

SPENTEX INDUSTRIES LIMITED

Manufacturer of Yarns



May 31, 2018

BSE Limited

Stock Code. 521082

Corporate Relationship Deptt.
1st Floor, New Trading Ring, Rotunda Bldg.
P J Towers, Dalal Street
Mumbai 400 001

National Stock Exchange Of India Ltd.
Exchange Plaza
Bandra Kurla Complex
Bandar (E), Mumbai-400051

Stock Code: SPENTEX

Dear Sir/Madam,

Sub: Audited Financial Results for the quarter & year ended March 31, 2018

This is to inform you that the Board of Directors of the Company at their meeting held today i.e. on 31st May, 2018 has, *interalia*, approved the Standalone as well as Consolidated Audited Financial Results for the quarter/year ended 31st March, 2018.

Please find enclosed herewith:

- Standalone and Consolidated Audited Financial Results along with Auditor's report for the financial year ended 31st March, 2018;
- Statement of Assets & Liabilities as on 31st March, 2018;
- Statement on Impact of Audit Qualifications on financial results (Standalone & Consolidated).

Update on Amit Spinning Industries Ltd, a subsidiary of the Company

As you may be kindly aware that Amit Spinning Industries Ltd (ASIL), a subsidiary of the Company had filed the petition to National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code, 2016 and NCLT, vide its order dated 01.08.2017, had admitted the petition and appointed Resolution Professional for ASIL. We would like to further update that Resolution Applicants have submitted the Resolution Plans for revival of ASIL of which one Resolution Plan was approved by the Committee of Creditors of ASIL at their meeting held on 26th April, 2018 and recommended to NCLT for its approval, however, NCLT after hearing of the parties, has reserved its order in this regard. The order of NCLT is being awaited.

We request you to take the same on record.

Yours truly,

For SPENTEX INDUSTRIES LIMITED

YASH JAIN

CHIEF FINANCIAL OFFICER

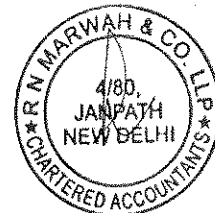
Independent Auditor's Report on Quarterly and year end Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors
Spentex Industries Limited
A-60, Okhla Industrial Area, Phase-II
New Delhi-110020

1. We have audited the accompanying statement of standalone financial results ("The Statement") of **Spentex Industries Limited** ("The Company") for the quarter and year ended March 31, 2018 pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016. Attention is drawn to the fact that amounts for the corresponding quarter and year ended March 31, 2017 including the reconciliation of net profit/(loss) under Ind-AS of the said quarter with net Profit/(loss) reported under previous GAAP, as included in the statement have not been subject to limited review or audit. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors has been compiled from the related Ind-AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.



3. Basis of Qualified Opinion

The Company has not charged to statement of Profit and loss interest expense of Rs.1327.74 lakhs for the quarter and Rs13670.52 lakhs up to previous quarter respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no 10 to the standalone financial results for the quarter ended March 31, 2018.

We further report that, had the observation made by us in paragraphs (a) is considered, the loss before tax for the quarter ended March 31, 2018, would have been Rs.4126.99 lakhs as against the reported figure of Rs.2799.25 lakh and Interest Accrued and due on Borrowing understated by Rs14998.26 Lakhs.

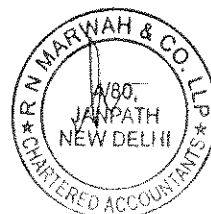
4. Material Uncertainty Related to Going Concern

We draw attention to Note No.8 of the standalone financial results, which indicates that the Company's net worth has deteriorated and as of March 31, 2018, the Company's current liabilities exceeded its total assets by Rs. 39,283.10 lakhs. As stated in said note, these events or conditions, along with other matters as set forth in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

5. Emphasis of Matter

Without qualifying our limited review report, we draw attention to:

- a) Refer note No. 7 of the Standalone financial results for the quarter and year ended March 31, 2018 wherein the company has made a provision for value of long term investments amounting to Rs.2,044.70 lakhs in Amit Spinning Industries Limited (ASIL), Subsidiary of the Company and written off recoverable amounting of Rs 7557.94 lakhs due from above subsidiary. During the year the ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017 has admitted the ASIL's petition and had appointed Resolution Professional for ASIL keeping in view of ongoing proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy code. Further we are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of subsidiary, and compliance of IND-AS 109 in respect to accounting of corporate guarantee.



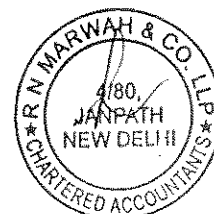
- b) Refer Note no. 9 to the standalone financial results for the quarter ended March 31, 2018, wherein the Company has not allotted shares against share application amount of Rs.1109.50 lakhs which was brought in by the promoters in more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note.
- c) Refer Note no. 11 to the standalone financial results for the quarter ended March 31, 2018, regarding balances of parties under the head trade receivable, trade payable and loans & advances which are subject to confirmation, reconciliation and consequential adjustments if any.
- d) The Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular.

