

Spentex Industries Limited

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Statement of unaudited Standalone Financial Results for the quarter and nine month ended 31st December 2017

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

S.No.	Particulars	Standalone Financial Results				
		Quarter Ended			Nine Month Ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue from operations	9,844.61	13,835.57	16,091.80	37,803.20	58,552.69
II	Other Income	51.88	23.27	99.55	161.95	565.98
III	Total Income (I+II)	9,896.49	13,858.84	16,191.35	37,965.14	59,118.67
IV	Expenses					
	Cost of raw material and components consumed	6,277.05	9,325.46	12,504.97	24,675.51	44,998.44
	Purchase of Traded Goods	7.15	8.52	104.42	17.75	233.77
	Changes in inventories of finished goods, work-in-progress and traded goods	693.94	(426.81)	(410.61)	1,183.51	(1,065.20)
	Excise Duty	-	-	34.28	23.93	128.70
	Employee benefits expense	1,764.43	1,950.10	2,333.25	5,768.02	7,094.08
	Finance Costs	274.14	272.13	2,033.59	774.30	6,566.67
	Depreciation and amortization expense	239.59	285.40	266.61	787.47	816.50
	Expenses of exceptional nature	9,602.64	-	-	9,602.64	-
	Other expenses	2,408.82	2,944.03	3,229.36	8,441.28	9,837.68
	Total expenses (IV)	21,267.77	14,358.83	20,095.87	51,274.43	68,610.64
V	Profit before exceptional Items (III-IV)	(11,371.28)	(499.99)	(3,904.52)	(13,309.29)	(9,491.97)
VI	Exceptional items	-	-	-	-	-
VII	Profit/(loss) before,extraordinary, and tax (V-VI)	(11,371.28)	(499.99)	(3,904.52)	(13,309.29)	(9,491.97)
VIII	Tax Expenses	-	-	-	-	-
	(1) Current Tax	-	-	-	-	-
	(2) Mat Credit Entitlement	-	-	-	-	-
	(3) Deferred Tax	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-
IX	Profit for the period (VII-VIII)	(11,371.28)	(499.99)	(3,904.52)	(13,309.29)	(9,491.97)
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	0.06	0.02	0.00	0.09	0.03
	Actuarial (gain)/loss on remeasurement of defined benefit plan	30.92	30.92	(6.83)	92.76	(20.50)
	Other comprehensive income for the period (net of tax)	30.87	30.90	(6.83)	92.67	(20.53)
XI	Total comprehensive income for the period (IX+X)	(11,402.14)	(530.89)	(3,897.69)	(13,401.96)	(9,471.44)
	Earnings per share (of INR 10 each) (not annualised):	-	-	-	-	-
	(a) Basic	(12.67)	0.56	(4.34)	(14.83)	10.58
	(a) Diluted	(12.67)	0.56	(4.34)	(14.83)	10.58

- 1 The above Standalone Un-audited Financial Results for the third quarter ended 31st, December 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 12th February, 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 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 nine months ended 31st December 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	Nine Month ended 31-12-2016	Quarter ended 31-12-2016
Net Profit as per previous GAPP	(9,499.49)	(3,921.53)
Ind-As adjustments: Add/ (less)		
Change in Fair Value of Equity Investment (FVTOCI)	0.03	0.00
Actuarial (gain)/loss on employees defined benefits plan	(20.50)	(6.83)
Provision for impairments of trade receivables based on ECL Model	(28.02)	(23.84)
Net Profit as per Ind-AS	(9,491.97)	(3,904.52)
Other comprehensive income net of income tax	(20.53)	(6.83)
Total comprehensive income as reported under Ind-AS	(9,471.44)	(3,897.69)

- Results for the quarter ended 31st December, 2017 has been subjected to limited review by the Statutory Auditors. The Ind- AS compliant corresponding figures of quarter ended 31st December, 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.
- 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.
- 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

Entitywise disclosure

	Domestic	Overseas	Total
Revenue from operations			
Quarter ended on 31st December, 2017	6,013.00	3,832.00	9,845.00
Quarter ended on 30 September, 2017	10,440.00	3,396.00	13,836.00
Quarter ended on 31st December, 2016	9,923.81	6,133.71	16,057.52
Nine Months ended 31st December, 2017	25,608.60	12,194.60	37,803.20
Nine Months ended 31st December, 2016	36,107.00	22,317.00	58,424.00

- Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.
- 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.
- 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. 7561.10 lakhs recoverable from the subsidiary ASIL. 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 Bankruptcy Code (IBC),2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC,2016 .
- 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.
- Advance balances aggregating to Rs. 369.00 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.
- 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 .
- 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. 12,311.59 lakhs till 30th September, 2017 has not been accounted for.

- 13 The outstanding balance as on 31st December, 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 Affairs, which is still awaited.
- 15 Revenue from operations includes excess provision written back during the quarter of Rs. 72.66 lacs (previous quarter Rs. 630.58 Lacs). 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 forms part of expenses in previous periods. The comparative revenue from operations of the company is given below:

'Rs. in Lacs

	Quarter Ended			Nine months Ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
Revenue from operations	9,844.61	13,835.57	16,091.80	37,803.20	58,552.69
Less: Excise duty on sales	-	-	34.28	23.93	128.70
Revenue from operations (net of excise duty)	9,844.61	13,835.57	16,057.52	37,779.27	58,423.99

For & on behalf of Board of Directors
Spentex Industries Limited

Sd/-
Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: 12th February , 2018