Spentex Industries Limited Regd. Off: A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020. STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

(Rs. in Lakhs except EPS and Shares)

		Standalone							
	Particulars		Quarter ended		Nine Months ended		Year ended		
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016		
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
1 a)	Net Sales / Income from operations (Net of excise duty)	15930.28	20925.14	18924.74	57959.56	57,025.00	78,845.80		
b)	Other Operating Income	127.24	153.56	294.38	464.43	777.35	1,061.79		
'	Total Income from operations (net)	16,057.52	21,078.70	19,219.12	58,423.99	57,802.35	79,907.60		
2	Expenditure:	,	,	,	,	ŕ	,		
a)	Consumption of raw materials (including consumption of stores, spares and packing materials)	12504.97	16764.11	14050.06	44998.44	40,712.29	55,790.76		
b)	Purchase of traded goods	104.42	94.02	445.16	233.77	738.17	512.47		
,	Changes in inventories of finished goods, work in progress and stock in trade	(410.61)	(432.93)	(885.22)	(1,065.20)	(601.96)	743.20		
d)	Employees benefits expenses	2326.42	2410.66	2047.05	7073.58	6,208.21	8,390.20		
e)	Depreciation and amortisation expenses	266.61	276.51	289.14	816.50		1,124.63		
f)	Power and fuel cost	2277.17	2238.82	2214.87	6781.46	7,117.08	9,329.80		
g)	Other expenditure	976.03	1005.72	1212.77	3084.24	3,935.23	5,321.97		
	Total Expenses	18,045.01	22,356.90	19,373.82	61,922.79	58,952.38	81,213.03		
3	Profit / (Loss) from Operations before Other Income,	(1,987.49)	(1,278.20)	(154.70)	(3,498.80)	(1,150.03)	(1,305.44)		
4	Finance Cost & Exceptional Items (1-2) Other Income	99.55	195.31	31.63	565.98	710.81	915.30		
5	Profit / (Loss) before Finance Cost & Exceptional Items	(1,887.93)	(1,082.89)	(123.07)	(2,932.82)	(439.22)	(390.14)		
	(3+4)								
6	Finance Cost	2033.59	1993.66	1,873.11	6,566.67	5,708.18	7,700.98		
7	Profit / (Loss) after Finance Cost but before	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12)		
8	Exceptional Items (5-6)								
9	Exceptional Items	(2.004.52)	(2.070.55)	(4.000.40)	(0.400.40)	(0.447.40)	(0.004.40)		
9	Profit / (Loss) from Ordinary Activities before tax (7-8)	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12)		
10	Tax expense	-	-	-	-	-	-		
11	Net Profit / (Loss) from Ordinary Activities after tax	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12)		
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-		
13	Net Profit / (Loss) for the period (after Extra ordinary activities)	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12)		
14	Paid up Equity Share Capital (Face Value Rs. 10/- each) (no's in Lakhs)	8,977.20	8,977.20	8,977.20	8,977.20	8,977.20	8,977.20		
15	Reserves excluding Revaluation Reserves as per balance sheet of previous year						(29,878.77)		
	[5								
,	Earnings Per Share (EPS) (not annualized) (Rs.)	(0.44)	(2.2.1)	(0.00)	(4.00)	(0.00)	(0.00)		
a)	Basic EPS before Extraordinary items for the period and for the previous year	(0.44)	(0.34)	(0.22)	(1.06)	(0.68)	(0.90)		
	Diluted EPS before Extraordinary items for the period and for the previous year	(0.44)	(0.34)	(0.22)	(1.06)	(0.68)	(0.90)		
b)	Basic EPS after Extraordinary items for the period and for	(0.44)	(0.34)	(0.22)	(1.06)	(0.68)	(0.90)		
	the previous year Diluted EPS after Extraordinary items for the period and for the previous year	(0.44)	(0.34)	(0.22)	(1.06)	(0.68)	(0.90)		

