

Date: 27th May, 2016

To,
The Secretary
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Scrip Code: BSE 533006

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051

Scrip Code: BIRLACOT

Dear Sir,

Sub: Outcome of Board Meeting held on 27th May, 2016

Pursuant to the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, we have to inform you that the Board of Directors of the company at their meeting held today considered and approved, inter alia, the following:

Statement of Standalone Audited Financial Results of the Company as per Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2016.

A copy of the Audited financial results (Standalone) for the year ended 31st March, 2016, Auditors Report for the year ended 31st March, 2016, alongwith Form A & B for the same is enclosed for your records and reference.

Kindly take the same on your records & oblige.

Thanking you,
Yours faithfully
For Birla Cotsyn (India) Limited



Asish Narayan (Membership No. 19454)
Company Secretary & Compliance Officer



BIRLA COTSYN (INDIA) LIMITED
 Regd. Office :- 1st Floor, Dalamal House, J.B.Marg,
 Nariman Point, Mumbai - 400 021.
 CIN-L17110MH1941PLC003429
 Tel +91 22 66168400/ +91 22 22026340
 Email : complianceofficer@birlacotsyn.com



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2016.

Part I	Particulars	Quarter Ended				Year Ended	
		31-Mar-16	31-12-2015	31-03-2015	31-Mar-16	31-03-2015	
		Audited	Unaudited	Audited	Audited	Audited	
1	Income from Operations						
	(a) Net Sales / Income from operations (Net of excise duty)	2,577.96	2,348.41	2,694.79	9,462.02	10,751.02	
	(b) Other Operating Income	132.27	135.00	39.99	513.47	494.01	
	Total income from Operations (net)	2,710.23	2,483.41	2,734.78	9,975.49	11,245.03	
2	Expenses						
	(a) Cost of Materials consumed	1,688.58	1,666.17	1,677.23	6,816.83	7,854.01	
	(b) Purchase of stock-in-trade	-	-	-	-	-	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	211.02	46.73	173.61	(104.23)	369.29	
	(d) Employee benefits expense	140.31	209.27	284.36	774.43	860.52	
	(e) Depreciation and Amortisation expense	343.57	345.45	618.48	1,375.84	1,372.65	
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	635.39	568.11	601.31	2,671.33	2,269.72	
	Total Expenses	3,018.88	2,835.72	3,354.99	11,534.20	12,726.20	
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2)	(308.65)	(352.32)	(620.21)	(1,558.71)	(1,481.17)	
4	Other Income	23.12	5.82	74.28	94.04	318.90	
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(285.53)	(346.49)	(545.93)	(1,464.68)	(1,162.27)	
6	Finance Costs	1,653.54	1,601.63	2,694.94	6,256.39	5,346.24	
7	Profit / (Loss) after interest but before Exceptional items (5 + 6)	(1,939.07)	(1,948.12)	(3,240.87)	(7,721.07)	(6,508.51)	
8	Exceptional & prior period items	(0.85)	-	(9,932.60)	(1.29)	(9,932.60)	
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	(1,939.92)	(1,948.12)	(13,173.47)	(7,722.35)	(16,441.11)	

10	Tax expense	-	-	-	-	-	-	-	-
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	(1,939.92)	(1,948.12)	(13,173.47)	(7,722.35)	(16,441.11)			
12	Extra ordinary items (net of tax expense)	-	-	-	-	-			
13	Net Profit / (Loss) for the period (11 ± 12)	(1,939.92)	(1,948.12)	(13,173.47)	(7,722.35)	(16,441.11)			
14	Share of profit/ (loss) of associates *	-	-	-	-	-			
15	Minority interest *	-	-	-	-	-			
16	Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13 ± 14 ± 15) *	(1,939.92)	(1,948.12)	(13,173.47)	(7,722.35)	(16,441.11)			
17	Paid - up equity share capital (Face value of Rs.1/- per share)	26686.35	26686.35	26686.35	26686.35	26686.35			
18	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	(41,775.35)	(39,835.43)	(34,503.00)	(41,775.35)	(34,053.00)			
19. i.	Earnings Per Share (before extraordinary items) (of Rs. 1/- each) (not annualised):								
	(a) Basic	(0.07)	(0.07)	(0.49)	(0.29)	(0.62)			
	(b) Diluted	(0.07)	(0.07)	(0.49)	(0.29)	(0.62)			
19. ii.	Earnings Per Share (after extraordinary items) (of Rs. 1/- each) (not annualised):								
	(a) Basic	(0.07)	(0.07)	(0.49)	(0.29)	(0.62)			
	(b) Diluted	(0.07)	(0.07)	(0.12)	(0.29)	(0.24)			

* Applicable in the case of consolidated results.

NOTES :

- The above financial results have been reviewed by the Audit Committee and approved and taken on record by the Board of Directors at their respective meetings held on 27th May, 2016.
- In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Statutory Auditors has audited these results.
- The above financial results of the Company for the quarter and year ended 31st March, 2016 are available at the Company's website www.birlactosyn.com and the website of the stock exchanges i.e www.bseindia.com and www.nseindia.com.
- Corresponding figures in previous quarters/ period have been regrouped / rearranged wherever required, to make them comparable.

