

June 30, 2020

To,

**The Manager,
Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai - 400 001**

**The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051**

Scrip Code: 512519

Symbol: DONEAR

Ref.: Regulations 30, 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Sub: Outcome of Board Meeting of Donear Industries Limited held on June 30, 2020.

Dear Sir / Madam,

1. The Board of Directors of the Company at its meeting held today, i.e. June 30, 2020, has *inter-alia*, approved the Audited Standalone Financial Results for the quarter and financial year ended March 31, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- a) Auditor's Report issued by M/s. Kanu Doshi Associates LLP, Chartered Accountants (Firm Registration No: 104746W/W100096), Statutory Auditors of the Company on Standalone Financial Results of the Company for the quarter and financial year ended March 31, 2020;
 - b) Audited Standalone Financial Results of the Company for the quarter and financial year ended March 31, 2020;
 - c) Declaration regarding Auditor's Report with unmodified opinion.
2. The Board has also recommended final dividend of Rs. 0.20/- per equity share of face value of Rs. 2/- each for the financial year ended March 31, 2020, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The Dividend, if approved, shall be paid as per the timeline mentioned in Companies Act, 2013 and Listing Regulations.

Further, pursuant to the relaxation granted by the Securities and Exchange Board of India vide its



Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 regarding exemption from publication of advertisements in newspapers as required under Regulation 47 of Listing Regulations for all events scheduled till June 30, 2020, the foregoing Financial Results shall not be published in the newspapers.

The meeting of Board of Directors of the Company commenced at 11:00 A.M. and concluded at 4:00 P.M.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For **Donear Industries Limited**

Ashok Agarwal

Ashok Agarwal
Chief Financial Officer



Independent Auditor's Report on the Quarterly and Year to Date Financial Results of the Company Pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,

The Board of Directors of the Donear Industries Limited

Opinion

We have audited the accompanying statement of Financial Results of the Donear Industries Limited (“the Company”) for the quarter ended March 31, 2020 and the year to date statement for the period from April 01, 2019 to March 31, 2020, 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 (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us these Financial Results:

- (i) are presented in accordance with the requirements of Regulation 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 net profit and other comprehensive income and other financial information for the quarter ended March 31, 2020 as well as the year to date statement for the period from April 01, 2019 to March 31, 2020.

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 (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 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 opinion.

Management’s Responsibilities for the Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim 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 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 judgments and estimates that are reasonable and prudent; and 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, 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 Financial Results.

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 Financial Results, 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 not 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.
- Conclude on the appropriateness of the 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 financial 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 Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No: 104746W/W100096

Kunal Vakharia

Partner

Membership No: 148916

UDIN: 20148916AAAACH4556

Place: Mumbai

Date: June 30, 2020.



DONEAR INDUSTRIES LIMITED

Registered Office: Donear House, 8th Floor, Plot No A 50, Road No 1 MIDC, Andheri East, Mumbai-400093