Our opinion is not modified in this matter

6. Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us, *except for the effects of the matter described in the basis of qualification opinion paragraph*, the statement;

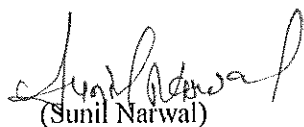
- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard as modified by Circular No. Cir/CFD/FAC/62/2016 dated July 5, 2016; and
 - b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and "Other comprehensive income" and other financial information of the Company for the quarter and year ended March 31, 2018.
7. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in this financial statement, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor J.C. Bhalla and Co. whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 27, 2016 respectively expressed qualified opinion on those financial statements.



R.N.MARWAH & CO LLP
CHARTERED ACCOUNTANTS

8. The Statement includes the results for the quarter ended March 31, 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For RN Marwah & Co. LLP
Chartered Accountants
Firm Registration No.:001211N/N500019


(Sunil Narwal)

Partner

Membership No.: 511190



Place: New Delhi
Date: May 31, 2018

Spentex Industries Limited

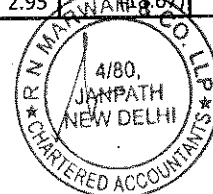
Regd. Off : A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.

CIN : L74899DL1991PLC138153; Email : secretarial@eleindia.com

Statement of Standalone Financial Results for the Quarter and year ended March 31, 2018

(Rs.in Lakhs, except per share data, and unless otherwise stated)

S.No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited (Refer Note No.15)	Unaudited	Audited (Refer Note No.15)	Audited	Audited
I	Income					
	Revenue from operations	10,630.05	9,546.36	19,661.52	47,997.69	78,214.20
II	Other Income	965.37	51.88	7,233.39	1,127.32	7,904.94
III	Total Income (I+II)	11,595.42	9,598.24	26,894.90	49,125.01	86,119.14
IV	Expenses					
	Cost of raw material consumed	7,355.22	6,277.05	11,736.27	32,030.73	56,734.71
	Purchase of Stock in Trade	8.70	7.15	27.09	26.45	260.86
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	363.46	693.94	867.30	2,246.97	(197.90)
	Excise Duty on sale	-	-	33.59	23.93	162.29
	Employee benefits expense	1,556.22	1,764.43	2,185.47	7,324.42	9,279.55
	Finance Costs	102.82	274.14	(1,482.29)	877.12	5,084.38
	Depreciation and amortization expense	270.16	239.59	275.40	1,057.63	1,091.90
	Other expenses	2,136.91	2,110.56	8,499.60	10,142.64	18,450.36
	Total expenses (IV)	11,793.49	11,366.86	22,142.44	53,729.89	90,866.15
V	Profit /(Loss) before exceptional Items and Tax (III-IV)	(198.07)	(1,768.62)	4,752.48	(4,604.88)	(4,747.01)
VI	Expenses of exceptional nature	2,601.18	9,602.64	5,703.35	12,203.82	5,703.35
VII	Income of exceptional nature	-	-	3,603.48	-	3,603.48
VII	Profit/(loss) before,extraordinary, and tax (V-VI)	(2,799.25)	(11,371.26)	2,652.61	(16,808.70)	(6,846.88)
VIII	Tax Expenses					
	(1) Current Tax	-	-	-	-	-
	(2) Mat Credit Entitlement Excess Provision Written Back	(44.13)	-	-	(44.13)	-
	(3) Deferred Tax	-	-	-	-	-
	Total Tax Expenses	(44.13)	-	-	(44.13)	-
IX	Profit /Loss for the period (VII-VIII)	(2,755.12)	(11,371.26)	2,652.61	(16,764.57)	(6,846.88)
X	Other comprehensive income					
A	Items that will be reclassified to profit or loss					
B	Items that will not be reclassified to profit or loss					
	Changes in fair value of FVTOCI equity instruments	(0.02)	(0.06)	(0.04)	(0.11)	(0.07)
	Actuarial (gain)/loss on remeasurement of defined benefit plan	145.26	30.92	103.18	238.02	123.68
	Other comprehensive income for the period (net of tax)	145.24	30.86	103.14	237.91	123.61
XI	Total comprehensive income for the period (IX+X)	(2,900.36)	(11,402.12)	2,549.46	(17,002.48)	(6,970.50)
	Paid up Equity Share Capital Face value of Rs. 10 each (No. in Lakhs)	897.72	897.72	897.72	897.72	897.72
	Earnings per share (of INR 10 each):					
	(a) Basic	(3.07)	(12.67)	2.95	(18.67)	(7.63)
	(a) Diluted	(3.07)	(12.67)	2.95	(18.67)	(7.63)

Spentex Industries Limited

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CIN : L74899DL1991PLC138153; Email : secretarial@clciindia.com

- 1 The above audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 31, 2018. The financial results are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 (as amended).
- 2 The Company adopted Indian Accounting Standards (Ind-AS) from April 01, 2017 with the transition date of April 01, 2016 and accordingly these financial results have been prepared in accordance with the Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder (Ind-AS) and other accounting principles generally accepted in India to the extent applicable. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the quarter and year ended March 31, 2017 has been restated to make them comparable. Reconciliation of net profit/(loss) as reported under erstwhile IGAAP and as restated now under Ind-AS is as under:

