.01	5,932.87
II	Other Income	-	0.14	0.13	0.14	0.13
	Total Income	5,294.09	2,494.06	2,910.05	7,788.15	5,933.00
III	Expenditure					
	a) Cost of Materials consumed	1,396.29	795.93	1,477.31	2,192.22	3,226.26
	b) Purchases of Stock in trade	2,645.13	1,150.95	176.22	3,796.08	555.23
	c) Changes in Inventories of Finished goods/WIP/Stock in Trade	20.05	(30.36)	434.81	(10.31)	421.64
	d) Employees benefit expenses	160.01	93.58	172.10	253.59	347.14
	e) Finance costs	64.72	89.83	110.24	154.55	228.59
	f) Depreciation and Amortisation expenses	68.79	68.80	77.33	137.59	154.66
	g) Other Expenditure	789.16	301.81	445.16	1,090.97	881.18
	Total expenditure	5,144.15	2,470.54	2,893.17	7,614.69	5,814.70
IV	Profit/(Loss) before exceptional items and Tax	149.94	23.52	16.88	173.46	118.30
V	Exceptional items	-	-	-	-	-
VI	Profit/(Loss) from ordinary activities before Tax (5-6)	149.94	23.52	16.88	173.46	118.30
VII	Tax expense	25.31	3.93	3.47	29.24	24.35
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
VIII	Net Profit/(Loss) from ordinary activities after Tax(9-10)	124.63	19.59	13.41	144.22	93.95
IX	Other Comprehensive Income	-	-	-	-	-
						117.35
						(2.68)

X	Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after Tax) and other Comprehensive Income (after Tax))	124.63	19.59	13.41	144.22	93.95	114.67
XI	Paid up Equity Share Capital (Face value Rs 10/- each)	526.24	526.24	526.24	526.24	526.24	526.24
XII	Earnings per Share						
	i) Basic	2.37	0.37	0.25	2.74	1.79	2.23
	ii) Diluted	2.37	0.37	0.25	2.74	1.79	2.23

PART II

SELECT INFORMATION FOR THE HALF YEAR AND THREE MONTHS ENDED 30TH SEPTEMBER 2020

Sl No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	
		(Unaudited)					
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	1790044	1945048	1987044	1790044	1987044	1945048
	- Percentage of shareholding	34.02%	36.96%	37.76%	34.02%	37.76%	36.96%
2	Promoters and Promoter Group Shareholding						
	(a) Pledge/Encumbered						
	- Number of Shares	0	0	0	0	0	0
	- Percentage of shares promoter group)	0	0	0	0	0	0
	- Percentage of shares (as a % of the total share capital of the Company)	0	0	0	0	0	0
	(b) Non-encumbered						
	- Number of Shares	3472356	3317352	3275356	3472356	3275356	3317352
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	65.98%	63.04%	62.24%	65.98%	62.24%	63.04%

	Particulars	FOR THE QUARTER ENDED 30.09.2020
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	- Nil -
	Received during the quarter	- Nil -
	Disposed of during the quarter	- Nil -
	Remaining unresolved at the end of the quarter	- Nil -

SALONA COTSPIN LIMITED

STATEMENT OF ASSETS AND LIABILITIES

(Rs.in Lakh)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
ASSETS		
(1) Non -Current Assets		
(a) Property, Plant and Equipment	2263.85	2382.60
(b) Capital Work-in-progress	0.00	0.00
(c) Investment Property	-	-
(d) Intangible assets	8.03	9.85
(e) Financial Assets		
(i) Investments	0.72	0.72
(f) Other Non-Current Assets	192.53	235.13
Total Non-Current Assets	2465.13	2628.30
(2) Current Assets		
(a) Inventories	2291.47	3666.40
(b) Financial Assets		
(i) Trade Receivables	2759.64	1350.67
(ii) Cash & Cash equivalents	14.42	19.24
(iii) Other Bank Balances	259.88	37.46
(iv) Other Financial Assets	394.42	136.73
(c) Other Current Assets	515.51	492.32
Total Current Assets	6235.34	5702.82
TOTAL ASSETS	8700.47	8331.12
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	532.89	532.89
(b) Other Equity	2820.16	2675.95
Total Equity	3353.05	3208.84
(2) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1093.25	651.17
(b) Provisions	70.10	62.99
(c) Deferred Tax Liabilities (Net)	121.40	121.40
(d) Other Non Current Liabilities	-	-
Total Non-Current Liabilities	1284.75	835.56
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2818.83	3146.40
(ii) Trade Payables	684.54	667.67
(b) Other Current Liabilities	525.15	456.41
(c) Provisions	25.36	16.24
(d) Current Tax Liabilities (Net)	8.79	
Total Current Liabilities	4062.67	4286.72
TOTAL EQUITY AND LIABILITIES		

NOTES :

