CLC INDUSTRIES LIMITED

(Formerly known as Spentex Industries Limited)
Manufacturer of Yarns

CLC™

February 13, 2019

To,	To,
Listing Department **BSE Limited** 25th Floor, P J Towers, Dalal Street Mumbai 400 001 Stock Code. **521082**	**Manager – Listing Compliances** **National Stock Exchange Of India Ltd.** Exchange Plaza Bandra Kurla Complex Bandra (E), Mumbai-400051 Stock Code: **SPENTEX**

Dear Sir/Madam,

Sub: <u>Un-audited Financial Results for the quarter ended 31st December, 2018</u>

This is to inform to the Exchange that the Board of Directors of the Company at its meeting held on 13th February, 2019 has, *interalia* Considered and approved Un-audited Standalone Financial Results for the quarter and nine months ended 31st December, 2018 and taken on record the Limited Review Report as submitted by the Statutory Auditors.

Please find enclosed herewith the Unaudited Standalone Financial results of the Company for the quarter and nine months ended 31st December, 2018 alongwith Auditors' Limited Review Report in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of Board of Directors commenced at 2:30 P.M. and concluded at 4:35 P.M.

We request you to take the same on record.

Yours truly,

For **CLC INDUSTRIES LIMITED**
(Formerly known as SPENTEX INDUSTRIES LTD.)

For CLC Industries Limited

Company Secretary

BHARAT KAPOOR
COMPANY SECRETARY

CLC Industries Limited

(Formerly known as **Spentex Industries Limited**)

Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.
CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com

Standalone Statement of Unaudited financial results for the quarter and nine month ended December 31, 2018

(all amount in Lakhs of INR, unless otherwise stated)

S.No.	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		Unaudited			Unaudited		Audited
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Income						
I	Revenue from operations	5,564.44	6,875.85	9,844.61	21,630.23	37,803.20	48,053.43
II	Other Income	208.85	134.56	51.88	509.07	161.95	1,217.44
III	**Total Income (I+II)**	**5,773.29**	**7,010.41**	**9,896.49**	**22,139.30**	**37,965.15**	**49,270.87**
IV	**Expenses**						
	Cost of raw material consumed	2,652.35	4,365.85	6,277.05	13,001.92	24,675.51	32,030.73
	Purchase of Stock in Trade	309.32	9.73	7.15	364.07	17.75	26.45
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	269.97	368.27	693.94	954.55	1,183.51	2,246.97
	Excise Duty on sale	-	-	-	-	23.93	23.93
	Employee benefits expense	1,542.79	1,577.40	1,764.43	4,739.37	5,768.02	7,324.42
	Finance Costs	25.51	242.07	274.14	481.41	774.30	874.17
	Depreciation and amortization expense	243.71	257.27	239.59	752.59	787.47	1,055.46
	Other expenses	2,109.67	1,930.30	2,408.82	5,139.55	8,441.28	10,293.62
	Total expenses (IV)	**7,153.32**	**8,750.89**	**11,665.13**	**25,433.46**	**41,671.79**	**53,875.75**
V	**Profit /(Loss) before exceptional Items and Tax (III-IV)**	**(1,380.03)**	**(1,740.48)**	**(1,768.63)**	**(3,294.16)**	**(3,706.64)**	**(4,604.88)**
VI	Expenses of exceptional nature	-	-	9,602.64	-	9,602.64	12,203.82
VII	Income of exceptional nature	-	682.10	-	682.10	-	-
VII	**Profit/(loss) before,extraordinary, and tax (V-VI)**	**(1,380.03)**	**(1,058.38)**	**(11,371.28)**	**(2,612.06)**	**(13,309.28)**	**(16,808.70)**
VIII	**Tax Expenses**	-	-		-	-	-
	(1) Current Tax	-	-	-	-	-	-
	(2) Mat Credit Entitlement Excess Provision Written Back	-	-	-	-	-	(44.13)
	(3) Deferred Tax	-	-	-	-	-	-
	Total Tax Expenses	-	-		-		(44.13)
IX	**Profit /Loss for the period (VII-VIII)**	(1,380.03)	(1,058.38)	(11,371.28)	(2,612.06)	(13,309.28)	(16,764.57)
X	Other comprehensive income						
A	Items that will be reclassified to profit or loss						
B	Items that will not be reclassified to profit or loss						
	Changes in fair value of FVTOCI equity instruments	-	0.01	0.06	0.02	0.09	(0.11)
	Actuarial (gain)/loss on remeasurement of defined benefit plan	58.11	58.11	30.92	174.33	92.76	238.02
	Other comprehensive income for the period (net of tax)	58.11	58.12	30.87	174.35	92.67	237.91
XI	**Total comprehensive income for the period (IX+X)**	(1,438.14)	(1,116.50)	(11,402.14)	(2,786.41)	(13,401.95)	(17,002.48)
	Paid up Equity Share Capital Face value of Rs. 10 each (No. in Lakhs)	897.72	897.72	897.72	897.72	897.72	897.72
	Earnings per share (of INR 10 each):						
	(a) Basic	(1.54)	(1.18)	(12.67)	(2.91)	(14.83)	(18.67)
	(a) Diluted	(1.54)	(1.18)	(12.67)	(2.91)	(14.83)	(18.67)

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Notes:

1 The above Standalone Financial Results of the Company for the quarter and nine month ended December 31, 2018, have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 13, 2019. The financial results are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015 (as amended).

