

Spentex Industries Limited

Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.

CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com

Statement of unaudited Standalone Financial Results for the quarter and half year ended 30th September 2017

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

S.No.	Particulars	Standalone Financial Results				
		Quarter Ended			Half Year Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
I	Revenue from operations	13,835.57	14,123.02	21,109.04	27,958.59	42,460.89
II	Other Income	23.27	86.79	195.31	110.06	466.42
III	Total Income (I+II)	13,858.84	14,209.81	21,304.35	28,068.65	42,927.31
IV	Expenses					
	Cost of raw material and components consumed	9,325.46	9,073.00	16,764.11	18,398.46	32,493.47
	Purchase of Traded Goods	8.52	2.08	94.02	10.60	129.35
	Changes in inventories of finished goods, work-in-progress and traded goods	(426.81)	916.39	(432.93)	489.57	(654.59)
	Excise Duty	-	23.93	30.34	23.93	94.42
	Employee benefits expense*	1,950.10	2,053.49	2,417.49	4,003.59	4,760.83
	Finance Costs	272.13	228.03	1,993.66	500.16	4,533.07
	Depreciation and amortization expense	285.40	262.48	276.51	547.88	549.89
	Other expenses	2,944.03	3,088.44	3,240.36	6,032.47	6,608.33
	Total expenses (IV)	14,358.83	15,647.83	24,383.57	30,006.66	48,514.77
		-				
V	Profit before exceptional Items (III-IV)	(499.99)	(1,438.02)	(3,079.22)	(1,938.01)	(5,587.46)
VI	Exceptional items	-			-	
VII	Profit/(loss) before,extraordinary, and tax (V-VI)	(499.99)	(1,438.02)	(3,079.22)	(1,938.01)	(5,587.46)
VIII	Tax Expenses					
	(1) Current Tax				-	-
	(2) Mat Credit Entitlement				-	-
	(3) Deferred Tax				-	-
	Total Tax Expenses				-	-
IX	Profit for the period (VII-VIII)	(499.99)	(1,438.02)	(3,079.22)	(1,938.01)	(5,587.46)
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	0.02	0.02	0.02	0.04	0.03
	Actuarial (gain)/loss on remeasurement of defined benefit plan	30.92	30.92	(6.83)	61.84	(13.67)
	Other comprehensive income for the period (net of tax)	30.90	30.91	(6.85)	61.80	(13.70)
XI	Total comprehensive income for the period (IX+X)	(530.89)	(1,468.92)	(3,072.36)	(1,999.81)	(5,573.76)
	Earnings per share (of INR 10 each) (not annualised):					
	(a) Basic	(0.56)	(1.64)	(3.43)	(2.16)	(6.22)
	(a) Diluted	(0.56)	(1.64)	(3.43)	(2.16)	(6.22)

* Figures for quarter ended June 2017 reduced for actuarial loss incorrectly added to the expenses.

- The above Standalone Un-audited Financial Results and Segement Reports for the second quarter ended 30th September, 2017 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 13th December, 2017. 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 Company adopted Indian Accounting Standards (Ind-AS) from 01 April 2017 with the transition date of 01 April 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind-AS) 34-Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the quarter and half year ended 30 September 2016 has been restated to make them comparable. Reconciliation of net profit as reported under erstwhile IGAAP and as restated now under Ind-AS is as under:

Particulars	Half year ended 30-09-2016	Quarter ended 30-09-2016
Net Profit as per previous GAPP	(5,577.96)	(3,076.55)
Ind-As adjustments: Add/ (less)		
Acturial (gain)/loss on employees defined benefits plan	(13.67)	(6.83)
Provision for impairments of trade receivables based on	(4.18)	(4.18)
Net Profit as per Ind-AS	(5,587.45)	(3,079.21)
Other comprehensive income net of income tax	(13.70)	(6.85)
Total comprehensive income as reported under Ind-AS	(5,573.75)	(3,072.35)

- 3 Results for the quarter ended 30th September, 2017 has been subjected to limited review by the Statutory Auditors. The Ind- AS compliant corresponding figures of quarter ended 30th September, 2016 have not been subjected to limited review or audit by the Statutory Auditors. The Company has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 4 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.
- 5 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 standalone financials, the Company has identified two Business Segments viz., Textile Manufacturing and Textile Trading, accordingly segment disclosure has been done.
- 6 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.
- 7 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 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.
- 8 The Company has long term Investment of Rs. 2,044.70 lakhs and recoverability of Rs. 7,561.10 lakhs (Previous quarter Rs. 7,555.28 lakhs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. ASIL has negative net worth as per the audited financial for the year ended 31st March 2017 due to losses incurred. The company (ASIL) has filed its petition before National Company Law Tribunal (NCLT) for resolution of its debts and approval of resolution plan and NCLT (by its order dated 1st August, 2017) has appointed Interim resolution professional (IRP) under Insolvency & Bankruptcy Code 2016 to settle the debts with lenders and to submit the revival scheme before NCLT.
- The company believes that with the plan of revival and re-organisation of business, provision for diminution in the value of Investment has not been considered necessary.
- 9 As on March 31, 2012, the accumulated losses of the Company had exceeded its net worth. The Quarterly results of the company 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 networth will turn positive.
- 10 Advance balances aggregating to Rs. 409.53 lakhs are due from certain parties where payments are not forthcoming. The company is making appropriate concerted efforts including negotiations with these parties to recover the same 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.
- 11 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 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 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 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. 1,358.93 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. 10,952.66 lakhs till 30th June, 2017 has not been accounted for.
- 13 The outstanding balance as on 30th September, 2017 in respect of certain 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 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.
- 15 Revenue from operations includes excess provision written back during the quarter of Rs. 630.58 lacs (previous quarter NIL). Further, revenue for the current period is not comparable with previous period since the same is net of Goods and Service Tax (GST) whereas excise duty form part of expenses in previous periods. The comparative revenue from operations of the company is given below:

