

## Spentex Industries Limited

Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.  
STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2016

Statement of Standalone Audited Results for the quarter and year ended 31/03/2016

Rs. In lacs (except EPS )

	Particulars	Standalone				
		Quarter ended			Year ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
		Audited	Unaudited	Audited	Audited	
1 a)	Net Sales / Income from operations (Net of excise duty)	22,097.69	18,660.61	19,954.44	78,717.48	86,982.23
b)	Other Operating Income	284.45	294.38	300.22	1,061.79	2,132.15
	<b>Total Income (a + b)</b>	<b>22,382.14</b>	<b>18,954.99</b>	<b>20,254.67</b>	<b>79,779.28</b>	<b>89,114.37</b>
2	Expenditure:					
a)	Consumption of raw materials (including consumption of stores, spares and packing materials)	15,019.14	14,050.06	12,668.17	55,731.44	59,431.72
b)	Purchase of traded goods	113.87	181.03	38.25	446.84	1,446.53
c)	Changes in inventories of finished goods, work in progress and stock in trade	1,341.80	(885.22)	2,299.18	739.84	4,636.42
d)	Employees benefits expenses	2,181.99	2,047.05	1,913.40	8,390.20	8,011.15
e)	Depreciation and amortisation expenses	281.28	289.14	154.93	1,124.63	1,168.69
f)	Power and fuel cost	2,212.74	2,214.87	2,220.88	9,329.80	8,690.67
g)	Other expenditure	1,387.69	1,212.77	1,184.81	5,322.92	5,814.18
	<b>Total Expenses</b>	<b>22,538.51</b>	<b>19,109.70</b>	<b>20,479.63</b>	<b>81,085.67</b>	<b>89,199.35</b>
3	<b>Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period &amp; Exceptional Items (1-2)</b>	<b>(156.37)</b>	<b>(154.71)</b>	<b>(224.96)</b>	<b>(1,306.39)</b>	<b>(84.98)</b>
4	Other Income	205.44	31.63	193.20	916.25	1,665.77
5	<b>Profit / (Loss) before Finance Cost, Prior Period &amp; Exceptional Items (3+4)</b>	<b>49.07</b>	<b>(123.07)</b>	<b>(31.76)</b>	<b>(390.14)</b>	<b>1,580.79</b>
6	Finance Cost	1,992.80	1,873.11	1,993.97	7,700.98	7,937.07
7	<b>Profit / (Loss) after Finance cost but before Prior Period &amp; Exceptional Items (5-6)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,356.28)</b>
8	Prior Period Items (Net of Income)	-	-	-	-	-
9	<b>Profit / (Loss) after Finance Cost &amp; Prior period items but before Exceptional Items (7-8)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,356.28)</b>
10	Exceptional Items	-	-	-	-	-
11	<b>Profit / (Loss) from Ordinary Activities before tax (9-10)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,356.28)</b>
12	Tax expense	-	-	-	-	60.18
13	<b>Net Profit / (Loss) from Ordinary Activities after tax (11-12)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,416.46)</b>
14	Extraordinary Items (net of tax expense)	-	-	-	-	137.18
15	<b>Net Profit / (Loss) for the period (13-14)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,279.28)</b>
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
17	Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	(21,787.65)
18	<b>Earnings Per Share (EPS) (not annualized) (Rs.)</b>					
a)	Basic EPS before Extraordinary items for the period and for the previous year	(2.17)	(2.22)	(2.26)	(9.01)	(7.15)
	Diluted EPS before Extraordinary items for the period and for the previous year	(2.17)	(2.22)	(2.26)	(9.01)	(7.15)
b)	Basic EPS after Extraordinary items for the period and for the previous year	(2.17)	(2.22)	(2.26)	(9.01)	(6.99)
	Diluted EPS after Extraordinary items for the period and for the previous year	(2.17)	(2.22)	(2.26)	(9.01)	(6.99)