(Rs. in Lakh)

Particulars	Year Ended on 31st March 2017	Quarter ended on 31st March 2017
Net Profit/(Loss) as per previous GAPP	(6,846.87)	2,652.62
Ind-As adjustments: Add/ (less)		
Interest Booked /Amortisation of Reclassification of Leasehold Land as prepaid Expenses	0.06	0.06
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	(0.07)	(0.04)
Actuarial (gain)/loss on employees defined benefits plan recognised in other	123.62	103.18
Provision for impairments of trade receivables based on ECL Model		
Net Profit/Loss as per Ind-AS		
Other comprehensive income net of income tax		
Total comprehensive income as reported under Ind-AS	(6,970.50)	2,549.46

2A Reconciliation of Changes in Other Equity

(Rs. in Lakh)

Particulars	As at March 31, 2017
Other Equity as per IGAAP	(37,835.14)
Gain on changes in Fair Value of Investment	(0.01)
Other Equity as per Ind AS	35,616.15

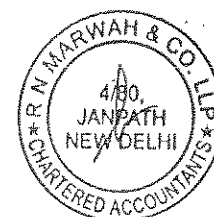
- 3 The Ind- AS compliant corresponding figures of quarter and year ended March 31, 2017 have not been subjected to limited review or audit by the Statutory Auditors. The Company has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 4 The format for the unaudited quarterly results as prescribed in SEBI's Circular No. CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with the requirements of SEBI's Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to the Company that is required to comply with Ind-AS.
- 5 In accordance with Ind AS 108 "Operating Segment" 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 relevant rules issued thereunder, for standalone financials, the Company is in the business of Manufacture of Yarn and there is only single segment

(Rs. in Lakh)

Entity wise disclosure	Domestic	Overseas	Total
Revenue from operations			
Quarter ended on 31st March, 2018	9,076.50	1,553.55	10,630.05
Quarter ended on 31st March, 2017	19,208.00	453.52	19,661.52
Year ended on 31st March, 2018	40,683.26	7,314.43	47,997.69
Year ended on 31st March, 2017	74,992.51	3,221.69	78,214.20



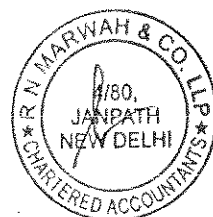
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- 6 The re-measurement cost of net defined benefit liability arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP. The Company has valued certain equity instruments at fair value (other than investment in subsidiaries). The impact of the change in fair value as on the date of transition (i.e. April, 2016) is recognised in opening equity and changes thereafter are recognised in Other Comprehensive Income.
- 7 Expenses of exceptional nature comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. 2044.70 lacs and write off of Rs. 7557.94 lakhs recoverable from the subsidiary ASIL. During the year The Company moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017, has admitted the Company's petition and has appointed Resolution Professional for the Company. The same has been so accounted for keeping in view the ongoing proceedings of Amit Spinning Industries Limited (ASIL) in National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC), 2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC, 2016. Keeping in view of above as per Ind AS 109 no adjustment was made for Corporate guarantee given by Spentex Industries Limited to ASIL.
- Further provision made for inventory carrying cost of Rs. 2601.18 Lakhs for which reconciliation with the parties are pending.
- 8 As on March 31, 2018, the accumulated losses of the Company had exceeded its net worth. The Quarterly and year ended results of the company has been prepared on going concern basis as the management believe that the accumulated losses would be wiped off and the profitability improved and the networth will turn positive once financial restructuring is carried out by the lenders and requisite working capital is raised. Company is in advanced stages of this financial resolution and is quite hopeful that within the current financial year, the same will be carried out.
- 9 The Company has not allotted shares against amount of Rs. 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.
- 10 The Company's accounts had become Non performing assets (NPA) with majority of the banks and due to this reason, the majority of lenders stopped charging interest from the company on their outstanding debts amount from the dates on which their accounts become NPA. In view of the above, the company has not charged to statement of profit and loss account interest expenses of Rs. 1,327.74 lakhs and related penal interest and other charges for the quarter, if any, in respect of delay in repayment of borrowings from the banks. Further, Liability for interest expenses of Rs. 13,670.52 lakhs till December 31, 2017 has not been accounted for.
- 11 The outstanding balance as on March 31, 2018 in respect of 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 Due to working capital crunch, Baramati plant was shut down during the year. Management of the company is confident of restarting the unit within current financial year once financial restructuring is carried out by lenders and additional working capital is raised. This shut down is temporary in nature, hence no impairment testing was done.
- 13 Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with 'Ind-AS 18, Revenue' GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter/year ended on March 31, 2018 are not comparable to the extent with the previous periods."
- 14 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 2017-18 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affairs, which is still awaited.
- 15 The figures for the quarter ended March 31, 2018 & March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the 3rd quarter of the current financial year and previous Financial Year, respectively.
- 16 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.

