

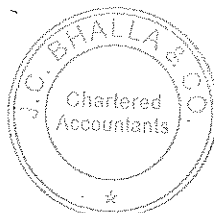
Spentex Industries Limited

Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30th SEPTEMBER, 2016

Statement of Standalone Unaudited Results for the quarter and six months ended 30th september,2016

(Rs in Lacs except EPS and Shares)

	Particulars	Quarter ended			SIX Months ended		Year ended
		30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 a)	Net Sales / Income from operations (Net of excise duty)	20925.14	21104.14	19071.05	42029.28	38,100.28	78,845.80
b)	Other Operating Income	153.56	183.63	239.19	337.19	482.97	1,061.79
	Total Income from operations (net)	21,078.70	21,287.77	19,310.24	42,366.47	38,583.23	79,907.60
2	Expenditure:						
a)	Consumption of raw materials (including consumption of stores, spares and packing materials)	16764.11	15729.36	12594.03	32493.47	26,662.24	55,790.76
b)	Purchase of traded goods	94.02	35.33	195.90	129.35	293.02	512.47
c)	Changes in inventories of finished goods, work in progress and stock in trade	(432.93)	(221.66)	971.66	(654.59)	283.26	743.20
d)	Employees benefits expenses	2410.66	2336.50	2112.34	4747.16	4,161.16	8,390.20
e)	Depreciation and amortisation expenses	276.51	273.38	273.61	549.89	554.21	1,124.63
f)	Power and fuel cost	2238.82	2265.47	2288.69	4504.29	4,902.19	9,329.80
g)	Other expenditure	1005.72	1102.50	1419.88	2108.22	2,735.53	5,321.97
	Total Expenses	22,356.90	21,520.88	19,856.11	43,877.79	39,591.61	81,213.03
3	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	(1,278.20)	(233.11)	(545.87)	(1,511.31)	(1,008.38)	(1,305.44)
4	Other Income	195.31	271.11	392.62	466.42	679.17	915.30
5	Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	(1,082.89)	38.00	(153.25)	(1,044.89)	(329.21)	(390.14)
6	Finance Cost	1993.66	2,539.41	1,947.87	4,533.07	3,822.00	7,700.98
7	Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
8	Prior Period Items (Net of Income)						
9	Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
10	Exceptional Items						
11	Profit / (Loss) from Ordinary Activities before tax (9-10)	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
12	Tax expense						
13	Net Profit / (Loss) from Ordinary Activities after tax	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
14	Extraordinary Items (net of tax expense)						
15	Net Profit / (Loss) for the period (after Extra ordinary activities)	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
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
17	Reserves excluding Revaluation Reserves as per balance sheet of previous year						(29,878.77)
	Earnings Per Share (EPS) (Rs.)						
a)	Basic EPS before Extraordinary items for the period and for the previous year	(3.43)	(2.79)	(2.34)	(6.21)	(4.62)	(9.01)
	Diluted EPS before Extraordinary items for the period and for the previous year	(3.43)	(2.79)	(2.34)	(6.21)	(4.62)	(9.01)
b)	Basic EPS after Extraordinary items for the period and for the previous year	(3.43)	(2.79)	(2.34)	(6.21)	(4.62)	(9.01)
	Diluted EPS after Extraordinary items for the period and for the previous year	(3.43)	(2.79)	(2.34)	(6.21)	(4.62)	(9.01)



