

Spentex Industries Limited
 Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

(Rs. In Lacs except EPS and share data)

PART I	Particulars	Quarter ended			Year ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
		Audited	Unaudited	Audited	Audited	
1 a)	Net Sales / Income from operations (Net of excise duty)	27,664.96	28,161.58	26,927.16	114,289.73	112,966.29
b)	Other Operating Income	68.37	110.25	796.60	716.85	1,962.18
	Total Income (a + b)	27,733.33	28,271.83	27,723.77	115,006.58	114,928.47
2	Expenditure:					
a)	Consumption of raw materials (including consumption of stores, spares and packing materials)	20,788.12	21,184.37	19,955.31	82,319.14	76,824.81
b)	Purchase of traded goods	42.42	873.11	533.92	1,310.79	2,723.96
c)	Changes in inventories of finished goods, work in progress and stock in trade	(998.16)	(1,763.56)	(3,267.73)	(2,611.08)	(3,506.41)
d)	Employees benefits expenses	1,901.40	1,953.57	1,763.67	7,723.27	7,013.02
e)	Depreciation and amortisation expenses	441.16	445.70	552.14	1,833.53	2,619.50
f)	Power and fuel cost	2,291.02	2,588.49	2,581.49	9,643.88	10,334.03
g)	Other expenditure	2,028.18	1,850.92	2,523.99	8,464.59	9,027.98
	Total Expenses	26,494.14	27,132.60	24,642.80	108,684.12	106,036.89
3	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	1,239.19	1,139.23	3,080.97	6,322.46	9,891.68
4	Other Income	238.96	78.58	24.83	652.60	112.31
5	Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	1,478.15	1,217.81	3,105.80	6,975.06	10,003.99
6	Finance Cost	2,032.74	2,066.78	1,751.12	8,104.40	7,680.51
7	Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(554.61)	(848.97)	1,354.68	(1,129.38)	2,323.38
8	Prior Period Items (Net of Income)	57.03	-	265.14	57.03	265.14
9	Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(611.64)	(848.97)	1,089.54	(1,186.39)	2,058.24
10	Exceptional Items	-	-	-	-	-
11	Profit / (Loss) from Ordinary Activities before tax (9-10)	(611.64)	(848.97)	1,089.54	(1,186.39)	2,058.24
12	Tax expense	-	-	-	-	-
13	Net Profit / (Loss) from Ordinary Activities after tax (11-12)	(611.64)	(848.97)	1,089.54	(1,186.39)	2,058.24
14	Extraordinary Items (net of tax expense)	-	-	-	-	-
15	Net Profit / (Loss) for the period (13-14)	(611.64)	(848.97)	1,089.54	(1,186.39)	2,058.24
16	Paid up Equity Share Capital (Face Value Rs. 10/- each)	8,977.20	8,977.20	8,837.20	8,977.20	8,837.20
17	Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	(14,200.18)
18	Earnings Per Share (EPS) (not annualized) (Rs.)					
a)	Basic EPS before Extraordinary items for the period and for the previous year	(0.68)	(0.95)	1.24	(1.32)	2.34
	Diluted EPS before Extraordinary items for the period and for the previous year	(0.68)	(0.95)	1.24	(1.32)	2.34
b)	Basic EPS after Extraordinary items for the period and for the previous year	(0.68)	(0.95)	1.24	(1.32)	2.34
	Diluted EPS after Extraordinary items for the period and for the previous year	(0.68)	(0.95)	1.24	(1.32)	2.34

PART II Select Information for the quarter and year ended ended 31/03/2014

A. PARTICULARS OF SHAREHOLDING

		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
1	Public Shareholding					
	Number of Shares	39,441,475	39,441,475	39,441,475	39,441,475	39,441,475
	Percentage of Shareholding	43.94%	43.94%	44.63%	43.94%	44.63%
2	Promoters and promoter group Shareholding					
a)	Pledged / Encumbered					
	- Number of Shares	45,223,058	45,223,058	43,823,058	45,223,058	43,823,058
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	89.85%	89.85%	89.56%	89.85%	89.56%
	- Percentage of Shares (as a % of the total share capital of the Company)	50.38%	50.38%	49.59%	50.38%	49.59%
b)	Non - Encumbered					
	- Number of Shares	5,107,502	5,107,502	5,107,502	5,107,502	5,107,502
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	10.15%	10.15%	10.44%	10.15%	10.44%
	- Percentage of Shares (as a % of the total share capital of the Company)	5.68%	5.68%	5.78%	5.68%	5.78%