For and on behalf of Board of Directors
Spentex Industries Limited

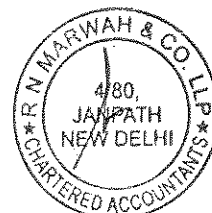
Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: May 31, 2018



Spentex Industries Limited			
Regd. Off: A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.			
CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com			
Standalone Statement of Assets and Liabilities			
		(Rs. in Lakhs)	
	Particulars	As at March 31,2018	As at March 31,2017
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	16,275.64	17,277.37
	(b) Capital work-in-progress	0.04	23.38
	(c) Intangible assets	-	-
	(d) Financial Assets		
	(i) Investments	0.51	2,046.08
	(ii) Loans	956.84	615.02
	(iii) Others	199.25	1,174.65
	(e) Deferred tax assets (net)	-	176.00
	(f) Other non-current assets	3,400.46	10,260.80
	Total Non current assets (A)	20,832.74	31,573.30
2	Current assets		
	(a) Inventories	2,355.44	5,509.93
	(b) Financial Assets		
	(i) Trade receivables	958.84	3,772.83
	(ii) Cash and cash equivalents	197.36	107.20
	(iii) Bank balances other than (ii) above	7.12	-
	(iv) Loans	58.07	39.66
	(v) Others	1,607.15	1,409.92
	(c) Current Tax Assets (Net)	74.66	-
	(d) Other current assets	363.28	397.83
	Total current assets (B)	5,621.92	11,237.37
	Non-current assets classified as held for sale	102.86	18.30
	Total current assets (C)	102.86	18.30
	Total (A+B+C)	26,557.52	42,828.97
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	8,977.20	8,977.20
	(b) Other Equity	(52,711.37)	(35,616.15)
	Total Equity (A)	(43,734.17)	(26,638.95)
	LIABILITIES		
1	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,117.00	3,541.00
	(ii) Other financial liabilities	66.86	21.66
	(b) Provisions	1,267.21	932.35
	Total Non-current liabilities (B)	4,451.07	4,495.01
2	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	49,355.78	48,747.52
	(ii) Trade Payables	6,226.48	8,414.15
	(iii) Other financial liabilities	7,623.80	5,649.43
	(b) Other current liabilities	2,134.50	1,623.78
	(c) Provisions	500.05	538.05
	Total Current liabilities (C)	65,840.62	64,972.94
	Total Equity and Liabilities (A+B+C)	26,557.52	42,828.99

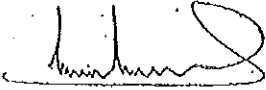


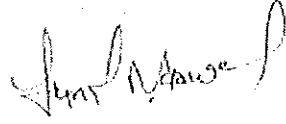


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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1.	Total income/Turnover (Incl. Other Income)	49,125.01	49,125.01
	2.	Total Expenditure	53,729.89	68,728.15
	3.	Net Profit/(Loss)	(16,764.57)	(31,762.83)
	4.	Earning Per Share	(18.67)	(35.40)
	5.	Total Assets	26,557.52	26,557.52
	6.	Total Liabilities	70,291.69	85,289.95
	7.	Net Worth	(43,734.17)	(58,732.43)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	1. The Company has not charged to statement of Profit and loss interest expense of Rs.1,327.74 lakhs for the quarter and Rs 13,670.52 lakhs up to previous quarter respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no 10 to the standalone financial results for the quarter ended March 31, 2018.			
	b. Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion			
	Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing			
	Since the financial year 2016-17. However, amount is modified from Rs. Rs. 6,007.18 Lakhs to Rs. 14,998.26 Lakhs during the year.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	The Company's accounts had become Non performing assets (NPA) with banks and as per extant applicable guidelines, lenders have stopped charging interest. Further, company is in discussion with lenders for a comprehensive deep restructuring and the same is expected to be implemented in current financial year. In view of the above, the Company has not charged to statement of profit and loss account interest expenses and related other charges.			

	<p>e. For Audit Qualification(s), where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(ii) If management is unable to estimate the impact, reason for the same: Not Applicable</p> <p>(iii) Auditor's Comments on (i) and (ii) above: Not Applicable</p>	
<p>III.</p>	<p>Signatories:</p> <ul style="list-style-type: none"> • Mukund Choudhary Managing Director • Yash Jain Chief Financial Officer • Deepak Diwan Audit Committee Chairman • M/s R.N. Marwah & Co. LLP Statutory Auditors 	   
<p>Place: New Delhi</p> <p>Date: 31st May, 2018</p>		

Independent Auditor's Report on year end Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

The Board of Directors

Spentex Industries Limited

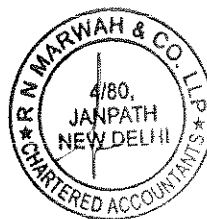
A-60, Okhla Industrial Area, Phase-II

New Delhi-110020

1. We have audited the accompanying statement of consolidated financial results ("The Statement") of **Spentex Industries Limited** ("The Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group" for the year ended March 31, 2018 being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by SEBI circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016. Attention is drawn to the fact that amounts for the corresponding year ended March 31, 2017 including the reconciliation of net loss under Ind AS of the said year with net loss reported under previous GAAP, as included in the statement have not been subject to limited review or audit. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement(s).