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 Feb, 2017
- The Statutory Auditors have carried out review of the Standalone Financial Results of the Company for the quarter and Nine months ended 31st December, 2016.
- In accordance with Accounting Standard 17 on Segment Reporting notified under the Companies (Accounting Statndards) Rules, 2006 (as amended) in accordance with section 133 of the Comapanies 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.
- The Auditors, in their limited review report have mentioned regarding diminution in the value of company's long term Investment of `2,044.70 lakhs and recoverability of `7,562.68 lakhs (Previous quarter ` 7,544.29 lakhs) 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 had declared ASIL as Sick under Section 3(1) (o) of SICA 1985 and appointed Operating Agency under Section 17(3) of SICA 1985. SICA has been since repealed w.e.f. 1st December,2016.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.
- 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 had filed a reference with Board for Industrial and Financial Restructuring (BIFR),however, SICA has since been repealed w.e.f.1st December,2016. 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 Free Trade Agreements (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. As the company is in advance discussion with its secured creditors to settle the dues, 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.
- The Company has an investment of ` 5,610.11 lakhs and ` 93.24 lakhs in its subsidiary Spentex Netherlands B. V. (SNBV) and its step down subsidiary Spentex Tashkent Toytepa LLC (STTL) respectively. Further it has ` 700.12 lakhs as export receivable from STTL and advances recoverable of ` 950.71 lakhs 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) stands 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 of Investment Dispute(ICSID).ICSID has given its award during this quarter, however, certain conditions under the award have to be fulfilled by GOU. Since the proceedings under the award are yet to be completed, Board of Directors have decided not to make any provision for the aforesaid amounts.
- Advance balances amount aggregating to `184.11 lakhs 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 lakhs 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.
- Advance balances aggregating to ` 796.81 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 ` 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. The company has submitted restructuring proposal proposing various alternatives to the bank which is under discussions. None of the bank has initiated action in any legal forum. The company has provided interest on such loans, however penal interest, if any, has not been provided.
- The outstanding balance as on 31st December, 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 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

Sd/-

MUKUND CHOUDHARY MANAGING DIRECTOR Place: New Delhi Date: Febuary 14, 2017

						(Rs. in Lakhs	
Particulars	•	Quarter ended	d	Nine mon	ths ended	Year ended	
	31.12.2016 30.09.2016 31.12.20			31.12.2016	31.12.2015	31.03.2016	
1. Segment Revenue	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
a) Textile- Manufacturing	16,375.36	21,391.07	19,087.18	60,210.45	57,370.89	77,277.90	
b) Textile Trading	73.99	138.35	987.31	255.41	2,083.37	4,566.02	
Total	16,449.35	21,529.42	20,074.49	60,465.85	59,454.27	81,843.92	
Less : Inter segment revenue	391.84	450.71	855.38	2,041.86	1,651.92	1,936.33	
Total Income	16,057.51	21,078.70	19,219.12	58,423.99	57,802.35	79,907.60	
2. Segment Results							
Profit (+) / Loss (-) before tax and interest from each Segment							
a) Textile- Manufacturing	(1,115.43)	142.05	976.07	(776.61)	1,875.07	827.40	
b) Textile Trading	(40.97)	71.60	(211.33)	37.40	(137.09)	1,842.56	
TOTAL	(1,156.40)	213.65	764.73	(739.21)	1,737.97	2,669.96	
Less:							
i) Finance cost	2,033.46	1,993.79	1,873.10	6,566.67	5,708.17	7,700.98	
ii) Other unallocable expenditure net off	762.88	1,346.23	962.58	2,422.93	2,536.86	3,193.14	
iii) Other unallocable income	31.21	49.83	74.77	229.31	359.66	133.05	
Total Profit / (Loss) from Ordinary Activities before tax	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12	
Profit/ (Loss) before tax	(3,921.53)	(3,076.55)	(1,996.18)	(9,499.49)	(6,147.40)	(8,091.12	
3. Segment Assets							
a) Textile- Manufacturing	39,359.57	39,200.29	47,426.11	39,359.57	47,426.11	38,402.76	
b) Textile Trading	138.28	36.85	261.78	138.28	261.78	258.88	
Unallocated	13,650.93	13,850.61	13,667.49	13,650.93	13,667.49	13,747.29	
TOTAL	53,148.79	53,087.75	61,355.38	53,148.79	61,355.38	52,408.93	
4. Segment Liabilities							
a) Textile- Manufacturing	16,837.71	13,986.87	18,965.96	16,837.71	18,965.96	10,059.19	
b) Textile Trading	455.77	233.41	298.35	455.78	298.35	290.70	
Unallocated	65,146.86	64,237.49	59,939.39	65,146.86	59,939.39	61,851.10	
TOTAL	82,440.34	78,457.77	79,203.70	82,440.35	79,203.70	72,200.99	