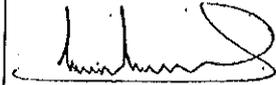
B. INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	2
Disposed of during the quarter	2
Remaining unresolved at the end of the quarter	Nil

Note:

- 1 The above financial results have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on 28th May, 2014.
- 2 In accordance with Accounting Standard 17 on Segment Reporting notified under section 211(3C) of the Companies Act, 1956, for standalone financials, the Company has Identified two Business Segments viz., Textile Manufacturing and Textile Trading, accordingly segment disclosure has been done.
- 3 The Auditors, in their standalone audit report have mentioned regarding diminution in the value of company's long term Investment of Rs. 2,044.70 lacs and recoverability of Rs. 5,482.33 lacs (Previous quarter 5,123.19 lacs lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. Due to economic slow down, ASIL had registered losses during the year as well as earlier financial years and eroded its net worth. The Company believes that the diminution in value of said Investment is temporary in nature and considering improvement in the global textile market, ASIL will be able to make good its losses in a foreseeable period of time which will also place this subsidiary in a position to repay the liabilities in due course and hence no adjustment is required in the books of accounts.
- 4 As on March 31, 2014, the accumulated losses of the Company in standalone had exceeded its net worth. Accordingly company in compliance with the provisions of section 16(1) of Sick Industrial Companies (Special Provisions) Act, 1985 filed a reference with Board for Industrial and Financial Restructuring (BIFR). The Company's operations were adversely affected in 2011-12 due to adverse Govt policies and high volatility of Raw Material prices. Further, considering the change in scenario, recent performance and trends of the company as well as overall industry outlook, the management believes that losses incurred in the past would reasonably be made good, in due course. The financial statements, as such have been prepared on a going concern basis on the strength of management's plan of revival including reorganization of business.
- 5 In Standalone Financial results, the Company has an investment of Rs 5,610.11 Lacs and Rs. 93.24 Lacs in its subsidiary Spentex Netherlands B. V. (SNBV) and its step down subsidiary Spentex Tashkent Toytepa LLC (STTL) respectively. Further it has Rs. 700.12 Lacs as export receivable from STTL and advances of Rs. 950.71 Lacs in SNBV as on December 31, 2013. During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies by breaching the investment agreement and rendered operation of STTL unviable and insolvency proceedings have been initiated against it. Since investment agreement entered between GOU and company, Treaties entered between countries were breached, Company has initiated Arbitration proceeding against GOU for protection of investment and dues & compensation dispute Claim in International Centre for Settlement of Investment Dispute (ICSID) SNBV appointed various experts to assess losses suffered by the company. In view of the draft report and claim lodged with ICSID, Board of Directors have decided not to make any provision for diminution in value of its investments at this stage.
- 6 Trade receivables, advance balances and receivables amount aggregating to Rs. 63.71 Lacs, Rs. 273.14 Lacs and Rs. 280.04 Lacs respectively due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. The Company is making effort to recover the same and expects to reduce them significantly. Based on outcome of the legal suit coupled with further negotiations with these parties, the management is of the opinion that ultimately there would be no losses against these old balances and hence no provision is considered necessary at the stage.
- 7 The figures for the quarter ended March 31, 2014 and for the corresponding quarter ended March 31, 2013 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial year ending on March 31.
- 8 Previous period figures have been regrouped / recasted / rearranged wherever necessary, to conform to the current period presentation.

