

CLC INDUSTRIES LIMITED

(Formerly known as Spentex Industries Limited)

Manufacturer of Yarns



August 14, 2019

To, Listing Department BSE Limited 25 th Floor, P J Towers, Dalal Street Mumbai 400 001 Stock Code. 521082	To, Manager – Listing Compliances National Stock Exchange Of India Ltd. Exchange Plaza Bandra Kurla Complex Bandra (E), Mumbai-400051 Stock Code: SPENTEX
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Dear Sir/Madam,

Sub: Unaudited Financial Results for the Quarter ended 30th June 2019

This is to inform you that the Board of Directors of the Company at its meeting held on 14th August, 2019 has, *inter alia*, approved and taken on record the Un-audited Financial Results (Standalone & Consolidated) for the quarter ended 30th June, 2019. The results were reviewed by Audit Committee and Statutory Auditors of the Company have carried out a limited review of the said results.

Please find enclosed herewith the Unaudited Financial results (Standalone & Consolidated) for the quarter ended 30th June, 2019 alongwith Auditors' Limited Review Report in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of Board of Directors commenced at 2:30 P.M. and concluded at 6:45 P.M.


Please take the same on record.

Thanking you,

Yours truly,

For **CLC INDUSTRIES LIMITED**

(Formerly known as Spentex Industries Limited)


For CLC Industries Limited

BHARAT KAPOOR Secretary
COMPANY SECRETARY

Encl : as above.

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report to
The Board of Directors
CLC Industries Limited (Formerly Known as Spentex Industries Limited)
A-60, Okhla Industrial Area, Phase-II
New Delhi-110020

1. We have reviewed the accompanying statement of unaudited standalone financial results ("The Statement") of **CLC Industries Limited (Formerly Known as Spentex Industries Limited)** ("The Company") for the quarter ended June 30, 2019 pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the regulation'), read with SEBI circular no. CIR/CFD/CMD1/44/2019 dated 29th March 2019 ('the Circular').

This Statement is the responsibility of the Company's management and approved by the Board of Directors, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review of such financial statements.

2. We conducted our review of the Statement in accordance with the standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain reasonable assurance about whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



LLP ID No.: AAC-5662

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813, Oxford Towers, 139, Airport Road, Bangalore-560 008

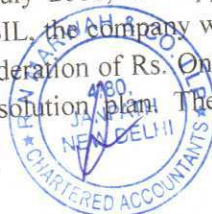
3. Material Uncertainty Related to Going Concern

- a) We draw attention to Note no.5 of the Standalone unaudited financial results, which indicates that the Company's net worth has been eroded as on June 30, 2019. As per SA 570, These events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Majority of Indian lenders have categorized borrowings of the company as Non- Performing Asset(NPA) and have sent recall notices u/s 132(2) of Securitization and Reconstruction of Financial Assets and Enforcement of security Interest Act(SARFAESI),2002 to the Company and some of the lenders have filled application for recovery of its dues before Debt Recovery Tribunal(DRT). In Case the going concern concept is vitiated, necessary adjustment will be required in Carrying amount of assets and liabilities which are not ascertainable. Loan from State Bank of India and Indian bank has been assigned to Asset Reconstruction Company Private Limited under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act,2002.However, the financial result of the Company has been prepared on the basis of the reasons stated in the above notes.
- b) The Company has not charged to Statement of Profit and loss account, an interest expense of Rs.1,388.57 lakhs for the current quarter and Rs.20,647.88 lakhs upto March 31, 2019 respectively and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no. 9 to the standalone unaudited financial results for the quarter and year ended June 30, 2019.

We Further that, without considering the Impact of paragraph (a) above the effect of which, could not be determined and had the observation made by us in paragraph (b) is considered, the loss before tax for the quarter ended June 30, 2019, would have been Rs. 2841.55 Lakhs as against the reported figure of Rs. 1452.98 lakhs.

