Spentex Industries Limited

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

Statement of Consolidated Financial Results for the year ended March 31, 2018

(Rs.in Lakhs, except per share data, and unless otherwise stated)

S.No.	Particulars	Note No.	Year Ended 31.03.2018	Year Ended 31.03.2017
			Audited	Audited
	Income			
I	Revenue from operations	16	47,997.69	78,230.04
II	Other Income	17	9,707.09	7,905.77
III	**Total Income (I+II)**		**57,704.78**	**86,135.81**
IV	**Expenses**		-	
	Cost of raw material consumed	18	32,030.73	56,734.71
	Purchase of Stock in Trade	19	26.45	275.58
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	20	2,246.97	(197.90)
	Excise Duty on sale		23.93	162.29
	Employee benefits expense	21	7,324.42	9,680.77
	Finance Costs	22	1,938.56	6,246.78
	Depreciation and amortization expense	23	1,057.63	1,388.73
	Other expenses	24	10,142.64	18,643.36
	Total expenses (IV)		**54,791.33**	**92,934.32**
V	**Profit /(Loss) before exceptional Items and Tax (III-IV)**		**2,913.45**	**(6,798.52)**
VI	Expenses of exceptional nature		14,502.58	27,728.88
VII	Income of exceptional nature		-	3,603.48
VII	**Profit/(loss) before,extraordinary, and tax (V-VI)**		**(11,589.13)**	**(30,923.92)**
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)**		(11,545.00)	(30,923.92)
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		0.11	0.07
	Actuarial (gain)/loss on remeasurement of defined benefit plan		238.02	123.68
	Other comprehensive income for the period (net of tax)		237.91	123.62
XI	**Total comprehensive income for the period (IX+X)**		**(11,782.91)**	**(31,047.54)**
	Paid up Equity Share Capital Face value of Rs. 10 each (No. in Lakhs)		897.72	897.72
	Earnings per share (of INR 10 each):			
	(a) Basic		(12.86)	(34.45)
	(a) Diluted		(12.86)	(34.45)

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1 The above audited Consolidated Financial Results of the Company for the year ended March 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 May 31, 2018. 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 Companies (Indian Accounting Standards) Rules 2015 (as amended).

2 The subsidiary i.e. Schoeller Litvino k.s. was under the control of secured creditors and its financial statements are not available , therefore consolidation is not possible.

3 During the period under audit, one of the subsidiaries of the company, Amit Spinning Industries Limited was admitted to NCLT (National Company Low tribunal) under IBC (Insolvency and Bankruptcy Code, 2016). W.E.F. August 01, 2017 NCLT appointed IRP (interim resolution professional), pursuant to that Spentex Industries Limited lost control over subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(ii) Exposure, or rights, to variable returns from its involvement with the investee, and
(iii) The ability to use its power over the investee to affect its returns.

After appointment of RP(Resolution Professional), control of Amit Spinning Industries Limited are with RP.

Under the new amended IBC code, there is no way by which existing management of Spentex Industries Limited can regain control over Amit Spinning Industries Limited. In view of the above, Managements is not in favor of consolidation with financial results of Amit Spinning Industries Limited for Quarter ended and year ended March 31, 2018 .

4a The Holding Company adopted Indian Accounting Standards (Ind-AS) from April 01, 2017 with the transition date of April 01, 2016 and accordingly these financial results have been prepared in accordance with the Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder (Ind-AS) and other accounting principles generally accepted in India to the extent applicable. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the year ended March 31, 2017 has been restated to make them comparable. Reconciliation of net profit/loss as reported under erstwhile IGAAP and as restated now under Ind-AS is as under:

Particulars	**Year Ended on 31st March 2017**
Net Profit as per IGAPP	**(30,923.92)**
Ind-As adjustments: Add/ (less)	
Interest booked/Amortisation of reclassification of leasedhold land as prepaid expense	
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	0.07
Acturial (gain)/loss on employees defined benefits plan recognised in other comprehensive income	123.68
Total comprehensive income as reported under Ind-AS	**(31,047.54)**

4b **Reconciliation of Changes in Other Equity**

Particulars	**As at March 31,2017**
Other Equity as per IGAAP	(77,963.14)
Gain on changes in Fair Value of Investment	(0.04)
Other Equity as per Ind AS	(77,963.18)

4c During the Current year National Company Law Tribunal (NCLT), Delhi heard upon the application filed by Amit Spinning Industries Limited, Subsidairy of the Group for resolution under Insolvancy and Bankrupycy code, 2016. Tribunal passed the order with effect from 1st August, 2017. Pursuant to appointment of Insolvancy Resolution Professional, the group lost control over the subsidiary and consequent ajustments were made in the financial statements. Based on management's perception the fair value of investment in the above subsidiary has been considered nil as at March 31, 2018.