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.



3. Basis of Qualified Opinion

- a. The group has not considered the financial statements of a step down subsidiary Schoeller Lotvino k.s, in preparing the consolidated financial results for the reason stated therein. This is in contrary to the Ind-AS 110 "Consolidated Financial Statements" in respect of the section 133 of the Act. Further, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs. 2298.76 lakhs in and from above subsidiary. Refer note no. 2 to the consolidated financial result for the year ended march 31, 2018.
- b. The Group has not charged to statement of Profit and loss interest expense of Rs.14998.26 lakhs for the year, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no 12 to the Consolidated financial results for the year ended March 31, 2018.

We further report that, without considering the impact of paragraphs (a), above the effect of which, could not be determined and had the observation made by us in paragraphs is considered, the loss before tax for the year ended March 31, 2018, would have been Rs. 28886.15 lakhs as against the reported figure of Rs.11589.13 lakh and Interest Accrued and due on Borrowing understated by Rs 14998.26 Lakhs.

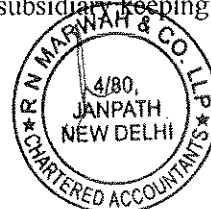
4. Material Uncertainty Related to Going Concern

We draw attention to Note 10 of the consolidated financial results, which indicates that the Goup's net worth has deteriorated and as of March 31, 2018, the Goup's current liabilities exceeded its total assets by Rs. 74292.72 Lakhs. As stated in said note, these events or conditions, along with other matters as set forth in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

5. Emphasis of Matter

Without qualifying our limited review report, we draw attention to:

- a) Refer note No. 8 of the Standalone financial results for the year ended March 31, 2018 wherein the company has made a provision for value of long term investments amounting to Rs.2,044.70 Lakhs in Amit Spinning Industries Limited, Subsidiary of the Company and written off recoverable amounting of Rs 7557.94 lakhs due from above subsidiary keeping in



view of ongoing proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy code.

- b) Note no.11 to the consolidated financial results for the year ended March 31, 2018, wherein the Holding Company has not allotted shares against share application amount of Rs.1109.50 lakhs which was brought in by the promoters in more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note.
- c) Note no. 13 to the consolidated financial results for the year ended March 31, 2018, regarding balances of parties under the head trade receivable, trade payable and loans & advances which are subject to confirmation, reconciliation and consequential adjustments if any.
- d) The Holding Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Holding Company has not complied with the requirement of the said circular.

Our opinion is not modified in this matter

- 6. We did not audit the financial statements of one subsidiaries, whose financial statements reflect total assets of Rs. 2,298.76 lakhs as at March 31, 2018, total revenues of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements is based solely on such unaudited financial statements.

Our opinion on the statement is not modified in respect of the above matter with regard to our reliance on the work done and financial statements certified by the management.

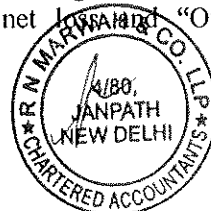
7. Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us, *except for the effects of the matter described in the basis of qualification opinion paragraph*, the statement;

Includes the results of entities as given below:-

Subsidiary:- Spentex Netherlands B.V.

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard as modified by Circular No. Cir/CFD/FAC/62/2016 dated July 5, 2016; and
- b. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net ~~loss~~ "Other

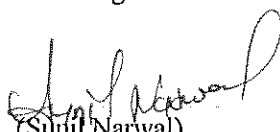


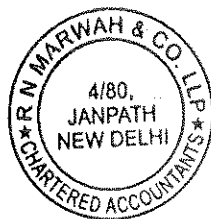
R.N.MARWAH & CO LLP
CHARTERED ACCOUNTANTS

comprehensive income” and other financial information of the Company for the year ended March 31, 2018.

8. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in this financial statement, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor J.C. Bhalla and Co. whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 27, 2016 respectively expressed qualified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For RN Marwah & Co. LLP
Chartered Accountants
Firm Registration No.:001211N/N500019


(Sunil Narwal)
Partner
M. No.: 511190



Place: New Delhi
Date: May 31, 2018

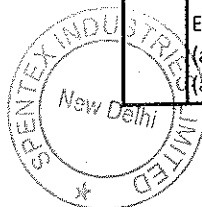
Spentex Industries Limited

Regd. Off: A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.
CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com

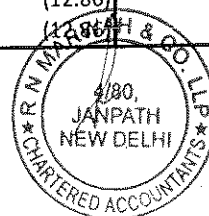
Statement of Consolidated Financial Results for the year ended March 31, 2018

(Rs.in Lakhs, except per share data, and unless otherwise stated)