'Rs. in Lacs

	Quarter Ended			Half Year Ended	
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
Revenue from operations (as reported)	13,835.57	14,123.02	21,109.04	27,958.59	42,460.89
Less: Excise duty on sales	-	23.93	30.34	23.93	94.42
Revenue from operations (net of excise duty)	13,835.57	14,099.09	21,078.70	27,934.66	42,366.47

For & on behalf of Board of Directors

Spentex Industries Limited

Sd/-

Mukund Choudhary

Managing Director

Place : New Delhi

Dated: 13th December , 2017

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REPORTING OF SEGMENT - WISE REVENUE, RESULTS, ASSETS AND LIABILITIES					
Particulars	Quarter ended			Half Year ended	
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1. Segment Revenue					
a) Textile- Manufacturing	13,847.87	14,286.09	21,421.41	28,133.96	43,929.51
b) Textile Trading	12.13	13.06	138.35	25.19	181.41
Total	13,860.00	14,299.15	21,559.76	28,159.15	44,110.92
Less : Inter segment revenue	24.43	176.13	450.72	200.56	1,650.02
Total Income	13,835.57	14,123.02	21,109.04	27,958.59	42,460.89
2. Segment Results					
Profit (+) / Loss (-) before tax and interest from each Segment					
a) Textile- Manufacturing	(240.99)	(825.30)	142.05	(1,066.29)	338.82
b) Textile Trading	(0.71)	(2.58)	71.60	(3.29)	78.37
TOTAL	(241.71)	(827.87)	213.65	(1,069.58)	417.19
Less :					
i) Finance cost	272.13	228.03	1,993.79	500.16	4,533.20
ii) Other unallocable expenditure net off	1.33	395.67	1,346.23	397.00	1,660.04
iii) Other unallocable income	15.18	13.55	47.16	28.73	188.60
Profit/ (Loss) before tax	(499.99)	(1,438.02)	(3,079.22)	(1,938.01)	(5,587.46)
3. Segment Assets					
a) Textile- Manufacturing	27,564.33	30,353.56	39,200.29	27,564.33	39,200.29
b) Textile Trading	175.17	192.90	36.85	175.17	36.85
Unallocated	9,971.18	10,305.13	13,850.61	9,971.18	13,850.61
TOTAL	37,710.68	40,851.58	53,087.75	37,710.68	53,087.75
4. Segment Liabilities					
a) Textile- Manufacturing	12,969.94	13,587.42	13,986.87	12,969.94	13,986.87
b) Textile Trading	409.36	428.85	233.41	409.36	233.41
Unallocated	52,984.20	54,945.18	64,237.49	52,984.20	64,237.49
TOTAL	66,363.50	68,961.45	78,457.77	66,363.50	78,457.77

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Statement of Assets and Liabilities as at 30 September 2017

(Rs. Lacs)

Particulars		Unaudited
		30.09.2017
A	ASSETS	
1	Non-current assets	
	(a) Property, plant and equipment	16,803
	(b) Capital work-in-progress	27
	(c) Intangible assets	-
	(d) Financial Assets	
	(i) Investments	2,046
	(ii) Loans	759
	(iii) Others	973
	(e) Deferred tax assets (net)	176
	(f) Other non-current assets	5,464
	Sub total-Non current assets (A)	26,248
2	Current assets	
	(a) Inventories	4,798
	(b) Financial Assets	
	(i) Trade receivables	3,245
	(ii) Cash and cash equivalents	66
	(c) Other current assets	3,286
	Sub total current assets (B)	11,395
	Non-current assets classified as held for sale	68
	Sub total current assets (C)	68
	Total (A+B+C)	37,711
B	EQUITY AND LIABILITIES	
	Equity	
	(a) Equity Share capital	8,977
	(b) Other Equity	(37,630)
	Sub total-Equity (A)	(28,653)
	LIABILITIES	
1	Non-current liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	4,061
	(ii) Other financial liabilities	22
	(b) Provisions	1,032
	Sub total-Non current liabilities (B)	5,115
2	Current liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	48,757
	(ii) Trade Payables	6,313
	(iii) Other financial liabilities	1,422
	(b) Other current liabilities	4,070
	(c) Provisions	688
	Sub total- Current liabilities (C)	61,249
	Total (A+B+C)	37,711