BY ORDER OF THE BOARD OF DIRECTORS.
FOR SPENTEX INDUSTRIES LIMITED



MUKUND CHOUDHARY
MANAGING DIRECTOR
Place : New Delhi
Date : May 28, 2014

REPORTING OF SEGMENT - WISE REVENUE, RESULTS AND CAPITAL EMPLOYED					
Particulars	Quarter ended			Year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited	Unaudited	Audited	Audited	Audited
1. Segment Revenue					
a) Textile- Manufacturing	26,902.09	26,833.88	27,448.82	110,961.20	111,892.81
b) Textile Trading	2,113.29	3,083.12	1,474.85	10,602.88	8,089.98
Total	29,015.38	29,917.00	28,923.67	121,564.08	119,982.79
Less : Inter segment revenue	1,282.05	1,645.17	1,199.90	6,557.50	5,054.32
Total Income	27,733.33	28,271.83	27,723.77	115,006.58	114,928.47
2. Segment Results					
Profit (+) / Loss (-) before tax and interest from each Segment					
a) Textile- Manufacturing	1,651.60	676.77	3,613.33	6,688.74	11,167.25
b) Textile Trading	432.74	1,025.50	76.96	2,673.47	379.75
TOTAL	2,084.34	1,702.27	3,690.29	9,362.21	11,547.00
Less :					
i) Interest	2,032.74	2,066.78	2,159.44	8,104.40	8,088.83
ii) Other unallocable expenditure net off	757.36	558.58	537.02	2,540.18	2,174.72
iii) Other unallocable income	94.12	74.11	95.70	96.00	774.79
Total Profit / (Loss) before Tax	(611.64)	(848.98)	1,089.53	(1,186.39)	2,058.24
3. Capital Employed					
(Segment Assets - Segment Liabilities)					
a) Textile- Manufacturing	26,328.49	23,534.77	29,660.23	26,328.49	29,660.23
b) Textile Trading	1,023.90	1,656.45	1,120.38	1,023.90	1,120.38
Unallocated	(33,761.74)	(30,856.10)	(36,003.58)	(33,761.74)	(36,003.58)
TOTAL	(6,409.33)	(5,664.88)	(5,222.97)	(6,409.33)	(5,222.97)



Particulars		As at Year end	As at Year end
		31.03.2014	31.03.2013
		Audited	Audited
A.	<u>EQUITY AND LIABILITIES</u>		
(1)	Shareholder's funds		
a)	Share capital	897,720,350	883,720,350
b)	Reserves & surplus	(1,538,654,312)	(1,420,017,944)
c)	Preference share application money pending allotment	-	-
d)	Money received against share warrant	-	14,000,000
	Sub-total - Shareholder's Fund	(640,933,962)	(522,297,594)
(2)	Non-current liabilities		
a)	Long-term borrowings	2,414,529,252	2,918,730,525
b)	Other long term liabilities	1,671,327	1,724,047
c)	Long-term provisions	68,262,674	70,346,959
	Sub-total - Non-current liabilities	2,484,463,253	2,990,801,531
(3)	Current liabilities		
a)	Short-term borrowings	1,447,927,011	999,698,080
b)	Trade payables	1,264,192,429	1,230,070,260
c)	Other current liabilities	1,598,640,609	1,578,716,960
d)	Short-term provisions	4,056,482	2,509,614
	Sub-total-Current liabilities	4,314,816,532	3,810,994,914
	TOTAL - EQUITY AND LIABILITIES	6,158,345,823	6,279,498,852
B.	<u>ASSETS</u>		
1	Non-current assets		
a)	Fixed assets		
(i)	Tangible assets	2,052,831,767	2,195,133,280
(ii)	Intangible assets	-	891,038
(iii)	Capital work in progress	645,482	3,147,485
b)	Non-current investment	774,893,379	774,893,379
c)	Long-term loans and advances	817,905,730	961,016,525
d)	Other non-current assets	238,905,352	254,144,963
	Sub-total-Non-current assets	3,885,181,711	4,189,226,671
2	Current Assets		
a)	Inventories	1,043,164,651	859,406,784
b)	Trade receivables	336,403,327	397,932,462
c)	Cash and bank balances	42,927,992	60,686,938
d)	Short-term loans and advances	628,868,717	560,760,750
e)	Other current assets	221,799,424	211,485,247
	Sub-total-current assets	2,273,164,112	2,090,272,182
	TOTAL - ASSETS	6,158,345,823	6,279,498,852

For SPENTEX INDUSTRIES LTD.

Company Secretary