



SPENTEX INDUSTRIES LIMITED

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

(₹ in Lacs except Shares & EPS)

S. No.	PARTICULARS	Quarter ended		Year ended	
		30.06.2015 Unaudited	31.03.2015 Audited	30.06.2014 Unaudited	31.03.2015 Audited
1	a) Net Sales / Income from operations (Net of excise duty)	19,029.21	19,954.44	25,909.63	86,982.23
	b) Other Operating Income	243.78	300.22	675.33	2,132.15
	Total Income (a + b)	19,272.99	20,254.66	26,584.96	89,114.38
2	Expenditure :				
	a) Consumption of raw materials (including consumption of stores, spares and packing materials)	14,068.21	12,668.17	19,049.08	59,431.72
	b) Purchase of traded goods	97.11	38.25	249.32	1,446.49
	c) Changes in inventories of finished goods, work in progress and stock in trade	(688.40)	2,299.18	247.98	4,636.42
	d) Employees benefits expenses	2,048.82	1,913.40	2,032.82	8,011.15
	e) Depreciation and amortisation expenses	280.61	154.93	417.80	1,168.69
	f) Power and fuel cost	2,613.50	2,220.88	2,308.33	8,690.67
	g) Other expenditure	1,315.65	1,184.81	1,899.83	5,814.21
	Total Expenses	19,735.50	20,479.62	26,205.16	89,199.35
3	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	(462.51)	(224.96)	379.80	(84.97)
4	Other Income	286.55	193.20	345.86	1,665.77
5	Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	(175.95)	(31.76)	725.66	1,580.80
6	Finance Cost	1,874.13	1,993.97	1,954.87	7,937.07
7	Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(2,050.08)	(2,025.73)	(1,229.21)	(6,356.27)
8	Prior Period Items (Net of Income)	-	-	-	-
9	Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(2,050.08)	(2,025.73)	(1,229.21)	(6,356.27)
10	Exceptional Items	-	-	-	-
11	Profit / (Loss) from Ordinary Activities before tax (9-10)	(2,050.08)	(2,025.73)	(1,229.21)	(6,356.27)
12	Tax expense	-	60.18	-	60.18
13	Net Profit / (Loss) from Ordinary Activities after tax (11-12)	(2,050.08)	(2,085.91)	(1,229.21)	(6,416.45)
14	Extraordinary Items (net of tax expense)	-	-	137.18	137.18
15	Net Profit / (Loss) for the period (13-14)	(2,050.08)	(2,085.91)	(1,092.03)	(6,279.27)
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	-	-	-	(21,787.65)
18	Earnings Per Share (EPS) (not annualized) (Rs.)				
	a) Basic & Diluted EPS before Extraordinary items for the period and for the previous year	(2.28)	(2.26)	(1.37)	(7.08)
	b) Basic & Diluted EPS after Extraordinary items for the period and for the previous year	(2.28)	(2.26)	(1.22)	(6.93)

PART II SELECT INFORMATION FOR THE QUARTER ENDED 30/06/2015

A	PARTICULARS OF SHAREHOLDING	30.06.2015	31.03.2015	30.06.2014	31.03.2015
1	Public Shareholding				
	Number of Shares	51,974,809	39,441,475	39,441,475	39,441,475
	Percentage of Shareholding	57.90%	43.94%	43.94%	43.94%
2	Promoters and promoter group Shareholding				
	a) Pledged / Encumbered				
	- Number of Shares	32,689,724	45,223,058	45,223,058	45,223,058
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	86.49%	89.85%	89.85%	89.85%
	- Percentage of Shares (as a % of the total share capital of the Company)	36.41%	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)	13.51%	10.15%	10.15%	10.15%
	- Percentage of Shares (as a % of the total share capital of the Company)	5.69%	5.68%	5.68%	5.68%
B.	INVESTOR COMPLAINTS				
	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	
		30.06.2015 (Unaudited)	31.03.2015 (Audited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
1.	Segment Revenue				
	a) Textile - Manufacturing	19,102.04	20,416.62	25,949.79	87,091.18
	b) Textile - Trading	403.53	103.90	1,775.01	6,795.71
	Total	19,505.57	20,520.52	27,724.80	93,886.89
	Less : Inter segment revenue	232.58	265.86	1,139.84	4,772.51
	Total Income	19,272.99	20,254.66	26,584.96	89,114.38
2.	Segment Results				
	Profit (+) / Loss (-) before tax and interest from each Segment				
	a) Textile - Manufacturing	523.40	(276.56)	544.39	2,611.78
	b) Textile - Trading	39.40	(24.71)	610.64	220.99
	TOTAL	562.79	(301.27)	1,155.03	2,832.77
	Less :				
	i) Interest/ Finance Cost	1,874.13	1,993.98	1,954.88	7,937.07
	ii) Other unallocable expenditure net off	805.50	(679.76)	607.63	1,204.16
	iii) Other unallocable income	66.76	(410.24)	315.45	89.37
	Total Profit / (Loss) before Tax	(2,050.08)	(2,025.73)	(1,092.03)	(6,219.09)
3.	Capital Employed				
	(Segment Assets - Segment Liabilities)				
	a) Textile - Manufacturing	(18,441.58)	(17,428.83)	(14,223.51)	(17,428.83)
	b) Textile - Trading	1,935.28	1,924.41	1,613.77	1,924.41
	Unallocated	2,755.29	3,803.47	5,108.20	3,803.47
	TOTAL	(13,751.01)	(11,700.93)	(7,501.55)	(11,700.93)

- 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 August, 2015.
 - The Statutory Auditors have carried out limited review of the Standalone Unaudited Financial Results of the Company for the quarter ended 30th June, 2015.
 - 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. 6,777.44 lacs (Previous quarter Rs. 6,422.44 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. Due to economic slow down, ASIL had registered losses during the quarter 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 places this subsidiary in a position to repay the liabilities in due course and hence no adjustment is required in the books of accounts.
 - 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 30th, 2015. 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, has initiated Arbitration Proceedings against GOU for its Claim through its lawyer before International Center for Settlement Investment Dispute(ICSID). The matter is in progress. Based on the claim lodged with ICSID, Board of Directors have decided not to make any provision for the aforesaid amounts. In addition to above claim, the company has sent notice to the GOU for indemnifying the losses caused to company directly or indirectly on account of its investment made in Uzbekistan.
 - Trade receivables and advance balances amount aggregating to Rs. 38.43 lacs and Rs. 273.14 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 Company has not allotted shares against amount of Rs.1,109.50 lacs which was brought in by the promoters in more than one installments under restructuring scheme approved by the bankers of the company. Due to pending necessary approvals for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013.
 - 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 figures for the preceding quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the of financial year ended 31st March, 2015 and the published year to date figures for the 9 months period ended on 31st December, 2014.
 - During the quarter ICICI Bank has realized part of its dues by invocation of pledge over 12,533,334 promoters Equity shares of the company.
 - 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, 2015

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