CIN : L99999MH1987PLC042076 Website : www.donear.com EMAIL ID: info@donear.com

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

(Rs.in lakhs) (Except EPS)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		(Audited) Refer Note No. 5	(Unaudited)	(Audited) Refer Note No. 5	(Audited)	(Audited)
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
1	Income					
	(a) Revenue from Operations	12,586.54	15,296.10	15,740.10	54,793.92	59,432.16
	(b) Other Income	78.71	63.97	74.99	463.47	270.86
	Total Income	12,665.25	15,360.07	15,815.09	55,257.39	59,703.02
2	Expenses:					
	a) Cost of Materials consumed	4,884.17	5,122.21	6,282.92	21,796.43	26,235.02
	b) Purchase of Stock-in-trade	823.17	1,031.58	1,153.59	4,473.51	4,397.36
	c) Changes in Inventory of Finished goods, Work-in-progress and Stock-in-trade	579.05	1,598.77	746.20	1,048.83	(713.97)
	d) Employee Benefits Expenses	1,686.04	1,813.58	1,788.15	7,025.00	7,155.48
	e) Finance Costs	474.31	744.62	776.90	2,422.20	2,734.24
	f) Depreciation and Amortisation expense	254.04	233.69	246.60	915.62	955.99
	g) Other expenses	3,764.37	4,029.76	4,358.04	15,729.74	16,687.06
	Total Expenses	12,465.15	14,574.21	15,352.40	53,411.33	57,451.18
3	Profit / (Loss) from ordinary activities before Exceptional items (1-2)	200.10	785.86	462.69	1,846.06	2,251.84
4	Exceptional Items	-	-	-	-	-
5	Profit / (Loss) before tax (3 +/- 4)	200.10	785.86	462.69	1,846.06	2,251.84
6	Tax Expense					
	- Current tax	93.04	142.32	148.00	396.00	685.75
	- Deferred tax	(76.12)	37.38	10.91	251.96	66.64
	- Income Tax for earlier years	3.03	-	81.04	3.03	81.04
	Total Tax Expenses	19.95	179.70	239.95	650.99	833.43
7	Profit / (Loss) for the period (5 +/-6)	180.15	606.16	222.74	1,195.07	1,418.41
8	Other Comprehensive Income, net of income tax					
	A. (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	B. (i) Items that will not be reclassified to Profit or Loss	11.69	(1.25)	(22.91)	7.93	(5.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.95)	0.32	8.00	(1.99)	1.75
	Total Other Comprehensive Income, net of income tax	8.74	(0.93)	(14.91)	5.94	(3.27)
9	Total Comprehensive Income for the period (8 +/- 7)	188.89	605.23	207.83	1,201.01	1,415.14
10	Paid-up equity share capital (face value of Rs 2/- per share)	1,040.00	1,040.00	1,040.00	1,040.00	1,040.00
11	Other Equity				11,192.30	10,116.46
12	Earning per share (EPS) (of Rs 2/- each) (not annualised)					
	Basic/ Diluted EPS	0.35	1.17	0.43	2.30	2.73



STATEMENT OF ASSETS AND LIABILITIES		(Rs.in lakhs)	
Sr. No.	Particulars	As at	As at
		31.03.2020 Audited	31.03.2019 Audited
A	ASSETS		
1	Non - Current Assets		
(a)	Property, Plant and Equipment	7,636.08	6,754.54
(b)	Capital Work-in-progress	241.08	63.48
(c)	Investment Property	948.12	1,040.88
(d)	Other Intangible Assets	24.08	27.54
(e)	Financial Assets		
(i)	Investment	98.40	98.40
(ii)	Other Financial Assets	195.56	170.88
(f)	Deferred Tax Assets	623.04	876.98
(g)	Other Tax Assets (Net)	56.82	62.81
(h)	Other Non-Current Assets	356.42	89.41
	Sub- total - Non - Current Assets	10,179.60	9,184.92
2	Current Assets		
(a)	Inventories	20,162.12	21,449.15
(b)	Financial Assets		
(i)	Trade Receivables	11,770.94	14,361.64
(ii)	Cash and Cash Equivalents	61.41	566.86
(iii)	Bank balances other than (ii) above	1,440.01	628.61
(iv)	Other Financial Assets	402.45	276.91
(c)	Other Tax Assets (Net)		
(d)	Other Current Assets	3,935.42	3,843.80
	Sub- total - Current Assets	37,772.35	41,126.96
	TOTAL- ASSETS	47,951.95	50,311.88
B	EQUITY AND LIABILITIES		
1	EQUITY		
(a)	Equity share capital	1,040.00	1,040.00
(b)	Other Equity	11,192.30	10,116.46
	TOTAL- EQUITY	12,232.30	11,156.46
2	LIABILITIES		
(I)	Non Current Liabilities		
(a)	Financial Liabilities		
(i)	Non Current Borrowings	189.20	296.97
(ii)	Other Financial Liabilities	1,399.51	1,701.33
(b)	Other Non Current Liabilities	77.91	103.24
	Sub- total - Non - Current Liabilities	1,666.62	2,101.54
(II)	Current liabilities		
(a)	Financial Liabilities		
(i)	Current Borrowings	26,019.57	29,131.59
(ii)	Trade Payables	5,029.84	6,159.87
(iii)	Other Current Financial Liabilities	1,810.99	796.02
(b)	Other Current Liabilities	970.37	752.15
(c)	Provisions	208.61	177.59
(d)	Current Tax Liabilities (Net)	13.66	36.66
	Sub- total - Current Liabilities	34,053.04	37,053.88
	TOTAL- LIABILITIES	35,719.66	39,155.42
	TOTAL- EQUITY AND LIABILITIES	47,951.95	50,311.88