- 1 The above Unaudited Financial Results were reviewed by the Audit Committee of Directors and taken on record by the Board of Directors at their meeting held on 11th November 2020.
- 2 Statutory Auditors of the Company have carried out "Limited Review" of the above financial results for the Half year ended September 30, 2020.
- 3 The Company has only one business segment in operation. i.e. Textile Business. Hence segment wise reporting is not applicable.
- 4 The Company Adopted Indian Accounting Standards (IND AS) from April 1st, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 "Interim Financial Reporting" prescribed Under Sec. 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- 5 Tax provision for deferred tax will be considered in the Annual Results.
- 6 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including trade receivables, inventories and other current /non-current assets (net of provisions established) for any possible impact on the standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the carrying amount of the assets will be recovered and no material adjustments is required in the preparation of these standalone financial results. The Management believes that the Company will not have any challenge in meeting its financial obligations for the financial year 2020 - 21. In this regard, the Company will continue to closely monitor any material changes to future economic conditions.
- 7 The Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs in accordance with the IND AS
- 8 These financial results have been prepared in accordance with Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.
- 9 The Company continues to adopt measures to curb the impact of COVID 19 Pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The company has considered the impact of COVID 19 Pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expect that the carrying amount of the assets will be recovered. However, the impact assessment of this Pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Company will continue to monitor any material changes to future economic conditions.
- 10 Impact of IND AS on Employee Benefits will be considered in the Annual Results
- 11 Previous period figures have been regrouped and reclassified wherever necessary.

Place : Coimbatore

Date : 11th November 2020

BY ORDER OF THE BOARD

For SALONA COTSPIN LIMITED



SHYAMLAL AGARWALA

MANAGING DIRECTOR

SALONA COTSPIN LIMITED
UN-AUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2020

Particulars		30th September 2020	30th September 2019
		Rs.	Rs.
A	Cash flow from operating activities:		
	Net Profit before taxation and extra ordinary items	1,73,45,578	1,18,29,974
	Adjustments for:		
	Depreciation	1,37,58,828	1,54,66,320
	Deferred Expenses written off	-	-
	Profit on sale of fixed assets	-	-
	Profit on sale of Investments	-	-
	Interest and financial charges paid	1,54,54,881	2,28,58,556
	Dividend Income	0	-
	Interest receipts	(13,806)	-
	Direct Taxes	(29,24,000)	(24,35,410)
	Operating profit before working capital changes	4,36,21,481	4,77,19,440
	Adjustments for working capital changes		
	(Increase)/Decrease in Operating assets		
	Inventories	13,74,92,844	9,19,07,516
	Trade receivables	(14,08,96,350)	7,04,14,551
	Loans and Advances - short term	(2,57,68,753)	(15,45,953)
	Other Current Assets	(2,45,61,085)	(1,81,49,583)
	Other non-current assets	-	-
	Increase/(Decrease) in Operating liabilities		
	Trade payables	16,86,944	(1,08,53,653)
	Other Current Liabilities	68,74,397	(96,29,306)
	Short term Provisions	17,91,281	13,87,817
	Loans and Advances - long term	42,59,910	(57,27,238)
	Long Term Provisions	7,10,400	7,10,400
	Net cash flow from operating activities (A)	52,11,069	16,62,33,991
B	Cash flow from investing activities:		
	Purchase of Fixed Assets	(17,01,314)	(19,00,584)
	Purchase of Investment	-	22,23,130
	Sale of Fixed Assets	-	2,79,775
	Sale of Investments	-	-
	Advance for Capital Goods	-	-
	Deferred Revenue Expenditure	-	-
	Interest receipts	13,806	-
	Dividend Income	-	-
	Net cash from investing activities (B)	(16,87,508)	6,02,321
C	Cash flow from financing activities:		
	Proceeds from long term borrowings	4,42,07,790	(99,25,670)
	Repayment of long term borrowings	-	-
	Proceeds from short term borrowings	(3,27,58,069)	(13,30,88,454)
	Repayment of short term borrowings	-	-
	Increase/(Decrease) in Secured Loan	-	-
	Increase/(Decrease) in long term borrowings	-	-
	Increase/(Decrease) in Unsecured Loan	-	-
	Increase/(Decrease) in short term borrowings	(3,27,58,069)	(13,30,88,454)
	Interest and financial charges paid	(1,54,54,881)	(2,28,58,556)
	Increase In share Capital	-	-
	Dividend Paid	-	6,49,020
	Net cash from financing activities	(40,05,160)	(16,65,21,700)
	Net increase/(decrease) in cash and cash equivalents	(4,81,599)	3,14,612
	Cash & cash equivalents at the beginning of the year	19,23,527	7,66,105
	Cash & cash equivalents at the close of the year	14,41,928	10,80,717
	Cash and Cash equivalents at the close of the year comprise of		
	Cash on hand	13,15,268	7,63,104
	Cash at bank in current accounts	1,26,659	3,17,612
		14,41,928	10,80,716

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