



Spentex Industries Limited

Regd. Off.: A-60, Okhla Industrial Area, Phase-II, New Delhi-110 020



Tested for harmful substances according to Oeko-Tex Standard 100 Test-No HKT2 02899 TESTEX 2/2013

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2013 (₹. in Lacs except EPS)

REPORTING OF SEGMENT - WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (Rs. in Lakhs)

S. No.	Particulars	Quarter ended			Nine Months ended		Year ended	S. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013			31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	a) Net Sales / Income from operations (Net of excise duty)	28,161.58	30,766.21	28,264.98	86,624.77	86,039.13	112,966.29	1.	Segment Revenue						
	b) Other Operating Income	110.25	243.24	701.14	648.48	1,165.58	1,962.18								
	Total Income (a + b)	28,271.83	31,009.45	28,966.12	87,273.26	87,204.71	114,928.47								
2.	Expenditure:														
	a) Consumption of raw materials (including consumption of stores, spares and packing materials)	21,184.37	22,121.34	18,765.58	61,531.02	56,869.50	76,824.81		a) Textile Manufacturing	26,833.88	29,799.42	28,734.19	84,059.11	84,443.99	111,564.63
	b) Purchase of traded goods	873.11	68.33	118.96	1,268.37	2,190.04	2,723.96		b) Textile Trading	3,108.63	3,587.07	1,666.14	8,515.11	6,615.13	8,089.97
	c) Changes in inventories of finished goods, work in progress and stock in trade	(1,763.56)	(640.79)	507.36	(1,612.92)	(238.68)	(3,506.41)		Total	29,942.51	33,386.49	30,400.33	92,574.22	91,059.12	119,654.60
	d) Employees benefits expenses	1,953.57	2,026.04	1,754.12	5,821.87	5,249.35	7,013.02		Less : Inter segment revenue	1,645.17	2,377.04	1,434.21	5,275.45	3,854.41	5,054.31
	e) Depreciation and amortisation expenses	445.70	456.54	627.65	1,392.37	2,067.36	2,619.50		Total Income	28,297.34	31,009.45	28,966.12	87,298.77	87,204.71	114,600.29
	f) Power and fuel cost	2,588.49	2,485.14	2,716.61	7,352.86	7,752.54	10,334.03		2.	Segment Results					
	g) Other expenditure	1,850.92	2,740.30	2,176.45	6,436.41	6,503.99	9,027.98		Profit (+) / Loss (-) before tax and interest from each Segment						
	Total Expenses	27,132.59	29,256.91	26,666.73	82,189.98	80,394.10	105,036.89		a) Textile Manufacturing	676.77	1,885.79	2,532.44	5,037.14	7,553.92	11,167.25
3.	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	1,139.24	1,752.55	2,299.39	5,083.27	6,810.61	9,891.58		b) Textile Trading	1,025.50	1,066.29	57.39	2,240.73	302.80	379.75
4.	Other Income	78.58	307.53	31.40	413.64	87.48	112.31		TOTAL	1,702.28	2,952.08	2,589.84	7,277.88	7,856.72	11,547.00
5.	Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	1,217.82	2,060.07	2,330.79	5,496.91	6,898.09	10,003.89		Less :						
6.	Finance Cost	2,066.78	1,938.97	1,819.10	6,071.66	5,929.39	7,680.51		i) Interest	2,066.78	1,938.97	1,819.10	6,071.66	5,929.39	8,088.83
7.	Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(848.97)	121.10	511.69	(574.74)	968.70	2,323.38		ii) Other unallocable expenditure net off	558.58	623.91	1,820.34	1,782.84	1,637.71	2,174.72
8.	Prior Period Items (Net of Income)	-	-	-	-	-	265.14		Total Profit / (Loss) before Tax	(848.97)	121.10	511.69	(574.74)	968.70	2,058.24
9.	Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(848.97)	121.10	511.69	(574.74)	968.70	2,058.24		3.	Capital Employed (Segment Assets - Segment Liabilities)					
10.	Exceptional Items	-	-	-	-	-	-		a) Textile Manufacturing	23,534.77	26,060.90	29,397.89	23,534.77	29,397.89	29,660.23
11.	Profit / (Loss) from Ordinary Activities before tax (9-10)	(848.97)	121.10	511.69	(574.74)	968.70	2,058.24		b) Textile Trading	1,656.45	1,350.29	1,037.01	1,656.45	1,037.01	1,120.38
12.	Tax expense								Unallocated	(30,856.10)	(32,359.95)	(36,747.39)	(30,856.10)	(36,747.39)	(36,003.58)
	MAT Credit Entitlement Reversal	-	-	-	-	-	-		TOTAL	(5,664.88)	(4,948.76)	(6,312.49)	(5,664.88)	(6,312.49)	(5,222.97)
	Income tax of earlier year written back	-	-	-	-	-	-								
13.	Net Profit / (Loss) from Ordinary Activities after tax (11-12)	(848.97)	121.10	511.69	(574.74)	968.70	2,058.24								
14.	Extraordinary Items (net of tax expense)	-	-	-	-	-	-								
15.	Net Profit / (Loss) for the period (13-14)	(848.97)	121.10	511.69	(574.74)	968.70	2,058.24								
16.	Paid up Equity Share Capital (Face Value Rs. 10/- each)	8,977.20	8,977.20	8,837.20	8,977.20	8,837.20	8,837.20								
17.	Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	-	(14,200.18)								
18.	Earnings Per Share (EPS) (not annualized) (Rs.)														
	a) Basic EPS before & after Extraordinary items	(0.95)	0.14	0.60	(0.64)	1.13	2.34								
	b) Diluted EPS before & after Extraordinary items	(0.95)	0.14	0.60	(0.64)	1.13	2.34								