Income on disconsolidation of ASIL: In Lakhs

Particulars	Amount
Net worth of ASIL attributable to the Group on date of the consolidation	8579.76
Less: Fair value of ASIL considered for disconsolidation	0
Net Income Recognised at Group level under other income	8579.76

5 The Ind- AS compliant corresponding figures of the year ended March 31, 2017 have not been subjected to limited review or audit by the Statutory Auditors. The group companies have exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

6 The format for the 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 Holding Company that is required to comply with Ind-AS.

7 In accordance with Ind AS 108 "Operating Segment" on Segment Reporting notified under the Companies (Accounting Statndards) Rules, 2006 (as amended) in accordance with section 133 of the Comapanies Act, 2013, read with relevant rules issued thereunder, for consolidated financials, the Holding Company is in the business of Manufacture of Yarn and there is only single segment . However, managment wishes to diclose the Revenue from operation on geographical basis.

Particulars	Domestic	Overseas	Total
Revennue from operations			
Quarter ended on 31st March, 2018	9,076.50	1,553.55	10,630.05
Quarter ended on 31st March, 2017	19,208.00	453.52	19,661.52
Year ended on 31st March, 2018	40,683.26	7,314.43	47,997.69
Year ended on 31st March, 2017	74,992.51	3,221.69	78,214.20

8 The re-measurement cost of net defined benefit liability arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP. The Holding Company has valued certain equity instruments at fair value (other than investment in subsidiaries). The impact of the change in fair value as on the date of transition (i.e. April, 2016) is recognised in opening equity and changes thereafter are recognised in Other Comprehensive Income.

9 Expenses of exceptional nature comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. 2044.70 lacs and write off of Rs. 7557.94 lakhs recoverable from the subsidiary ASIL. During the year The Company 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 Bankrupcy Code (IBC),2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC,2016 . 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 provison made for inventory carrying cost of Rs. 2601.18 Lakhs for which reconciliation with the parties are pending.

10 As on March 31, 2018, the accumulated losses of the group companies had exceeded its net worth. The Quarterly and year ended results of the group companies 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 of holding company is carried out by the lenders and requisite working capital is raised. Holding 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.

11 The Holding Company has not allotted shares against amount of Rs. 1,109.50 lakhs 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 and directions for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013 .

12 The Holding 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 group company on their ouststanding debts amount from the dates on which their accounts become NPA. In view of the above, the holding company has not charged to the consolidated statement of profit and loss account interest expenses of Rs. 1,327.74 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. 13,670.52 lakhs till December 31, 2017 has not been accounted for.

13 The outstanding balance as on March 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.

14 Due to working capital crunch, Baramati plant of the holding company was shut down during the year . 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.

15 Revenue from operations for periods up to June 30, 2017 of the Holding Company includes excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with 'Ind-AS 18, Revenue' GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended on March 31, 2018 are not comparable to the extent with the previous periods."

16 The Holding 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.

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

For & on behalf of Board of Directors
Spentex Industries Limited
Sd/-
Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: May 31 , 2018

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Consolidated Statement of Assets and Liabilities as at March 31, 2018

	Particulars	As at March 31,2018	As at March 31,2017
A			
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	16,275.64	20,806.20
	(b) Capital work-in-progress	0.04	23.38
	(c) Intangible assets	-	-
	(d) Financial Assets	-	-
	(i) Investments	0.51	1,983.02
	(ii) Loans	956.84	2,788.18
	(iii) Others	199.25	933.83
	(e) Deferred tax assets (net)	-	176.00
	(f) Other non-current assets	3,400.46	3,678.34
	Total Non current assets (A)	**20,832.74**	**30,388.95**
2	**Current assets**		-
	(a) Inventories	2,355.44	5,538.80
	(b) **Financial Assets**	-	-
	(i) Trade receivables	958.84	3,772.84
	(ii) Cash and cash equivalents	197.36	107.41
	(iii) Bank balances other than (ii) above	7.12	-
	(iv) Loans	58.07	39.66
	(v) Others	1,607.15	1,411.24
	(c) Current Tax Assets (Net)	74.66	-
	(d) Other current assets	363.27	397.83
	Total current assets (B)	**5,621.90**	**11,267.78**
	Non-current assets classified as held for sale	102.86	18.30
	Total current assets (C)	**102.86**	**18.30**
	Total (A+B+C)	**26,557.50**	**41,675.03**
B			
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	11,021.91	8,977.20
	(b) Other Equity	(89,765.70)	(77,963.10)
	Total Equity (A)	**(78,743.80)**	**(68,985.91)**
	LIABILITIES		
1	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	3,117.00	3,541.00
	(ii) Other financial liabilities	66.86	21.66
	(b) Provisions	1,267.21	1,054.63
	Total Non-current liabilities (B)	**4,451.08**	**4,617.29**
2	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	51,199.24	52,175.18
	(ii) Trade Payables	6,240.16	11,958.84
	(iii) Other financial liabilities	40,776.29	37,603.45
	(b) Other current liabilities	2,134.50	3,714.11
	(c) Provisions	500.03	592.06
	Total Current liabilities (C)	**100,850.22**	**106,043.64**
	Total Equity and Liabilities (A+B+C)	**26,557.50**	**41,675.03**