



Spentex Industries Limited

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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED DECEMBER 31, 2014 (₹. 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	
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014			31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1.	a) Net Sales / Income from operations (Net of excise duty)	19,872.06	22,407.87	28,161.58	68,864.57	86,624.77	114,289.73	1.	Segment Revenue							
	b) Other Operating Income	7.88	739.90	110.25	780.48	648.48	716.85			a) Textile						
	Total Income (a+b)	19,879.94	23,147.77	28,271.83	69,645.05	87,273.25	115,006.58			Manufacturing	19,904.28	21,573.46	26,833.88	67,459.89	84,059.11	110,961.20
2.	Expenditure :									b) Textile						
	a) Consumption of raw materials (including consumption of stores, spares and packing materials)	10,823.70	16,890.77	21,184.37	46,763.55	61,531.02	82,319.14			Trading	903.37	4,013.45	3,108.63	6,691.83	8,515.11	10,602.88
	b) Purchase of traded goods	868.24	290.68	873.11	1,408.24	1,268.37	1,310.79			Total	20,807.65	25,586.91	29,942.52	74,151.72	92,574.22	121,564.08
	c) Changes in inventories of finished goods, work in progress and stock in trade	2,785.50	(696.24)	(1,763.56)	2,337.24	(1,612.92)	(2,611.08)			Less : Inter						
	d) Employees benefits expenses	1,996.63	2,068.30	1,953.57	6,097.75	5,821.87	7,723.27			segment revenue	927.71	2,439.14	1,670.69	4,506.66	5,300.96	6,557.50
	e) Depreciation and amortisation expenses	356.68	239.28	445.70	1,013.76	1,392.37	1,833.53			Total Income	19,879.94	23,147.77	28,271.83	69,645.05	87,273.26	115,006.58
	f) Power and fuel cost	1,828.68	2,332.78	2,588.49	6,469.79	7,352.86	9,643.88			2.	Segment Results					
	g) Other expenditure	1,325.79	1,403.78	1,850.92	4,629.40	6,436.41	8,464.59			Profit (+)/Loss (-)						
	Total Expenses	19,985.22	22,529.35	27,132.60	68,719.73	82,189.98	108,684.12			before tax and						
	Profit / (Loss) from Operations before Other Income, Finance Cost, Prior Period & Exceptional Items (1-2)	(105.27)	618.42	1,139.23	925.33	5,083.27	6,322.46			interest from						
	4. Other Income	141.03	232.87	78.58	687.38	413.64	652.60			each Segment						
	5. Profit / (Loss) before Finance Cost, Prior Period & Exceptional Items (3+4)	35.76	851.29	1,217.81	1,612.71	5,496.91	6,975.06			a) Textile						
	6. Finance Cost	1,978.17	2,010.06	2,066.78	5,943.10	6,071.66	8,104.40		Manufacturing	1,843.60	500.35	676.77	2,888.34	5,037.14	6,688.74	
	7. Profit / (Loss) after Finance cost but before Prior Period & Exceptional Items (5-6)	(1,942.41)	(1,158.77)	(848.97)	(4,330.39)	(574.75)	(1,129.34)		b) Textile							
	8. Prior Period Items (Net of Income)	-	-	-	-	-	57.03		Trading	(1,014.31)	649.38	1,025.50	245.71	2,240.73	2,673.47	
	9. Profit / (Loss) after Finance Cost & Prior period items but before Exceptional Items (7-8)	(1,942.41)	(1,158.77)	(848.97)	(4,330.39)	(574.75)	(1,186.37)		c) Other - Trading	-	-	-	-	-	-	
	10. Exceptional Items	-	-	-	-	-	-		TOTAL	829.29	1,149.73	1,702.27	3,134.05	7,277.87	9,362.21	
	11. Profit / (Loss) from Ordinary Activities before tax (9-10)	(1,942.41)	(1,158.77)	(848.97)	(4,330.39)	(574.75)	(1,186.37)		Less :							
	12. Tax expense	-	-	-	-	-	-		i) Interest	1,978.17	2,010.06	2,066.78	5,943.10	6,071.66	8,104.40	
	13. Net Profit / (Loss) from Ordinary Activities after tax (11-12)	(1,942.41)	(1,158.77)	(848.97)	(4,330.39)	(574.75)	(1,186.37)		ii) Other unallocable							
	14. Extraordinary Items (net of tax expense)	-	-	-	137.00	-	-		expenditure							
	15. Net Profit / (Loss) for the period (13-14)	(1,942.41)	(1,158.77)	(848.97)	(4,193.39)	(574.75)	(1,186.37)		net off	678.82	597.31	558.58	1,883.77	1,782.84	2,540.18	
	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		iii) Other unallocable							
	17. Reserves excluding Revaluation Reserves as per balance sheet of previous year	-	-	-	-	-	(15,386.54)		income	(114.71)	298.86	74.11	362.43	1.88	96.00	
	18. Earnings Per Share (EPS) (not annualized) (Rs.)								Total Profit / (Loss) before Tax	(1,942.41)	(1,158.77)	(848.99)	(4,330.39)	(574.75)	(1,186.37)	
	a) Basic & Diluted EPS before Extraordinary items for the period and for the previous year	(2.16)	(1.29)	(0.95)	(4.82)	(0.64)	(1.32)		3.	Capital Employed (Segment Assets - Segment Liabilities)						
	b) Basic & Diluted EPS after Extraordinary items for the period and for the previous year	(2.16)	(1.29)	(0.95)	(4.67)	(0.64)	(1.32)		a) Textile							