S.No.	Particulars	Year Ended	Year Ended
		31.03.2018	31.03.2017
		Audited	Audited
I	Income		
	Revenue from operations	47,997.69	78,230.04
II	Other Income	9,707.09	7,905.77
III	Total Income (I+II)	57,704.78	86,135.81
IV	Expenses		
	Cost of raw material consumed	32,030.73	56,734.71
	Purchase of Stock in Trade	26.45	275.58
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	2,246.97	(197.90)
	Excise Duty on sale	23.93	162.29
	Employee benefits expense	7,324.42	9,680.77
	Finance Costs	1,938.56	6,246.78
	Depreciation and amortization expense	1,057.63	1,388.73
	Other expenses	10,142.64	18,643.36
	Total expenses (IV)	54,791.33	92,934.32
V	Profit /(Loss) before exceptional Items and Tax (III-IV)	2,913.45	(6,798.52)
VI	Expenses of exceptional nature	14,502.58	27,728.88
VII	Income of exceptional nature	-	3,603.48
VII	Profit/(loss) before,extraordinary, and tax (V-VI)	(11,589.13)	(30,923.92)
VIII	Tax Expenses		
	(1) Current Tax	-	-
	(2) Mat Credit Entitlement Excess Provision Written Back	(44.13)	-
	(3) Deferred Tax	(44.13)	-
	Total Tax Expenses	(11,545.00)	(30,923.92)
IX	Profit /Loss for the period (VII-VIII)	(11,545.00)	(30,923.92)
X	Other comprehensive income		
A	Items that will be reclassified to profit or loss		
B	Items that will not be reclassified to profit or loss		
	Changes in fair value of FVTOCI equity instruments	0.11	0.07
	Actuarial (gain)/loss on remeasurement of defined benefit plan	238.02	123.68
	Other comprehensive income for the period (net of tax)	237.91	123.62
XI	Total comprehensive income for the period (IX+X)	(11,782.91)	(31,047.54)
	Paid up Equity Share Capital Face value of Rs. 10 each (No. in Lakhs)	897.72	897.72
	Earnings per share (of INR 10 each):		
	(a) Basic	(12.86)	(34.45)
	(a) Diluted	(12.86)	(34.45)



[Handwritten Signature]



Spentex Industries Limited

Regd. Off: A-60, OKHILA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.

CIN : L74899DL1991PLC138153; Email : secretarial@cleindia.com

- 1 The above audited Consolidated Financial Results of the Company for the year ended March 31, 2018 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 31, 2018. The financial results are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 (as amended).
- 2 The subsidiary i.e. Schoeller Litvino k.s. was under the control of secured creditors and its financial statements are not available, therefore consolidation is not possible.
- 3 During the period under audit, one of the subsidiaries of the company, Amit Spinning Industries Limited was admitted to NCLT (National Company Law Tribunal) under IBC (Insolvency and Bankruptcy Code, 2016). W.E.F. August 01, 2017 NCLT appointed IRP (Interim resolution professional), pursuant to that Spentex Industries Limited lost control over subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

After appointment of RP (Resolution Professional), control of Amit Spinning Industries Limited are with RP.

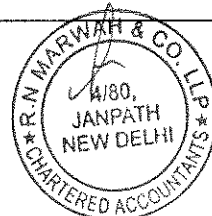
Under the new amended IBC code, there is no way by which existing management of Spentex Industries Limited can regain control over Amit Spinning Industries Limited. In view of the above, Managements is not in favor of consolidation with financial results of Amit Spinning Industries Limited for Quarter ended and year ended March 31, 2018.

- 4a The Holding Company adopted Indian Accounting Standards (Ind-AS) from April 01, 2017 with the transition date of April 01, 2016 and accordingly these financial results have been prepared in accordance with the Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder (Ind-AS) and other accounting principles generally accepted in India to the extent applicable. Consequently, erstwhile Indian Generally Accepted Accounting Principles (IGAAP) results for the year ended March 31, 2017 has been restated to make them comparable. Reconciliation of net profit/loss as reported under erstwhile IGAAP and as restated now under Ind-AS is as under:

Particulars	Year Ended on 31st March 2017
Net Profit as per IGAAP	(30,923.92)
Ind-As adjustments: Add/ (less)	
Interest booked/Amortisation of reclassification of leasedhold land as prepaid expense	
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	0.07
Actuarial (gain)/loss on employees defined benefits plan recognised in other comprehensive income	123.68
Total comprehensive income as reported under Ind-AS	(31,047.54)

4b Reconciliation of Changes in Other Equity

Particulars	As at March 31, 2017
Other Equity as per IGAAP	(77,963.14)
Gain on changes in Fair Value of Investment	(0.04)
Other Equity as per Ind AS	(77,963.18)



- 4c During the Current year National Company Law Tribunal (NCLT), Delhi heard upon the application filed by Amit Spinning Industries Limited, Subsidiary of the Group for resolution under Insolvency and Bankruptcy code, 2016. Tribunal passed the order with effect from 1st August, 2017. Pursuant to appointment of Insolvency Resolution Professional, the group lost control over the subsidiary and consequent adjustments were made in the financial statements. Based on management's perception the fair value of investment in the above subsidiary has been considered nil as at March 31, 2018.