4. Without qualifying our limited review report, we draw attention to:

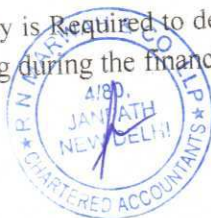
- c) Refer Note No.4 of the Standalone unaudited financial results for the quarter ended June 30, 2019, In the Financial year 2017-18 'Expenses of Exceptional nature comprise the company has made a provision for value of long term investments amounting to Rs.2,044.70 lakhs in Amit Spinning Industries Limited(ASIL), Subsidiary of the Company and written off recoverable amounting of Rs7557.94 lakhs due from above subsidiary. During the year 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. 1,477.59 lakhs for which reconciliation with the parties are pending as on June 30, 2019.

- d) Note no.6 to the standalone unaudited financial results for the quarter ended June 30, 2019, Amount Receivable from Government Authorities aggregating to Rs.468.11 lakhs are pending from more than 3 years where payments are not forthcoming. 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.
- e) Note no. 7 to the standalone unaudited financial results for the quarter ended June 30, 2019, Goods and Service Tax Return of Head office for the period March 31, 2019 to June 30, 2019 not filed due to Liquidity Crunch and there was a Difference of Rs.142.36 lakhs between Goods and Service Tax Credit Ledger and Goods and Service Tax Receivable.
- f) Note no.8 to the standalone unaudited financial results for the quarter ended June 30, 2019, wherein the Company has not allotted shares against share application money of Rs.1109.50 lakhs which was brought in by the promoters in more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note. Share application money pending allotment amounting to Rs.1109.50 is been treated as Deposit as per deposit rules 2014 of Companies act,2013 in Board meeting held on 13th Febraury,2019 vide resolution no.19(ii).Appointment/ re-appointment of Directors are subject to necessary compliance's/ approvals. Necessary approvals/procedures from respective authorities/MCA and adjustment of consequential impact if any are still pending.
- g) Note no.10 to the standalone financial results for the quarter ended June 30, 2019, regarding balances of parties under the head trade receivable, trade payable and loans & advances, Borrowings from Banks/ NBFC, balances with current accounts of Banks which are subject to confirmation, reconciliation and consequential adjustments if any. Loan Balances of State Bank of India and Indian Banks has assigned to Asset Reconstruction Company Private Limited under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act,2002. Confirmation from Asset Reconstruction Company Private limited is not received yet.
- h) Note No. 14 the Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed

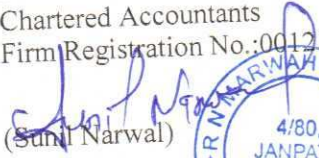


R.N. MARWAH & CO. LLP
CHARTERED ACCOUNTANTS

methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular.

- i) Note no.11 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.
5. Based on our review conducted as above subject to the adjustments that may be required to the financial results in view of our remarks stated in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Standalone Financial Results, prepared in accordance with the applicable Accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulations 33 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019, including the manner in which it is to be disclosed or that it contains any material misstatement.

For RN Marwah & Co. LLP
Chartered Accountants
Firm Registration No.:001211N/N500019


(Sunil Narwal)
Partner
Membership No. 1190



Place: New Delhi
Date: August 14, 2019

UDIN:-19511190AAAAAQ9865

CLC Industries Limited

(Formerly Known as Spentex Industries Limited)

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

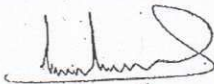
CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com

Statement of Standalone 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	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	171.54	125.48	213.84	440.86
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)	3,088.44	6,519.83	9,529.21	31,787.25
V Profit/(Loss) before exceptional Items and Tax (III-IV)	(1,452.98)	492.39	(173.67)	(2,635.72)
VI Income of exceptional Items	-	-	-	516.06
VII Profit/(Loss) before tax (V-VI)	(1,452.98)	492.39	(173.67)	(2,119.66)
VIII Tax expense				
(1) Current Tax	-	-	-	-
(2) Mat Credit Entitlement Excess Provision Written Back	-	-	-	-
(3) Deferred Tax	-	-	-	-
Total Tax Expenses	(1,452.98)	492.39	(173.67)	(2,119.66)
IX Profit/(Loss) for the period from continuing operation (VII-VIII)				
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)	(1,456.65)	652.15	(231.79)	(2,134.25)
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	(1.62)	0.55	(0.19)	(2.36)
(a) Diluted	(1.62)	0.55	(0.19)	(2.36)