PART II Select information for the quarter and nine month ended 31/12/2013

A. PARTICULARS OF SHAREHOLDING	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
1. Public Shareholding						
Number of Shares	39,441,475	39,441,475	39,441,475	39,441,475	39,441,475	39,441,475
Percentage of Shareholding	43.94%	43.94%	44.63%	43.94%	44.63%	44.63%
2. Promoters and promoter group Shareholding						
a) Pledged / Encumbered						
- Number of Shares	45,223,058	45,223,058	38,723,058	45,223,058	38,723,058	43,823,058
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	89.85%	89.85%	79.14%	89.85%	79.14%	89.56%
- Percentage of Shares (as a % of the total share capital of the Company)	50.38%	50.38%	43.82%	50.38%	43.82%	49.59%
b) Non - Encumbered						
- Number of Shares	5,107,502	5,107,502	10,207,502	5,107,502	10,207,502	5,107,502
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	10.15%	10.15%	20.86%	10.15%	20.86%	10.44%
- Percentage of Shares (as a % of the total share capital of the Company)	5.68%	5.68%	11.55%	5.68%	11.55%	5.78%
B. INVESTOR COMPLAINTS						
Pending at the beginning of the quarter				Nil		
Received during the quarter				2		
Disposed of during the quarter				2		
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 14th February, 2014.
- In accordance with Accounting Standard 17 on Segment Reporting notified under section 211(3C) of the Companies Act, 1956, 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 standalone audit report have mentioned regarding diminution in the value of company's long term Investment of Rs. 2,044.70 lacs and recoverability of Rs. 5,123.19 lacs (Previous quarter Rs. 5,068.01 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. Due to economic slow down, ASIL had registered losses during the year 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 place this subsidiary in a position to repay the liabilities in due course and hence no adjustment is required in the books of accounts.
- As on December 31, 2013, the accumulated losses of the Company in standalone had exceeded its net worth. Accordingly company in compliance with the provisions of section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 filed a reference with Board for Industrial and Financial Restructuring (BIFR). The Company's operations were adversely affected in 2011-12 due to adverse Govt policies and high volatility of Raw Material prices. Further, considering the change in scenario, recent performance and trends of the company as well as overall industry outlook, the management believes that losses incurred in the past would reasonably be made good, in due course. The financial statements, as such have been prepared on a going concern basis on the strength of management's plan of revival including reorganization of business.
- In Standalone Financial results, 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 of Rs. 950.71 Lacs in SNBV as on December 31, 2013. During the period of investment Government of Uzbekistan (GOU) changed certain laws and policies by breaching the investment agreement and rendered operation of STTL unviable. Company has issued notice claiming protection of investment and payment of dues & compensation for the losses suffered by the company. SNBV has also filed arbitration against GOU for settlement of investment dispute with Internation Centre for Settlement of Investment Dispute (ICSID) which was register on 27th September, 2013. Company has since been making all possible efforts to recover its Investment and other claims. In view of claim lodged with GOU and ICSID, the Directors have decided not to make any provision for diminution in value of investment at this stage.
- Trade receivables and advance balances amount aggregating to Rs. 63.71 Lacs and Rs. 273.14 Lacs respectively due from certain parties where payments are not forthcoming. Against the above, the Company has filed a suit for recovery. The Company is making effort to recover the same and expects to reduce them 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.
- 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



Place : New Delhi
Date : February 14, 2014