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 11th Nov, 2016.
- 2 The Statutory Auditors have carried out review of the Standalone Financial Results of the Company for the quarter and six months ended 30th September, 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 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. 7,544.29 lacs (Previous quarter Rs. 7,481.84 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. ASIL registered losses during the quarter as well as earlier financials 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 As on March 31, 2012, 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 operations of the company in the last few years have been adversely impacted due to demand and supply gap, high power tariffs, lack of adequate working capital, declining off take in internal market and overall subdued sentiment in the export market due to the tariff disadvantage created by FTAs of our competitors with the big buying nations. In the current financial year cotton prices have gone up significantly and the increase is not fully absorbed in the yarn prices leading to a huge disparity between spot cotton prices and yarn prices impacting the margins. The company has submitted a restructuring proposal to the banks and the same is under discussions. With strong management focus on strategic initiatives for cost rationalization, optimum product mix and efficient plant operation, coupled with various support measures announced by the Government for the Textile sector, the management believes that the accumulated losses would reasonably be paired in due course and the financial statements as such have been prepared on a going concern basis.
- 6 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 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). As per the schedule prescribed in the procedural order issued by ICSID, SNBV has filed the memorial on Jurisdictions and Merits on 30th June, 2014. 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 Rs. 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 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.
- 8 Advance balances aggregating to Rs. 831.40 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 Rs. 1,109.50 lacs 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.
- 10 The outstanding balance as on 30th September, 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.
- 11 Previous period figures have been regrouped / recasted / rearranged wherever necessary, to conform to the current period presentation.

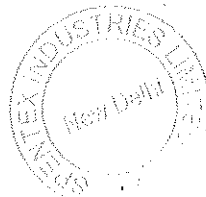
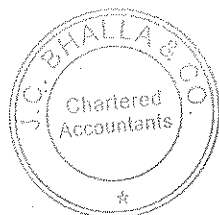
BY ORDER OF THE BOARD OF DIRECTORS,
FOR SPENTEX INDUSTRIES LIMITED



MUKUND CHOUDHARY
MANAGING DIRECTOR

Place : New Delhi

Date : November 11, 2016



REPORTING OF SEGMENT - WISE REVENUE, RESULTS, ASSETS AND LIABILITIES						
Particulars	Quarter ended			Half Year ended		(Rs. in Lacs)
	30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	30.09.2015 Unaudited	Year ended 31.03.2016 Audited
1. Segment Revenue						
a) Textile- Manufacturing	21,391.07	22,444.02	19,181.67	43,835.09	38,283.71	77,277.90
b) Textile Trading	138.35	43.06	692.53	181.41	1,096.06	4,566.02
Total	21,529.42	22,487.08	19,874.20	44,016.50	39,379.77	81,843.92
Less : Inter segment revenue	450.71	1,199.31	563.96	1,650.02	796.54	1,936.33
Total Income	21,078.70	21,287.77	19,310.24	42,366.47	38,583.23	79,907.60
2. Segment Results						
Profit (+) / Loss (-) before tax and interest from each Segment						
a) Textile- Manufacturing	142.05	196.78	375.60	338.82	899.00	827.40
b) Textile Trading	71.60	6.77	34.84	78.37	74.24	1,842.56
TOTAL	213.65	203.55	410.44	417.19	973.23	2,669.96
Less :						
i) Finance cost	1,993.79	2,539.41	1,947.87	4,533.20	3,822.00	7,700.98
ii) Other unallocable expenditure net off	1,346.23	313.81	781.85	1,660.04	1,587.35	3,193.14
iii) Other unallocable income	49.83	148.27	218.19	198.10	284.93	133.05
Total Profit / (Loss) from Ordinary Activities before tax	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
Profit/ (Loss) before tax	(3,076.55)	(2,501.41)	(2,101.12)	(5,577.96)	(4,151.21)	(8,091.12)
3. Segment Assets						
a) Textile- Manufacturing	39,200.29	41,245.53	41,146.80	39,200.29	41,146.80	38,402.76
b) Textile Trading	36.85	243.90	265.20	36.85	265.20	258.88
Unallocated	13,850.61	13,738.23	13,701.94	13,850.61	13,701.94	13,747.29
TOTAL	53,087.75	55,227.66	55,113.94	53,087.75	55,113.94	52,408.93
4. Segment Liabilities						
a) Textile- Manufacturing	13,986.87	14,561.38	12,914.91	13,986.87	12,914.91	10,059.19
b) Textile Trading	233.41	288.61	294.60	233.41	294.60	290.70
Unallocated	64,237.49	62,671.14	57,756.59	64,237.49	57,756.59	61,851.10
TOTAL	78,457.77	77,521.13	70,966.10	78,457.77	70,966.10	72,200.99