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





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

- 1 The above unaudited Standalone Financial Results of the Company 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 format for the quarterly 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.
- 3 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 is in the business of Manufacture of Yarn and there is only single segment

Entity wise disclosure	(Rs.in Lakhs)		
	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

- 4 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. 7,557.94 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.
- 5 As on June 30, 2019, 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 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.
- 6 Amount receivable from Govt. Authorities aggregating to Rs. 468.11 lakhs are pending from more than three years where payments are not forthcoming. The 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.
- 7 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



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- 8 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 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 treated as Deposit. Necessary approvals/procedures from respective authorities/MCA and adjustment of consequential impact if any are still pending .
- 9 The 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. 1,388.57 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.
- 10 Management 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.
- 11 Due to working capital crunch, Baramati plant was shut down since September `2017 and solapur plant was shut down form April 2019. Management of the company is confident of restarting the units within current financial year once financial restructuring is carried out by lenders and additional working capital is raised.
- 12 The Company 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.
- 13 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.
- 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 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.
- 16 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.

For & on behalf of Board of Directors
CLC Industries Limited
(Formerly Known as SPENTEX Industries Limited)


Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: August 14, 2019



Independent Auditor's Report on Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report to

The Board of Directors

CLC Industries Limited(Formerly Known as Spentex Industries limited)
A-60, Okhla Industrial Area, Phase-II
New Delhi-110020

1. We have reviewed the accompanying statement of Unaudited Consolidated financial results of **CLC Industries Limited**(Formerly Known as Spentex Industries Limited)("The Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group" for the quarter ended June 30, 2019 being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation') read with SEBI Circular No. CIR/CFD/CMD1/44/2019 ('the Circular').

This statement is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our review of such financial statements.

2. We conducted our review of the Statement in accordance with the standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain reasonable assurance about whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.



LLP ID No.: AAC-5662

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813, Oxford Towers, 139, Airport Road, Bangalore-560 008

3. The group has not considered the financial statements of a step down subsidiary Schoeller Lotvinok.s, in preparing the consolidated financial results for the reason stated therein. This is in contrary to the Ind-AS 110 "Consolidated Financial Statements" in respect of the section 133 of the Act. Further, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs. 2298.76 lakhs in and from above subsidiary. Refer Note no.2 to the consolidated unaudited financial result for the quarter ended June 30, 2019.

4. **Material Uncertainty Related to Going Concern**

i) We draw attention to Note No.6 of the consolidated unaudited financial results, which indicates that the Group's net worth has deteriorated and as of June 30, 2019, the Group's current liabilities exceeded its total assets . As stated in said note, these events or conditions, along with other matters as set forth in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ii) The Holding Company has not charged to statement of Profit and loss interest expense of Rs.1388.57 lakhs for the current quarter and Rs.20647.88 lakhs upto March 31, 2019 respectively and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no.10 to the consolidated unaudited financial results for the quarter ended June 30, 2019.

We further that, without considering the Impact of paragraph (a) above the effect of which, could not be determined and had the observation made by us in paragraph (b) is considered, the loss before tax for the quarter ended June 30, 2019, would have been Rs.3,245.26 Lakhs as against the reported figure of Rs. 1,856.69 lakhs.

5. Without qualifying our limited review report,we draw attention to:

a) Refer Note No.5 of the Consolidated unaudited financial results for the quarter ended June 30, 2019 wherein the company has made a provision for value of long term investments amounting to Rs.2,044.70 Lakhs in Amit Spinning Industries Limited, Subsidiary of the Company and written off recoverable amounting of Rs 7557.94 lakhs due from above subsidiary. During the year 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 30, 2019.