	Notes:
1	The above financial results have been reviewed by the Audit Committee and were approved by the Board of Directors in their meeting held on 27th May, 2016.
2	The Statutory Auditors have carried out audit of the Standalone and Consolidated Financial Results of the Company for the year ended 31st March, 2016.
3	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.
4	The Auditors, in their Audit report have mentioned regarding diminution in the value of company's long term Investment of ₹ 2,044.70 lacs and recoverability of ₹ 7,321.99 lacs ( Previous quarter ₹ 7,276.01 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. ASIL registered losses during the quarter as well as earlier financial years and eroded its net worth due to sluggish market demand and higher power cost in Maharashtra. ASIL had filed a reference with Board for Industrial and Financial Restructuring (BIFR) under section 15(1) and 15(2) of Sick Industrial Companies (Special Provisions) Act (SICA), 1985. BIFR has declared ASIL as Sick under Section 3(1) (o) of SICA 1985 and appointed Operating Agency under Section 17(3) of SICA 1985. The company believes that the diminution in value of investment is temporary in nature considering the strength of management's plan of revival and reorganization of business. The management believes that losses incurred in the past would reasonably be made good which will also place the subsidiary in a position to repay the liabilities in due course and hence no adjustment is required in the books of accounts.
5	The accumulated losses of the Company 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 earlier financial years due to sluggish market demand, decline in cotton prices globally as compared to India, and higher power cost in Maharashtra. The units of the company have been operating at high capacity utilization levels and generating positive earning before interest depreciation tax and amortisation (EBIDTA). With strategic management focus on cost containment and efficient plant operations, 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.
6	The Company has an investment of ₹ 5,610.11 lacs and ₹ 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 ₹ 700.12 lacs as export receivable from STTL and advances recoverable of ₹ 950.71 lacs in SNBV as on March 31st, 2016. 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. All the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU) and existence of STTL has been liquidated as per bankruptcy laws. In view of this corporate guarantee given by company in respect of STTL liability for deferred payment to Tashkent Toytepa Textile (TTL) stand extinguished. SNBV, which had made around 99% investment in the equity of STTL, had filed request for Arbitration against GOU for Claim through its lawyer before International Center for Settlement Investment Dispute(ICSID). 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 indemnify the further losses caused to company directly or indirectly on account of investment made in Uzbekistan.
7	Advance balances amount aggregating to ₹ 184.11 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 ₹ 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.
8	Advance balances aggregating to ₹ 559.83 lacs 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.
9	The Company has not allotted shares against amount of ₹ 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 and directions for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013.
10	The company's accounts have become Non performing assets (NPA) with majority of the dealing banks. The company has submitted restructuring proposal proposing various alternatives to the banks which is under discussions. None of the banks has initiated action in any legal forum. The company has provided interest on such loans, however penal interest, if any, has not been provided.
11	The outstanding balance as on 31st March, 2016 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.
12	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 2016-17 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affair, which is still awaited.
13	The figures for the quarter ended March 31, 2016 and for the corresponding quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial year ending on March 31st.
14	Previous period figures have been regrouped / recasted / rearranged wherever necessary, to conform to the current period presentation.
	<p>BY ORDER OF THE BOARD OF DIRECTORS,  <b>FOR SPENTEX INDUSTRIES LIMITED</b>  Sd/-  <b>MUKUND CHOUDHARY</b>  MANAGING DIRECTOR  Place : New Delhi  Date : May 27, 2016</p>

<b>REPORTING OF SEGMENT - WISE REVENUE, RESULTS AND CAPITAL EMPLOYED</b>					
	(Rs. in Lacs)				
Particulars	Quarter ended			Year ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
<b>1. Segment Revenue</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
a) Textile- Manufacturing	21,529.63	18,823.05	20,416.62	78,495.32	87,091.18
b) Textile Trading	1,589.19	987.31	103.90	3,672.56	6,795.71
<b>Total</b>	<b>23,118.83</b>	<b>19,810.36</b>	<b>20,520.52</b>	<b>82,167.89</b>	<b>93,886.89</b>
Less : Inter segment revenue	736.69	855.37	265.85	2,388.61	4,772.52
<b>Total Income</b>	<b>22,382.14</b>	<b>18,954.99</b>	<b>20,254.67</b>	<b>79,779.28</b>	<b>89,114.37</b>
<b>2. Segment Results</b>					
Profit (+) / Loss (-) before tax and interest from each Segment					
a) Textile- Manufacturing	356.51	976.07	(276.56)	607.04	2,474.60
b) Textile Trading	355.11	(211.33)	(24.71)	1,842.56	220.99
<b>TOTAL</b>	<b>711.62</b>	<b>764.74</b>	<b>(301.27)</b>	<b>2,449.61</b>	<b>2,695.59</b>
Less :					
i) Interest	1,992.81	1,873.10	1,993.98	7,700.98	7,937.07
ii) Other unallocable expenditure net off	656.32	962.58	(679.72)	3,193.18	1,264.36
iii) Other unallocable income	(6.22)	74.76	(410.22)	353.44	89.37
<b>Profit/ (Loss) before tax (before extraordinary items)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,416.46)</b>
Extraordinary Items (net of tax expense)					137.18
<b>Profit/ (Loss) before tax (after extraordinary items)</b>	<b>(1,943.73)</b>	<b>(1,996.18)</b>	<b>(2,025.73)</b>	<b>(8,091.12)</b>	<b>(6,279.28)</b>
<b>3. Capital Employed</b>					
( Segment Assets - Segment Liabilities )					
a) Textile- Manufacturing	(21,505.99)	(20,582.52)	(17,428.83)	(21,505.99)	(17,428.83)
b) Textile Trading	1,892.42	1,759.21	1,924.41	1,892.42	1,924.41
Unallocated	(178.50)	974.99	3,803.47	(178.50)	3,803.47
<b>TOTAL</b>	<b>(19,792.07)</b>	<b>(17,848.32)</b>	<b>(11,700.95)</b>	<b>(19,792.07)</b>	<b>(11,700.95)</b>