PART II Select information for the quarter and nine month ended 31/12/2014

PARTICULARS OF SHAREHOLDING							
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%	43.94%	43.94%	43.94%	43.94%
2. Promoters and promoter group Shareholding							
a) Pledged / Encumbered							
	- Number of Shares	45,223,058	45,223,058	45,223,058	45,223,058	45,223,058	45,223,058
	- Percentage of Shares	89.85%	89.85%	89.85%	89.85%	89.85%	89.85%
	(as a % of the total shareholding of promoter and promoter group)						
	- Percentage of Shares (as a % of the total share capital of the Company)	50.38%	50.38%	50.38%	50.38%	50.38%	50.38%
b) Non - Encumbered							
	- Number of Shares	5,107,502	5,107,502	5,107,502	5,107,502	5,107,502	5,107,502
	- Percentage of Shares	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%
	(as a % of the total shareholding of promoter and promoter group)						
	- Percentage of Shares (as a % of the total share capital of the Company)	5.68%	5.68%	5.68%	5.68%	5.68%	5.68%
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			

* Excluding extra ordinary income of Rs. 137.00 lacs

- NOTES:**
- The above financial results have been circulated to members of Audit Committee obtained consent of committee and were approved by the Results Approval Committee of Board of Directors in their meeting held on 2nd March, 2015.
 - The Statutory Auditors have carried out limited review of the Unaudited Standalone Financial Results of the Company for the quarter ended 31st December, 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 limited review report have mentioned regarding diminution in the value of company's long term Investment of ₹ 2,044.70 lacs and recoverability of ₹ 6,224.17 lacs (Previous quarter ₹ 6,177.53 lacs) in Amit Spinning Industries Limited (ASIL), subsidiary of the Company. Due to economic slow down, ASIL had registered losses during the Qtr. 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 March 31, 2012, 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.
 - 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 Dec. 31st, 2014. 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.
 - During the nine month ended 31st December, 2014, the company has revised the Depreciation rates based on the useful lives of its various fixed assets as per Part-C of Schedule-II to the Companies Act-2013. As a result, depreciation for nine month ended 31st December, 2014 is lower by ₹ 231.43 lacs.
 - Extraordinary items represents write back of ₹ 137.00 lacs due to loan waiver from lender.
 - Trade receivables, advance balances and export incentive receivables amount aggregating to ₹ 63.71 lacs, ₹ 273.16 lacs, ₹ 178.69 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.
 - 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

CLC

Place : New Delhi
Date : 2nd March, 2015