Income on disconsolidation of ASIL:

In Lakhs

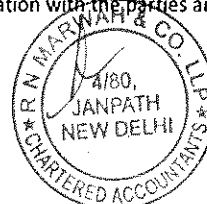
Particulars	Amount
Net worth of ASIL attributable to the Group on date of the consolidation	8579.76
Less: Fair value of ASIL considered for disconsolidation	0
Net Income Recognised at Group level under other income	8579.76

- 5 The Ind- AS compliant corresponding figures of the year ended March 31, 2017 have not been subjected to limited review or audit by the Statutory Auditors. The group companies have exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- 6 The format for the results as prescribed in SEBI's Circular No. CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with the requirements of SEBI's Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to the Holding Company that is required to comply with Ind-AS.
- 7 In accordance with Ind AS 108 "Operating Segment" 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 relevant rules issued thereunder, for consolidated financials, the Holding Company is in the business of Manufacture of Yarn and there is only single segment. However, management wishes to disclose the Revenue from operation on geographical basis.

Particulars	Domestic	Overseas	Total
Revenue from operations			
Quarter ended on 31st March, 2018	9,076.50	1,553.55	10,630.05
Quarter ended on 31st March, 2017	19,208.00	453.52	19,661.52
Year ended on 31st March, 2018	40,683.26	7,314.43	47,997.69
Year ended on 31st March, 2017	74,992.51	3,221.69	78,214.20

- 8 The re-measurement cost of net defined benefit liability arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP. The Holding Company has valued certain equity Instruments at fair value (other than investment in subsidiaries). The impact of the change in fair value as on the date of transition (i.e. April, 2016) is recognised in opening equity and changes thereafter are recognised in Other Comprehensive Income.
- 9 Expenses of exceptional nature comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. 2044.70 lacs and write off of Rs. 7557.94 lakhs recoverable from the subsidiary ASIL. During the year ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017, has admitted the ASIL's petition and has appointed Resolution Professional for the ASIL. The same has been so accounted for keeping in view the ongoing proceedings of Amit Spinning Industries Limited (ASIL) in National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC), 2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC, 2016. Keeping in view of above as per Ind AS 109 no adjustment was made for Corporate guarantee given by Spentex Industries Limited to ASIL.

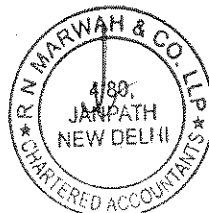
Further provision made for inventory carrying cost of Rs. 2601.18 Lakhs for which reconciliation with the parties are pending.



- 10 As on March 31, 2018, the accumulated losses of the group companies had exceeded its net worth. The Quarterly and year ended results of the group companies has been prepared on going concern basis as the management believe that the accumulated losses would be wiped off and the profitability improved and the networth will turn positive once financial restructuring of holding company is carried out by the lenders and requisite working capital is raised. Holding company is in advanced stages of this financial resolution and is quite hopeful that within the current financial year, the same will be carried out.
- 11 The Holding Company has not allotted shares against amount of Rs. 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 .
- 12 The Holding Company's accounts had become Non performing assets (NPA) with majority of the banks and due to this reason, the majority of lenders stopped charging interest from the group company on their outstanding debts amount from the dates on which their accounts become NPA. In view of the above, the holding company has not charged to the consolidated statement of profit and loss account interest expenses of Rs. 1,327.74 lakhs and related penal interest and other charges for the quarter, if any, in respect of delay in repayment of borrowings from the banks. Further, Liability for interest expenses of Rs. 13,670.52 lakhs till December 31, 2017 has not been accounted for.
- 13 The outstanding balance as on March 31 , 2018 in respect of 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.
- 14 Due to working capital crunch, Baramati plant of the holding company was shut down during the year . Management of the company is confident of restarting the unit within current financial year once financial restructuring is carried out by lenders and additional working capital is raised.
- 15 Revenue from operations for periods up to June 30, 2017 of the Holding Company includes excise duty, which is discontinued effective from July 01, 2017 upon implementation of Goods and Service Tax (GST) in India. In accordance with 'Ind-AS 18, Revenue' GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended on March 31, 2018 are not comparable to the extent with the previous periods."
- 16 The Holding 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 2017-18 vide circular no 04/2013 dated 11-Feb-2013 issued by Ministry of Corporate Affairs, which is still awaited.
- 17 Previous period figures have been regrouped / rearranged wherever necessary, to make them comparable.

For & on behalf of Board of Directors
Spentex Industries Limited

Mukund Choudhary
Managing Director
DIN: 00051529
Place : New Delhi
Dated: May 31 , 2018



Spentex Industries Limited

Regd. Off: A-60, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110020.

