



# SPENTEX INDUSTRIES LIMITED

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## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(₹ in Lacs except EPS)

S. No.	PARTICULARS	Quarter ended			Year ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1	a) Net Sales / Income from operations (Net of excise duty)	26,584.64	27,664.96	27,696.98	114,289.73
	b) Other Operating Income	32.70	68.37	612.46	716.85
	<b>Total Income (a + b)</b>	<b>26,617.34</b>	<b>27,733.33</b>	<b>28,309.44</b>	<b>115,006.58</b>
2	Expenditure :				
	a) Consumption of raw materials (including consumption of stores, spares and packing materials)	19,049.08	20,788.12	18,225.31	82,319.14
	b) Purchase of traded goods	249.32	42.42	326.93	1,310.79
	c) Changes in inventories of finished goods, work in progress and stock in trade	247.98	(998.16)	791.43	(2,611.08)
	d) Employees benefits expenses	2,032.82	1,901.40	1,842.26	7,723.27
	e) Depreciation and amortisation expenses	417.80	441.16	490.13	1,833.53
	f) Power and fuel cost	2,308.33	2,291.02	2,279.23	9,643.88
	g) Other expenditure	1,899.83	2,028.18	2,162.66	8,464.59
	<b>Total Expenses</b>	<b>26,205.16</b>	<b>26,494.14</b>	<b>26,117.95</b>	<b>108,684.12</b>
3	<b>Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period &amp; Exceptional Items (1-2)</b>	<b>412.18</b>	<b>1,239.19</b>	<b>2,191.49</b>	<b>6,322.46</b>
4	Other Income	313.48	238.96	27.53	652.60
5	<b>Profit / (Loss) before Finance Cost, Prior Period &amp; Exceptional Items (3+4)</b>	<b>725.66</b>	<b>1,478.15</b>	<b>2,219.02</b>	<b>6,975.06</b>
6	Finance Cost	1,954.87	2,032.74	2,065.91	8,104.40
7	<b>Profit / (Loss) after Finance cost but before Prior Period &amp; Exceptional Items (5-6)</b>	<b>(1,229.21)</b>	<b>(554.61)</b>	<b>153.11</b>	<b>(1,129.34)</b>
8	Prior Period Items (Net of Income)	-	57.03	-	57.03
9	<b>Profit / (Loss) after Finance Cost &amp; Prior period items but before Exceptional Items (7-8)</b>	<b>(1,229.21)</b>	<b>(611.64)</b>	<b>153.11</b>	<b>(1,186.37)</b>
10	Exceptional Items	-	-	-	-
11	<b>Profit / (Loss) from Ordinary Activities before tax (9-10)</b>	<b>(1,229.21)</b>	<b>(611.64)</b>	<b>153.11</b>	<b>(1,186.37)</b>
12	Tax expense	-	-	-	-
13	<b>Net Profit / (Loss) from Ordinary Activities after tax (11-12)</b>	<b>(1,229.21)</b>	<b>(611.64)</b>	<b>153.11</b>	<b>(1,186.37)</b>
14	Extraordinary Items (net of tax expense)	137.00	-	-	-
15	<b>Net Profit / (Loss) for the period (13-14)</b>	<b>(1,092.21)</b>	<b>(611.64)</b>	<b>153.11</b>	<b>(1,186.37)</b>
16	Paid up Equity Share Capital (Face Value Rs. 10/- each)	8,977.20	8,977.20	8,977.20	8,977.20
17	Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	(15,386.54)
18	<b>Earnings Per Share (EPS) (not annualized) (Rs.)</b>				
	a) Basic & Diluted EPS before Extraordinary items for the period and for the previous year	(1.37)	(0.68)	0.17	(1.32)
	b) Basic & Diluted EPS after Extraordinary items for the period and for the previous year	(1.22)	(0.68)	0.17	(1.32)

### PART II SELECT INFORMATION FOR THE QUARTER ENDED 30/06/2014

PARTICULARS OF SHAREHOLDING					
1	<b>Public Shareholding</b>				
	Number of Shares	39,441,475	39,441,475	39,441,475	39,441,475
	Percentage of Shareholding	43.94%	43.94%	43.94%	43.94%
2	<b>Promoters and promoter group Shareholding</b>				
	a) Pledged / Encumbered				
	- Number of Shares	45,223,058	45,223,058	45,223,058	45,223,058
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	89.85%	89.85%	89.85%	89.85%
	- Percentage of Shares (as a % of the total share capital of the Company)	50.38%	50.38%	50.38%	50.38%
	b) Non - Encumbered				
	- Number of Shares	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%	10.15%	10.15%
	- Percentage of Shares (as a % of the total share capital of the Company)	5.68%	5.68%	5.68%	5.68%
B.	<b>INVESTOR COMPLAINTS</b>				
	Pending at the beginning of the quarter	NIL			
	Received during the quarter	1			
	Disposed of during the quarter	1			
	Remaining unresolved at the end of the quarter	NIL			

### SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lacs)

S. No.	PARTICULARS	Quarter ended			Year ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1.	<b>Segment Revenue</b>				
	a) Textile - Manufacturing	25,982.15	26,902.09	27,743.28	110,961.20
	b) Textile - Trading	1,775.01	2,113.29	1,819.41	10,602.88
	<b>Total</b>	<b>27,757.16</b>	<b>29,015.38</b>	<b>29,562.69</b>	<b>121,564.08</b>
	Less : Inter segment revenue	1,139.84	1,282.05	1,253.25	6,557.50
	<b>Total Income</b>	<b>26,617.32</b>	<b>27,733.33</b>	<b>28,309.44</b>	<b>115,006.58</b>
2.	<b>Segment Results</b>				
	Profit (+) / Loss (-) before tax and interest from each Segment				
	a) Textile - Manufacturing	544.39	1,651.60	2,474.58	6,688.74
	b) Textile - Trading	610.64	432.74	148.94	2,673.47
	<b>TOTAL</b>	<b>1,155.03</b>	<b>2,084.34</b>	<b>2,623.52</b>	<b>9,362.21</b>
	Less :				
	i) Interest	1,954.88	2,032.74	2,065.91	8,104.40
	ii) Other unallocable expenditure net off	607.63	757.36	600.35	2,540.18
	iii) Other unallocable income	315.28	94.12	195.85	96.00
	<b>Total Profit / (Loss) before Tax</b>	<b>(1,092.21)</b>	<b>(611.64)</b>	<b>153.11</b>	<b>(1,186.37)</b>
3.	<b>Capital Employed</b>				
	(Segment Assets - Segment Liabilities)				
	a) Textile - Manufacturing	23,203.01	26,328.49	27,832.57	26,328.49
	b) Textile - Trading	1,184.57	1,023.90	1,352.88	1,023.90
	Unallocated	(31,889.14)	(33,761.74)	(34,255.32)	(33,761.74)
	<b>TOTAL</b>	<b>(7,501.55)</b>	<b>(6,409.33)</b>	<b>(5,069.87)</b>	<b>(6,409.33)</b>

#### NOTES :

- The above financial results have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on 13th Aug., 2014.
- The Statutory Auditors have carried out limited review of the Unaudited Standalone Financial Results of the Company for the quarter ended 30th June, 2014.
- 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.
- The Auditors, in their limited review report have mentioned regarding diminution in the value of company's long term Investment of Rs. 2,044.70 lacs and recoverability of Rs. 5,828.50 lacs ( Previous quarter Rs. 5,482.33 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. Due to economic slow down, ASIL had registered losses during the Qtr. 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.
- As on March 31, 2012, the accumulated losses of the Company in standalone had exceeded its net worth. Accordingly company in compliance with the provisions of section 15(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.
- 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 recoverable of Rs. 950.71 lacs in SNBV as on June 30, 2014. During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policies breaching the investment agreement and rendered operation of STTL not only unviable, but also expropriated its investment. SNBV, which had made around 99% investment in the equity of STTL, had filed request for Arbitration against GOU for Claim through its lawyer before International Center for Settlement Investment Dispute(ICSID). As per the schedule prescribed in the procedural order issued by ICSID, SNBV has filed the memorial on Jurisdictions and Merits on 30th June, 2014. Based on the claim lodged with ICSID, Board of Directors have decided not to make any provision for the aforesaid amounts.
- Depreciation for the quarter has been charged on the basis of the useful life and the rates being followed upto 31st March 2014 as the estimation of the remaining useful life of all assets as required by schedule -II of The companies Act, 2013 is in process. The impact, if any, will be adjusted accordingly.
- Extraordinary items includes write back of Rs. 137.00 lacs due to loan waiver from lender.
- Trade receivables, advance balances and export incentive receivables amount aggregating to Rs. 63.71 lacs, Rs. 273.16 lacs, Rs. 178.69 lacs respectively due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. In addition to above for Rs. 128.30 lacs dues from Government Authorities, company had filed an application for release with concerned authorities. The Company is making effort to recover the same and expects to reduce the outstanding dues 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.
- The figures for the preceding quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the financial year ended 31st March, 2014 and the published year to date figures for the 9 months period ended on 31st December, 2013.
- 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 Ltd.

Sd/-

Mukund Choudhary  
Managing Director

Place : New Delhi  
Date : August 13, 2014

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