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs.in lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		(Audited) Refer Note No. 5	(Unaudited)	(Audited) Refer Note No. 5	(Audited)	(Audited)
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
1	Segment Revenue (Revenue from Operations)					
	Textiles	12,406.92	15,114.93	15,512.60	54,021.25	58,592.98
	Rental Business	179.62	181.17	218.73	772.67	839.18
	Net sales/Income from Operations	12,586.54	15,296.10	15,731.33	54,793.92	59,432.16
2	Segment Profit Before Tax					
	Textiles	425.41	1,873.26	1,421.19	4,802.78	5,720.00
	Rental Business	98.11	152.16	179.10	607.51	619.06
	Total	523.52	2,025.42	1,600.29	5,410.29	6,339.06
	Less : Finance Cost (Unallocable)	382.25	704.62	776.90	2,170.63	2,541.58
	Less: Other Unallocable Expenditure net off Unallocable Income	(58.83)	534.94	360.70	1,393.60	1,545.64
	Total Profit (+)/Loss (-) before Tax	200.10	785.86	462.69	1,846.06	2,251.84
3	Capital Employed					
	(a) Textiles					
	Segment Assets	45,856.09	47,226.97	47,402.74	45,856.09	47,402.74
	Segment Liabilities	9,889.27	8,936.52	8,939.06	9,889.27	8,939.06
	Net Capital Employed (a)	35,966.82	38,290.45	38,463.68	35,966.82	38,463.68
	(b) Rental Business					
	Segment Assets	997.41	1,049.43	1,121.17	997.41	1,121.17
	Segment Liabilities	476.66	396.60	443.02	476.66	443.02
	Net Capital Employed (b)	520.75	652.83	678.15	520.75	678.15
	(c) Unallocated					
	Segment Assets	1,098.46	1,017.08	1,787.97	1,098.46	1,787.97
	Segment Liabilities	25,353.73	27,916.96	29,773.35	25,353.73	29,773.35
	Net Capital Employed (c)	(24,255.27)	(26,899.88)	(27,985.37)	(24,255.27)	(27,985.37)
	Total Capital Employed (a+b+c)	12,232.30	12,043.40	11,156.46	12,232.30	11,156.46