For Birla Cotsyn (India) Limited



(Signature)
Rakesh Kumar Dixit
Director
DIN: 06655663

(Signature)
S N Baheti
Director
DIN: 06933453

Place : MUMBAI

Date : 27th May, 2016

BIRLA COTSYN (INDIA) LIMITED
 Regd. Office :- 1st Floor, Dalamal House, J.B.Marg,
 Nariman Point, Mumbai - 400 021.
 CIN-L17110MH1941PLC003429
 Tel +91 22 66168400/ +91 22 22026340
 Email : complianceofficer@birlacotsyn.com

₹ in Lakh

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31st MARCH, 2016.

Particulars	Standalone				
	Quarter Ended			Year Ended	
	31-Mar-16 Audited	31-Dec-15 Unaudited	31-Mar-15 Audited	31-Mar-16 Audited	31-Mar-15 Audited
1 Segment Revenue (net sale/income from each segment should be disclosed under this head)					
a. Textile - Yarn	2,710.22	2,483.41	2,734.12	9,975.49	11,245.03
b. Textile - Fabrics	-	-	-	-	-
c. Others	-	-	-	-	-
d. Unallocated	-	-	-	-	-
Total	2,710.22	2,483.41	2,734.12	9,975.49	11,245.03
Less: Inter Segment Revenue	-	-	-	-	-
Net Sales / Income from Operations	2,710.22	2,483.41	2,734.12	9,975.49	11,245.03
Segment Results (Profit(+)/ Loss (-) before tax and interest from Each Segment) #					
a. Textile - Yarn	(304.75)	(350.88)	(10,483.11)	(1,548.82)	(11,150.63)
b. Textile - Fabrics	-	-	-	-	-
c. Others	-	-	-	-	-
d. Unallocated	18.37	4.38	33.77	82.86	84.95
Total	(286.38)	(346.50)	(10,449.34)	(1,465.96)	(11,065.68)
Less: i) Interest**	1,653.54	1,601.63	2,694.34	6,256.39	5,346.24
ii) Other Un-allocable Expenditure net off	-	-	-	-	-
iii) Un-allocable income	-	-	-	-	-
Total Profit / (Loss) before Tax	(1,939.92)	(1,948.12)	(13,143.68)	(7,722.35)	(16,411.92)
3 Capital Employed (Segment Assets - Segment Liabilities)					
a. Textile - Yarn	14,339.20	14,760.99	16,039.72	14,339.20	16,039.72
b. Textile - Fabrics	-	-	-	-	-
c. Others	-	-	-	-	-
d. Unallocated	(24,218.80)	(22,700.66)	(18,507.43)	(24,218.80)	(18,507.43)
Total	(9,879.59)	(7,939.67)	(2,467.71)	(9,879.59)	(2,467.71)

Profit/ Loss before tax and after interest in case of segments having operations which are primarily of financial nature.
 ** Other than the interest pertaining to the segments having operations which are primarily of financial nature.

NOTE :-

Textile includes Manufacture of Synthetic Yarn, Cotton Yarn, Ginning and Pressing Others includes Manufacture of the Oil Cake.



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BIRLA COTSYN (INDIA) LIMITED

Statement of Assets and Liabilities

Amount in ₹

Particulars	Note	As at	As at
		31st March, 2016	31st March, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	2,66,86,35,154	2,66,86,35,154
(b) Reserves and surplus	3	(3,65,65,94,448)	(2,91,54,05,787)
		(98,79,59,294)	(24,67,70,633)
Non-current liabilities			
(a) Long-term borrowings	4	-	90,000
(b) Other Long term liabilities	5	26,40,000	26,40,000
(c) Long-term provisions	6	2,17,99,502	2,44,88,587
		2,44,39,502	2,72,18,587
Current liabilities			
(a) Short-term borrowings	7	1,60,57,69,064	1,64,74,51,768
(b) Trade payables	8	16,30,13,757	14,98,67,421
(c) Other current liabilities	8	2,95,15,86,845	2,32,11,88,706
(d) Short-term provisions	9	2,54,63,264	2,16,08,076
		4,74,58,32,929	4,14,01,15,971
TOTAL		3,78,23,13,138	3,92,05,63,925
ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible assets	10	1,55,98,13,738	1,69,07,13,222
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(b) Non-current investments	11	11,06,473	11,06,473
(c) Long-term loans and advances	12	1,91,17,14,528	1,91,58,87,989
(d) Other non-current assets	13	5,66,03,971	10,26,86,413
		3,52,92,38,710	3,71,03,94,097
2 Current assets			
(a) Inventories	14	10,05,08,911	8,60,06,710
(b) Trade receivables	15	27,40,849	18,45,788
(c) Cash and Bank Balances	16	6,64,83,808	3,65,29,736
(d) Short-term loans and advances	17	44,21,630	63,41,923
(e) Other current assets	18	7,89,19,229	7,94,45,671
		25,30,74,427	21,01,69,828
TOTAL		3,78,23,13,138	3,92,05,63,925
Significant accounting policies	1		