CIN : L74899DL1991PLC138153; Email : secretarial@clcindia.com

Consolidated Statement of Assets and Liabilities as at March 31, 2018


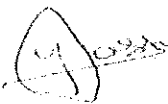

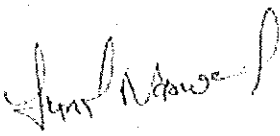
	Particulars	As at March 31, 2018	As at March 31, 2017
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	16,275.64	20,806.20
	(b) Capital work-in-progress	0.04	23.38
	(c) Intangible assets	-	-
	(d) Financial Assets	-	-
	(i) Investments	0.51	1,983.02
	(ii) Loans	956.84	2,788.18
	(iii) Others	199.25	933.83
	(e) Deferred tax assets (net)	-	176.00
	(f) Other non-current assets	3,400.46	3,678.34
	Total Non current assets (A)	20,832.74	30,388.95
2	Current assets		
	(a) Inventories	2,355.44	5,538.80
	(b) Financial Assets	-	-
	(i) Trade receivables	958.84	3,772.84
	(ii) Cash and cash equivalents	197.36	107.41
	(iii) Bank balances other than (ii) above	7.12	-
	(iv) Loans	58.07	39.66
	(v) Others	1,607.15	1,411.24
	(c) Current Tax Assets (Net)	74.66	-
	(d) Other current assets	363.27	397.83
	Total current assets (B)	5,621.90	11,267.78
	Non-current assets classified as held for sale	102.86	18.30
	Total current assets (C)	102.86	18.30
	Total (A+B+C)	26,557.50	41,675.03
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	11,021.91	8,977.20
	(b) Other Equity	(89,765.70)	(77,963.10)
	Total Equity (A)	(78,743.80)	(68,985.91)
	LIABILITIES		
1	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	3,117.00	3,541.00
	(ii) Other financial liabilities	66.86	21.66
	(b) Provisions	1,267.21	1,054.63
	Total Non-current liabilities (B)	4,451.08	4,617.29
2	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	51,199.24	52,175.18
	(ii) Trade Payables	6,240.16	11,958.84
	(iii) Other financial liabilities	40,776.29	37,603.45
	(b) Other current liabilities	2,134.50	3,714.11
	(c) Provisions	500.03	592.06
	Total Current liabilities (C)	100,850.22	106,043.64
	Total Equity and Liabilities (A+B+C)	26,557.50	41,675.03

SPENTEX INDUSTRIES LIMITED
New Delhi

R. N. MATHUR & CO. LLP
4/60,
JANPATH
NEW DELHI
CHARTERED ACCOUNTANTS

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1.	Total income/Turnover,(Incl. Other Income)	57,704.78	57,704.78
	2.	Total Expenditure	54,791.33	69,789.59
	3.	Net Profit/(Loss)	(11,545.00)	(26,543.26)
	4.	Earning Per Share	(12.86)	(29.58)
	5.	Total Assets	26,557.50	26,557.50
	6.	Total Liabilities	1,05,301.30	1,20,299.56
	7.	Net Worth	(78,743.80)	(93,742.06)
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	<ol style="list-style-type: none"> The group has not considered the financial statements of a step down subsidiary Schoeller Lotvino k.s, in preparing the consolidated financial results for the reason stated therein. This is in contrary to the Ind-AS 110 "Consolidated Financial Statements" in respect of the section 133 of the Act. Further, we are unable to determine the extent of provision that may be required for diminution in the value of long term investment amounting to Rs. 2298.76 lakhs in and from above subsidiary. Refer note no. 2 to the consolidated financial result for the year ended march 31, 2018. The Company has not charged to statement of Profit and loss interest expense of Rs.1327.74 lakhs for the quarter and Rs 13,670.52 lakhs up to previous quarter respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss. Refer Note no 12 to the consolidated financial results for the quarter ended March 31, 2018. 			
	b. Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion			
	Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing			
	<ol style="list-style-type: none"> Qualification No. 1 is appearing since the financial year 2013-14. Qualification No. 2 is appearing since the financial year 2016-17. 			

	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Qualification No. 2</p> <p>The Company's accounts had become Non performing assets (NPA) with banks and as per extant applicable guidelines, lenders have stopped charging interest. Further, company is in discussion with lenders for a comprehensive deep restructuring and the same is expected to be implemented in current financial year. In view of the above, the Company has not charged to statement of profit and loss account interest expenses and related other charges.</p>	
	<p>e. For Audit Qualification(s), where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Management is unable to estimate the impact of qualification no. 1</p>	
	<p>(ii) If management is unable to estimate the impact, reason for the same:</p> <p>Qualification No. 1</p> <p>The subsidiary i.e. Schoeller Litvinov k.s. was under the control of secured creditors and its financial statements are not available, therefore consolidation is not possible.</p>	
	<p>(iii) Auditor's Comments on (i) and (ii) above:</p> <p>In the absence of certainty as regards the management's assertion, we are unable to offer further comments on the qualifications 1.</p>	
III.	<p>Signatories:</p> <ul style="list-style-type: none"> Mukund Choudhary Managing Director Yash Jain Chief Financial Officer Deepak Diwan Audit Committee Chairman M/s R.N. Marwah & Co. LLP Statutory Auditors 	   
<p>Place: New Delhi</p> <p>Date: 31st May, 2018</p>		