- b) Refer Note no.7 to the Unaudited Consolidated financial results for the Quarter ended June 30, 2019, Amount Receivable from Government Authorities of Holding Company aggregating to Rs.468.11 lakhs are pending from more than 3 years where payments are not forthcoming. 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.
- c) Refer Note no.8 to the Unaudited Consolidated financial results for the quarter ended June 30, 2019, Goods and Service Tax Return of Head office for the period March 31, 2019 to June 30, 2019 not filed due to Liquidity Crunch and there was a Difference of Rs.142.36 lakhs between Goods and Service Tax Credit Ledger and Goods and Service Tax Receivable.
- d) Refer Note no.9 to the Unaudited consolidated financial results for the year ended June 30, 2019, wherein the Holding Company has not allotted shares against share application money of Rs.1109.50 lakhs which was brought in by the promoters in more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Holding Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note. Share application money pending allotment amounting to Rs.1109.50 is been treated as Deposit as per deposit rules 2014 of Companies act, 2013 in Board meeting held on 13th February, 2019 vide resolution no.19(ii). Appointment/ re-appointment of Directors are subject to necessary compliance's/ approvals Necessary approvals/procedures from respective authorities/MCA and adjustment of consequential impact if any are still pending.
- e) Refer Note no.11 to the Unaudited Consolidated financial results for the quarter ended June 30, 2019, regarding balances of parties under the head trade receivable, trade payable and loans & advances, Borrowings from Banks/ NBFC, balances with current accounts of Banks which are subject to confirmation, reconciliation and consequential adjustments if any. Loan Balances of State Bank of India and Indian Banks has assigned to Asset Reconstruction Company Private Limited under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFESI) Act, 2002. Confirmation from Asset Reconstruction Company Private limited is not received yet.
- f) Refer Note no.15 to the Unaudited Consolidated financial results for the quarter ended June 30, 2019 The Holding Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11, 2013 issued by Ministry of Corporate Affairs .However, the Holding Company has not complied with the requirement of the said circular.



- g) Refer Note no.12 to the Unaudited Consolidated financial results for the quarter ended June 30, 2019, Due to working capital crunch, Baramati plant of Holding Company 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.
6. The consolidated financial results includes the unaudited financial results of subsidiary, whose financial results reflect total revenue of Rs.Nil , total net profit/(loss) after tax of Rs.403.71 lakhs and total comprehensive income/ loss of Rs.403.71 lakhs for the quarter ended June 30, 2019, as considered in the consolidated financial results. These financial results are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on such unaudited financial results.
Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.
7. The Statement includes the results of Subsidiary:-Spentex Netherlands B.V.
8. In our opinion and to the best of our information and according to the explanation given to us, *except for the effects of the matter described in above paragraphs*, the statement;
- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard as modified by Circular No. Cir/CFD/FAC/62/2016 dated July 5, 2016; and
- b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and "Other comprehensive income" and other financial information of the Company for the quarter ended June 30, 2019.

For RN Marwah & Co. LLP
Chartered Accountants
Firm Registration No. 1001211N/N500019

(Sunil Narwah)
Partner
M. No.: 511190



Place: New Delhi
Date: August 14, 2019

UDIN No.:-19511190AAAAAR9226

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	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



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

- 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

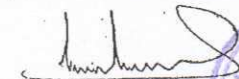
- 5 In the FY 2017-18' Expenses of exceptional nature comprise 'the company has made a provision for value of long term investments amounting to Rs.2,044.70 lakhs in Amit Spinning Industries Limited(ASIL), Subsidiary of the Company and written off recoverable amounting of Rs. 7557.94 lakhs due from above 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.



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- 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 treated 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
(Formerly Known as Spentex Industries Limited)


Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: August 14 , 2019