2 The format for the unaudited quarterly results as prescribed in SEBI's Circular No. CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with the requirements of SEBI's Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to the Company that is required to comply with Ind-AS.

3 The Statutory Auditors have carried out limited review of the Standalone Financial Results of the Company for the quarter and nine month ended December 31, 2018.

4 In accordance with Ind AS 108 "Operating Segment" on Segment Reporting notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with relevant rules issued there under, for standalone financials, the Company is in the business of Manufacture of Yarn and there is only single segment.

Entity wise disclosure	Domestic	Overseas	Total
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Revenue from operations			
Quarter ended on December 31, 2018	4,911.57	652.87	5,564.44
Quarter ended on December 31, 2017	6,013.00	3,831.61	9,844.61

5 Expenses of exceptional nature of Financial Year 2017-18 comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. 2044.70 lakhs and write off of Rs. 7557.94 lakhs recoverable from the subsidiary ASIL. During the Financial Year 2017-18 ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017, has admitted the Company's petition and has appointed Resolution Professional for the Company. The same has been so accounted for keeping in view the ongoing proceedings of Amit Spinning Industries Limited (ASIL) in National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC),2016. The company ASIL has been taken over by individual stakeholders; however shareholding of CLC industries Ltd. not yet transferred and is under process. keeping in view of above as per Ind AS 109 no adjustment was made for Corporate guarantee given by Spentex Industries Limited to ASIL. Further during the quarter ended on September 30, 2018. the company written back interest liability on NCD and EARC

6 There are delays/defaults in repayments of substantial to lenders, Company's current liabilities exceeded its current assets and net worth of the Company has also been eroded as at December 31, 2018. Majority of the Indian lenders have categorized the Company as Non Performing Asset (N PA) under RB I regulations, some of the lenders have filed application for recovery of its dues before Debt Recovery' Tribunal (DRT). The Quarterly and nine month ended results of the company has been prepared on going concern basis as the management believe that the accumulated losses would be wipped off and the profitability improved and the networth will turn positive once financial restructuring is carried out by the lenders and requisite working capital is raised. Company is in advanced stages of this financial resolution and is quite hopeful that within the current financial year, the same will be carried out.

7 The Company has not allotted shares against amount of Rs. 1,109.50 lakhs which was brought in by the promoters in more than one instalment under restructuring scheme approved by the bankers of the company. Due to pending necessary approvals and directions for allotment of shares, the Company has not complied with the provisions of Section 42 and Acceptance of Deposit Rules of the Companies Act, 2013.

8 The Company's accounts had become Non performing assets (NPA) with majority of the banks and due to this reason, the majority of lenders stopped charging interest from the company on their ouststanding debts amount from the dates on which their accounts become NPA. In view of the above, the company has not charged to statement of profit and loss account interest expenses of Rs. 1,351.94 lakhs and related penal interest and other charges for the quarter, if any, in respect of delay in repayment of borrowings from the banks. Further, Liability for interest expenses of Rs. 17,666.30 lakhs till September 30, 2018.has not been accounted for.

Interest on Loan from EARC is also not provided in Books ,Interest for the Quarter ended on 31st December 2018 Rs. 75.86 lakhs,Further, Liability for interest expenses of Rs. 150.91 lakhs till September 30, 2018. has not been accounted for.

9 During the quarter ended June 30, 2018 company has booked refund of Wheeling charges and wheeling Loss for the FY 2015-16 and 2016-17 amounting to Rs. 311.40 Lakhs and power factor incentive of Rs. 761.27 Lakhs based on petition filed before MERC (Maharashtra Electricity Regulatory Commission) u/s 142 of the Electricity Act,2003 as well as u/s 86(1)(a), 86(1)(i) read with Section 42(2) and Section 23 of Electricity Act, 2003 and other relevant Rules and Regulations. Management is confident for recovery of the same.

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10 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

11 The outstanding balance as on December 31, 2018, in respect of trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation at the financial year end and consequential adjustment if any, from the respective parties. The management, however, does not expect any material variations.

12 Due to working capital crunch, Baramati plant was shut down from the FY 2017-18. Management of the company is confident of restarting the unit within current financial year once financial restructuring is carried out by lenders and additional working capital is raised. This shut down is temporary in nature, hence no impairment testing was done.

