

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

Statement of Consolidated Financial Results for the quarter ended June 30, 2019

(Rs. in Lakhs, except EPS)

Particulars	Quarter ended			Year ended
	June 30, 2019 Unaudited	March 31, 2019 Audited	June 30, 2018 Unaudited	March 31, 2019 Audited
I Revenue From Operations	1,274.70	(Ref.Note No.15) 2,886.72	9,189.93	24,516.95
II Other Income	360.76	4,125.50	165.61	4,634.57
III Total Income (I+II)	1,635.46	7,012.22	9,355.54	29,151.52
IV Expenditure:				
Cost of materials consumed	177.46	718.15	5,983.71	13,720.07
Purchase of Stock in Trade	-	2.21	45.02	366.28
Changes in inventories of finished goods, Stock- in Trade and work in progress	87.58	359.25	316.32	1,313.80
Employees benefits expenses	1,250.50	1,675.13	1,619.18	6,414.50
Finance Costs	575.25	504.89	593.25	1,958.49
Depreciation and amortisation expenses	246.69	249.00	251.61	1,001.58
Other expenses	1,154.67	3,390.61	1,099.53	8,530.16
Total Expenses (IV)	3,492.15	6,899.24	9,908.62	33,304.88
V Profit/(Loss) before exceptional Items and Tax (III-IV)	(1,856.69)	112.98	(553.08)	(4,153.36)
VI Income of exceptional Items	-	-	-	516.06
VII Profit/(Loss) before tax (V-VI)	(1,856.69)	112.98	(553.08)	(3,637.30)
VIII Tax expense				
(1) Current Tax	-	-	-	-
(2) Mat Credit Entitlement Excess Provision Written Back	-	-	-	-
(3) Deferred Tax	-	-	-	-
Total Tax Expenses	-	-	-	-
IX Profit/(Loss) for the period from continuing operation (VII-VIII)	(1,856.69)	112.98	(553.08)	(3,637.30)
X Other Comprehensive Income				
Items that will be reclassified to profit or loss				-
Items that will not be reclassified to profit or loss				
Changes in fair value of FVTOCI equity instruments	0.03	-	0.01	0.02
Actuarial (gain)/loss on remeasurement of defined benefit plan	3.64	(159.76)	58.11	14.57
Other comprehensive income for the period (net of tax)	3.67	(159.76)	58.12	14.59
XI Total comprehensive income for the period (IX+X)	(1,860.36)	272.74	(611.20)	(3,651.89)
Paid up Equity Share Capital Face value of Rs. 10 each (No. in Lakhs)	897.72	897.72	897.72	897.72
Earnings per share (of INR 10 each):				
(a) Basic	(2.07)	0.13	(0.62)	(4.05)
(a) Diluted	(2.07)	0.13	(0.62)	(4.05)

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 : August 14 ,2019

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- 1 The above unaudited Consolidated Financial Results of the Group for the quarter ended June 30, 2019 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on August 14, 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 Companies (Indian Accounting Standards) Rules 2015 (as amended).
- 2 The Subsidiary i.e Schoeller Litnivo K.S. was under the control of secured creditors and its financials are not available, therefore consolidation is not possible.
Amit Spinning Industries Limited which was a Subsidiary of CLC Industries limited is not consolidated due to loss of Control of Holding Company over the entity.
- 3 The format for the results as prescribed in SEBI's Circular No. CIR/CFD/CMD/15/2015 dated 30th November 2015 has been amended to comply with the requirements of SEBI's Circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019, Ind AS and Schedule III to the Companies Act, 2013 applicable to the Company that is required to comply with Ind-AS.
- 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 thereunder, for consolidated financials, the Holding Company is in the business of Manufacture of Yarn and there is only single segment. However management wishes to disclose the revenue from operation on geographical basis.