CASH FLOW STATEMENT		(Rs.in lakhs)	
Sr. No.	Particulars	Year Ended	
		Audited 31.03.2020	Audited 31.03.2019
I	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax as per Statement of Profit & Loss	1,846.06	2,251.83
	Adjustments for		
(a)	Depreciation	915.62	955.99
(b)	Interest Expenses	2,236.16	2,563.49
(c)	Interest Income	(55.78)	(32.10)
(d)	(Profit) / Loss on disposal of Property, plant and equipments	(36.08)	(3.89)
(e)	Fixed Assets Written Off	2.03	1.63
(f)	Provisions no longer required	(17.69)	(2.44)
(g)	Allowance for Expected credit Loss	345.64	172.74
(h)	Bad Debts Recovered	(5.48)	-
(i)	Unrealised Foreign Exchange rate Differences (Net)	117.29	(263.43)
(j)	Ind AS adjustments	(116.02)	(40.72)
(k)	Sundry Balance written Off / (Back) (Net)	4.29	(7.19)
	Operating Profit before Working Capital Changes	5,236.04	5,595.91
	Adjustments for		
(a)	(Increase) / Decrease in trade and other receivables	1,697.43	(2,088.47)
(b)	(Increase) / Decrease in inventories	1,287.03	(790.56)
(c)	Increase / (Decrease) in trade, other Payables and provisions	568.18	1,684.68
	Cash Generated from operations	8,788.68	4,401.56
(a)	Direct Taxes Paid (net of Refunds)	(416.04)	(728.19)
	Net Cash generated from / (used in) Operating Activities	8,372.64	3,673.37
II	CASH FLOW FROM INVESTING ACTIVITIES		
(a)	Purchase of property, plant and equipment and intangible assets	(1,908.98)	(334.99)
(b)	Sales Proceeds of property, plant and equipment	64.49	(21.10)
(c)	Fixed Deposits with Bank	(811.43)	(286.10)
(d)	Interest Income Received	55.78	32.10
	Net Cash generated from / (used in) Investing Activities	(2,600.14)	(610.09)
III	CASH FLOW FROM FINANCING ACTIVITIES		
(a)	Proceeds / (Repayment) from / of Non Current Borrowings (net)	(728.35)	(754.62)
(b)	Proceeds / (Repayment) from / of Current Borrowings (net)	(3,188.17)	732.19
(c)	Interest paid	(2,236.16)	(2,563.49)
(d)	Dividend paid (Including Dividend Distribution Tax)	(125.17)	(125.17)
	Net Cash generated from / (used in) Financing Activities	(6,277.85)	(2,711.09)
	Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III)	(505.35)	352.19
	Add : Cash and Cash Equivalents at the beginning of the period	568.90	216.60
	Cash and Cash Equivalents at the end of the period	63.55	568.79
	Cash and Cash Equivalent as per above comprises of the following		
	Cash and Cash Equivalents	63.42	568.90
	Unrealised translation gain/(loss)	0.13	(0.11)
	Balance as per statement of Cash Flow	63.55	568.79



Notes:

- 1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on June 30, 2020.
- 2 Segment Revenue, Result and Capital Employed figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure mainly includes expenses incurred on common services.
- 3 The Company has adopted IND AS 116, effective annual reporting period beginning April 1, 2019. The effect on adoption of IND AS 116 on the financial results is insignificant.
- 4 The Board has recommended dividend of Rs. 0.20 per equity share of face value of Rs.2/- each for the financial year ended March 31, 2020.
- 5 The figures of quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures of the full financial year and the reviewed year to date figures upto the third quarter of the relevant financial year.
- 6 The Company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of trade receivable, inventories, fixed assets and other assets / liabilities. Based on the current indicators of economic conditions, the Company expects to recover the carrying amount of all its assets. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to the economic conditions in the future.
- 7 Corresponding figures of the previous quarter/year have been regrouped, recasted and reclassified to make them comparable wherever necessary.



Place: Mumbai
Date: June 30, 2020

On behalf of the Board of Directors

 Rajendra V. Agarwal
Managing Director
DIN No. 00227233



INDUSTRIES LTD.

Donear House, Plot No. A - 50, Road No. - 1, MIDC., Andheri (E), Mumbai - 400 093.
Tel : 022 - 68348100 (Board Line) | Fax : 022 - 68348313
E: info@donear.com Web: www.donear.com CIN : L99999MH1987PLC042076

June 30, 2020

To,

The Manager,
Corporate Relations Department,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai – 400 001

The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051

Scrip Code: 512519

Symbol: DONEAR

Ref.: Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Declaration regarding Auditor's Report with unmodified opinion.

Dear Sir / Madam,

In compliance with the provisions of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby declares that M/s. Kanu Doshi Associates LLP, Chartered Accountants, the Statutory Auditors of the Company have issued the Audit Report with unmodified opinion on the Standalone Financial Results of the Company for the financial year ended March 31, 2020.

Thanking you,

Yours faithfully,

For **Donear Industries Limited**

Ashok Agarwal
Chief Financial Officer