13 The company has applied to Securities & Exchange Board of India (SEBI) seeking exemption for maintaining at least 15% of the amount of its debenture maturing during the financial year 2017-18 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affair, which is still awaited.

14 The Board has appointed Shri Koushal Madan as the Chief Financial Officer of the Company effective 14th November 2018.

15 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.

For & on behalf of the Board of Directors
CLC Industries Limited
(Formerly known as Spentex Industries Limited)

Mukund Choudhary
Managing Director
Place : New Delhi
Date : February 13 ,2019

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Review Report on Quarterly and Nine Months ended Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors
CLC Industries Limited *(Formally known as Spentex Industries Limited)*
A-60, Okhla Industrial Area, Phase —II,
New Delhi-110020

1. We have reviewed the accompanying statement of standalone unaudited financial results ("The Statement") of CLC Industries Limited *(Formally known as Spentex Industries Limited)* ("The Company") for the quarter and Nine Months ended December 31, 2018 pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI circular no. CIRICFD/FAC/62/2016 dated 5th July 2016.

This Statement is the responsibility of the Company's management and approved by the Board of Directors, which has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review 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 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3(a) Refer note no.5 of the Standalone financial results for the quarter and nine months ended December 31, 2018 wherein the company had made a provision for value of long term investments amounting to Rs. 2,044.70 Lakhs in Amit Spinning Industries Limited (AS1L), Subsidiary of the Company and written off recoverable amounting to Rs. 7557.94 Lakhs due from above subsidiarykeeping in view of ongoing proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy code. The Company ASIL has been taken over by Individual stakeholders. Further we are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of ASIL. Further during the quarter ended September 30, 2018 Company has Written back interest liability on NCD and EARC.

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(b) Material Uncertainty Related to Going Concern

Note No.6 of the Standalone financial results for the quarter and nine months ended December 31, 2018, which indicates that there are delays/ defaults in repayments of substantial to lenders, Company's current liability exceeded its current assets and net worth of the Company has also been eroded.Further, majority of the banks have categorized borrowings of the Company as Non-Performing Assets (NPA) and have sent recall notices u/s 132(2) of Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act (SARFAES1), 2002 to the Company and some of lenders have filled application for recovery of its dues before Debt Recovery Tribunal (DRT). TheseConditionsindicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern, In case the going concern concept is vitiated, necessary adjustment will be required in the carrying amount of assets and liabilities which are not ascertainable. However, the financial result of the Company has been prepared on the basis of the reasons stated in the said notes.

(c) The Company has not charged to statement of Profit and loss interest expense of Rs.1427.80 lakhs for the current quarter and Rs.17,817.21lakhs up toSeptember 30, 2018 respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no 8 to the standalone financial results for the quarter and nine months ended December 31, 2018.

We further report that, without considering the impact of paragraphs (a) and (b) above the effect of which, could not be determined and had the observation made by us in paragraphs (c)is considered, the loss before tax for the quarter ended December 31, 2018,would have been Rs.2807.83lakhs as against the reported figure of Rs, 1380.03lakh.

4. Without qualifying our limited review report, we draw attention to:

(a) Note no 7 to the standalone unaudited financial results for the quarter and nine months ended December 31, 2018, wherein the Company has not allotted shares against share application amount of Rs.1109.50 lakhs which was brought in by the promotersin more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 and Acceptance of Deposit Rules of the Companies Act, 2013 for the reason stated in the said note,

(b) Note no 11 to the standalone unaudited financial results for the quarter and nine months ended December 31, 2018, regarding balances of parties under the head trade receivable, trade payable and loans & advances which are subject to confirmation, reconciliation and consequential adjustments if any.

(c) The Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures matured during the financial year 2017-18 in one or more of the prescribed methods vide circular no.0412013 dated February 11,2013 issued by Ministry of Corporate Affairs However, the Company has not complied with the requirement of the said circular.

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(d) Refer note no. 9 to the standalone financial results, during the Quarter and nine months ended December 31, 2018 Company has booked refund of Wheeling charges and wheeling Loss for the FY 2015-16 and 2016-17 amounting to Rs. 311.40 Lakhs and power factor incentive of Rs. 761.27 Lakhs based on petition filled before MERC (Maharashtra Electricity Regulatory Commission) U/S 142 of the electricity Act, 2003 as well as U/S 86 (1) (a), 86 (1) (i)read with read with section 42(2) and section 23 of Electricity Act, 2003 and other relevant Rules and Regulations.

5. Based on our review conducted as above subject to the adjustments that may be required to the financial results in view of our remarks stated in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Standalone Financial Results, prepared in accordance with the applicable Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulations 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations,2015 as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5,2016,including the manner in which it is to be disclosed or that it contains any material misstatement.

For R N Marwah & Co LLP
(Chartered Accountants)
Reg No. 001211N/N50019

R.N. MARWAH & CO. LLP
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Sunil Narwal
(Partner)
Membership No. 511190

Date: February 13, 2019
Place: New Delhi