(Rs. In Lakhs)

Entity wise disclosure	Domestic	Overseas	Total
Revenue from operations			
Quarter ended on 30th June, 2019	1,274.59	0.11	1,274.70
Quarter ended on 30th June, 2018	7,262.81	1,927.12	9,189.93

- 5 In the FY 2017-18' Expenses of exceptional nature comprise 'the company has made a provision for value of long term investments amounting to Rs.2,044.70 lakhs in Amit Spinning Industries Limited(ASIL), Subsidiary of the Company and written off recoverable amounting of Rs. 7557.94 lakhs due from above subsidiary. During the FY 2017-18 the ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017 has admitted the ASIL's petition and had appointed Resolution Professional for ASIL keeping in view of ongoing proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy code. The NCLT vide its order dated 31st July 2018, had approved the resolution plan as submitted by Resolution Applicants for ASIL, the company was required to transfer its entire shareholding held in ASIL at a total consideration of Rs. One only in favour of Resolution Applicants as stipulated in Sanctioned Resolution plan. The Company was holding 2,09,81,077 equity shares (50.96%) in ASIL and company is in process to comply with the Resolution plan. Further we are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of subsidiary, and compliance of IND-AS 109 in respect to accounting of corporate guarantee.
Further provision made for inventory carrying cost of Rs. 1477.59 lakhs for which reconciliation with the parties are pending as on June 30th, 2019.
- 6 As on June 30, 2019, the accumulated losses of the group had exceeded its net worth. The Quarterly ended results of the group has been prepared on going concern basis as the management believe that the accumulated losses would be wiped off and the profitability improved and the net worth 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 Amount receivable from Govt. Authorities aggregating to Rs. 468.11 lakhs are pending from more than three years where payments are not forthcoming. The Holding company is making appropriate concerted efforts and expect to reduce the outstanding dues significantly. The management is of the view that ultimately there would be no losses against these outstanding balances and hence no provision is considered necessary at this stage.

- 8 Goods and Service Tax Return of Head office for the period of March 2019 to June 2019 not filled due to Liquidity Crunch and there is a difference of Rs.142.36 lakhs between Goods and Service Tax Credit Ledger and Goods and Service Tax Receivable.
- 9 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 instalments 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 . As per rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014, if shares are not allotted within 60 days from the date of receipts of Share Application money and application money is not refunded to the subscriber the same shall be treated as deposit. During the year board meeting dated February 13,2019, share application Money treaded as Deposit. Necessary approvals/procedures from respective authorities/MCA and adjustment of consequential impact if any are still pending .
- 10 The Holding Company's accounts had become Non performing assets (NPA) with majority of the banks/NBFCs and due to this reason, the majority of lenders stopped charging interest from the company on their outstanding 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. 1388.57 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. 20647.88 lakhs till March 31, 2019 has not been accounted for.
- 11 Management of the holding company has not been able to obtain confirmation of balances from Loan Lenders and other debit & credit balances of Trade payables, Loans, advances & deposits. Loan from State Bank of India and Indian Bank has been assigned to Asset Reconstruction Company Private Limited under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act,2002. Confirmation from Asset Reconstruction Company Private limited is pending. Further no Balance Confirmation form current accounts of Bank Balances obtained during the year. In the absence of such confirmations, any provisions to be made for the adverse variation in the carrying amounts of these balances are not quantified, since quantum of claims and disputes, if any remains unascertained. The management, however, does not expect any material variations.
- 12 Due to working capital crunch, Baramati plant was shut down since September `2017 and Solapur plant was shut down from April 2019. 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.
- 13 The Group has adopted Ind AS 116 'Leases'/effective from 1st April, 2019 as notified by the Ministry of Corporate Affairs and applied the Standard to its Leases.This has resulted in recognizing right to use assets and corresponding lease liabilities. The Impact of adoption of Ind AS 116 on the profit for the Quarter ended June 30,2019 is insignificant.
- 14 IND AS 115 "Revenue from Contracts with Customers", mandatory for reporting periods beginning on or after April 01, 2018, replaces existing revenue recognition standards. The application of IND AS 115 did not have any significant impact on recognition & measurement of revenue and related items in the financial results.
- 15 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 Affairs, which is still awaited.
- 16 The figures for the quarter ended June 30,2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the 3rd quarter of the relevant financial year.
- 17 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.

For & on behalf of Board of Directors
CLC Industries Limited
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Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: August 14 , 2019