

Spentex Industries Limited



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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED SEPTEMBER 30, 2015

REPORTING OF SEGMENT - WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PART-I Statement of Standalone Unaudited Results for the quarter and six months ended 30/09/2015

(Rs. in Lacs except EPS)

(Rs. in Lacs)

S. No.	Particulars	Quarter ended			Six Months ended		Previous Year ended	S. No.	Particulars	Quarter ended			Half Year ended		Previous Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015			30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a) Net Sales / Income from operations (Net of excise duty)	19,071.05	19,029.21	22,407.87	38,100.26	48,992.51	86,982.23	1	Segment Revenue						
	b) Other Operating Income	239.19	243.78	739.90	482.97	772.60	2,132.15		a) Textile						
	Total Income (a + b)	19,310.24	19,272.99	23,147.77	38,583.23	49,765.11	89,114.38		- Manufacturing	19,181.67	19,102.04	21,573.46	38,283.71	47,555.61	87,091.18
2	Expenditure :								b) Textile	692.53	403.53	4,013.45	1,096.06	5,788.46	6,795.71
	a) Consumption of raw materials (including consumption of stores, spares and packing materials)	12,594.03	14,068.21	16,890.77	26,662.24	35,939.85	59,431.72		- Trading						
	b) Purchase of traded goods	195.90	97.11	290.68	293.02	540.00	1,446.49		Total	19,874.20	19,505.57	25,586.91	39,379.77	53,344.07	93,886.89
	c) Changes in inventories of finished goods, work in progress and stock in trade	971.66	(688.40)	(696.24)	283.26	(448.26)	4,636.42		Less : Inter segment revenue	563.96	232.58	2,439.14	796.54	3,578.96	4,772.51
	d) Employees benefits expenses	2,112.34	2,048.82	2,068.30	4,161.16	4,101.12	8,011.15		Total Income	19,310.24	19,272.99	23,147.77	38,583.23	49,765.11	89,114.38
	e) Depreciation and amortisation expenses	273.61	280.61	239.28	554.21	657.08	1,168.69	2	Segment Results Profit (+) / Loss (-) before tax and interest from each Segment						
	f) Power and fuel cost	2,288.69	2,613.50	2,332.78	4,902.19	4,641.11	8,690.67		a) Textile						
	g) Other expenditure	1,419.88	1,315.65	1,403.78	2,735.53	3,303.61	5,814.21		- Manufacturing	375.60	523.40	500.35	899.00	1,044.74	2,474.60
	Total Expenses	19,856.12	19,735.50	22,529.35	39,591.61	48,734.51	89,199.35		b) Textile	34.84	39.40	649.38	74.24	1,260.02	220.99
3	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	(545.88)	(462.51)	618.42	(1,008.38)	1,030.60	(84.97)		TOTAL	410.44	562.80	1,149.73	973.24	2,304.76	2,695.59
4	Other Income	392.62	286.55	232.87	679.17	546.35	1,665.77		Less :						
5	Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	(153.26)	(175.95)	851.29	(329.21)	1,576.95	1,580.80		i) Interest	1,947.87	1,874.13	2,010.04	3,822.00	3,964.93	7,937.07
6	Finance Cost	1,947.87	1,874.13	2,010.06	3,822.00	3,964.93	7,937.07		ii) Other unallocable expenditure net off	781.85	805.50	597.31	1,587.35	1,204.95	1,204.16
7	Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,387.98)	(6,356.27)		iii) Other unallocable income	218.19	66.76	298.86	284.93	477.14	89.37
8	Prior Period Items (Net of Income)	-	-	-	-	-	-		Profit/(Loss) before Tax (Before extra ordinary items)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,387.98)	(6,356.27)
9	Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,387.98)	(6,356.27)		Extraordinary items (Net of tax expenses)	-	-	-	-	137.00	137.18
10	Exceptional Items	-	-	-	-	-	-		Profit/ (Loss) before tax (after extraordinary items)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,250.98)	(6,219.09)
11	Profit / (Loss) from Ordinary Activities before tax (9-10)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,387.98)	(6,356.27)		3. Capital Employed (Segment Assets - Segment Liabilities)						
12	Tax expense	-	-	-	-	-	60.18		a) Textile						
13	Net Profit / (Loss) from Ordinary Activities after tax (11-12)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,387.98)	(6,416.45)		- Manufacturing	(19,619.71)	(18,441.58)	(14,608.23)	(19,619.71)	(14,608.23)	(17,428.83)
14	Extraordinary Items (net of tax expense)	-	-	-	-	-	137.00		b) Textile						
15	Net Profit / (Loss) for the period (13-14)	(2,101.11)	(2,050.08)	(1,158.77)	(4,151.20)	(2,250.98)	(6,279.27)		- Trading	2,039.76	1,935.28	1,634.18	2,039.76	1,634.18	1,924.41
16	Paid up Equity Share Capital (Face Value Rs. 10/- each)	8,977.20	8,977.20	8,977.20	8,977.20	8,977.20	8,977.20		Unallocated	1,727.84	2,755.29	4,313.73	1,727.84	4,313.73	3,803.45
17	Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	-	(21,787.65)		TOTAL	(15,852.12)	(13,751.01)	(8,660.33)	(15,852.12)	(8,660.33)	(11,700.95)
18	Earnings Per Share (EPS) (not annualized) (Rs.)														
	a) Basic & Diluted EPS before Extraordinary items for the period and for the previous year	(2.34)	(2.28)	(1.37)	(4.62)	(2.66)	(7.08)								
	b) Basic & Diluted EPS after Extraordinary items for the period and for the previous year	(2.34)	(2.28)	(1.22)	(4.62)	(2.51)	(6.93)								

PART II Select information for the quarter and six months ended 30/09/2015

A. PARTICULARS OF SHAREHOLDING						
1	Public Shareholding					
	Number of Shares	5,19,74,809	5,19,74,809	3,94,41,475	5,19,74,809	3,94,41,475
	Percentage of Shareholding	57.90%	57.90%	43.94%	57.90%	43.94%
2	Promoters and promoter group Shareholding					
	a) Pledged / Encumbered					
	- Number of Shares	37,797,226	3,26,89,724	4,52,23,058	37,797,226	4,52,23,058
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	86.49%	89.85%	100.00%	89.85%
	- Percentage of Shares (as a % of the total share capital of the Company)	42.10%	36.41%	50.38%	42.10%	50.38%
	b) Non - Encumbered					
	- Number of Shares	0	51,07,502	51,07,502	0	51,07,502
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	0.00%	13.51%	10.15%	0.00%	10.15%
	- Percentage of Shares (as a % of the total share capital of the Company)	0.00%	5.69%	5.68%	0.00%	5.68%

B. INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

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 07th November, 2015.
- The Statutory Auditors have carried out limited review of the Unaudited Standalone Financial Results of the Company for the quarter and six months ended 30th September, 2015.
- In accordance with Accounting Standard 17 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 rule 7 of Companies (Accounts) Rules, 2014, 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. 7,182.68 lacs (Previous quarter Rs. 6,777.44 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 September 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. 248.01 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.
- The outstanding balance as on 30th September, 2015 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.
- 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.

Mukund Choudhary
Managing Director

CLC

Place : New Delhi
Date : November 07, 2015