For Birla Cotsyn (India) Limited

Rakesh Kumar Dixit
Director
Din: 06933453

S N Baheti
Director
Din: 06933453

To,
The Board of Directors,
Birla Cotsyn (India) Limited

1. We have audited the accompanying Statement of Standalone Financial Results of **BIRLA COTSYN (INDIA) LIMITED** ("the Company") for the year ended 31st March, 2016 (the Statement), being submitted by the Company pursuant to requirement of regulation 33 of the SEBI (Listing Obligation and disclosure requirement) Regulation, 2015. This statement which is the responsibility of the company's management and approved by the Board of Directors, has been prepared on the basis of related standalone financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the Statement. The procedures selected depend on auditor's judgment, including the assessment of 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



3. Basis for Qualified Report:

- a) *With reference to note no. 7(B)(a) regarding Inter Corporate Deposits of Rs. 17,45,60,506/- and note no. 7(B)(c) regarding Deposits of Rs.4,45,578/- taken from various parties as at 31st March, 2016 in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon such balances.*

Further, few such parties have already filed winding up petition under section 271 and 272 of the Companies Act, 2013 ("the Act") against the Company for non-payment of dues. These matters are sub-judice and the impact, if any, of the outcome is unascertainable of this stage.

- b) *No provision has been made during the year for interest payable of Rs.1,88,17,328/- on Inter-Corporate and other Deposits taken by the Company. Consequently the loss for the period is lower by Rs.1,88,17,328/- and other current liabilities is understated by Rs.1,88,17,328/- as at 31st March, 2016.*

- c) *With reference to note no. 7(B)(b) regarding dues to related parties of Rs. 4,65,99,878/- and note no. 8(A)(a) trade payables of Rs.16,30,13,757/- as at 31st March, 2016, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon such balances.*

- d) *No provision has been made in the current year for interest payable of Rs.72,32,271/- on loans taken from related parties by the Company and no provision has been made for interest receivable of Rs.3,80,47,916/- on loans given to related parties by the Company. Consequently the loss for the year is higher by Rs.3,08,15,645/-, Other Current Liabilities (Note No 8) is understated by Rs.72,2,271/- and Other Non-Current Assets (Note 13) is understated by Rs.3,80,47,916/-. Including unprovided interest of earlier periods, Other Current Liabilities (Note No 8) is understated by Rs.1,10,06,232/- and Other Non-Current Assets (Note 13) is understated by Rs.5,69,67,920/-.*

- e) *With reference to Fixed Deposits accepted by the Company, the Company has defaulted in repayment of dues of Rs. 4,35,98,500/- as at 31st March, 2016. However, on Company's petition / application under section 58A(9) of the Companies Act, 1956, the Hon'ble Company Law Board has passed an order dated 21st January, 2016 for rescheduling the repayment of the deposits for a specified period under section 58A(9) read with section 74(2) of the Companies Act, 2013.*

- f) *With reference to note no. 12(c)(ii) regarding loans and advances to related parties, includes loan of Rs.36,21,08,831/- given to four related parties, which have incurred losses and also have negative net worth as at 31st March 2015. In the absence of latest audited accounts and detailed information of projected cash flows as at 31st*



March, 2016 or other supportive audit evidence, we are unable to comment upon its impairment, if any.

- g) With reference to note no. 10(E) regarding Plant & Machinery of Rs. Rs.49,08,56,040/- (net block) situated at factory units of the company which have been closed down and are not operating at the year end, in the absence of future cash flow projection about and information about the value in use, we are unable to comment upon its impairment provision, if any as per Accounting Standard 28 "Impairment of Assets".*
- h) With reference to note no.12(c)(i) regarding loan given to Foreign subsidiary, the Company has not restated the same at exchange rate prevailing on the last day of the reported period as required by Accounting standard 11 "The effect of changes in foreign exchange rates". As a result, the loan to foreign subsidiary for the period is understated by Rs.6,38,23,931/- and correspondingly Foreign Currency Translation Reserve for the period is also understated by Rs. 6,38,23,931/-.*
- i) With reference to note no.12(a) regarding capital advance of Rs.22,70,541/- as at 31st March, 2016 given to various parties, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its recoverability in cash or kind, if any.*
- j) With reference to note no.15(B) regarding trade receivables of Rs.27,40,849/- as at 31st March, 2016 in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its balance recoverability, if any.*

4. Emphasis of matter

- a) We draw attention to the Note no. 3(e) in the financial Statements. The company has incurred net loss of Rs.77,22,35,179/- during the year ended 31st March, 2016 and as of that date, the Company's accumulated losses aggregate to Rs.4,22,78,19,343/- resulting in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs.4,49,27,58,503/-. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not qualified in respect of this matter.**



- b) We draw attention to Note no. 4A and 4B regarding notice issued by consortium of banks under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002 for non-payment of principal and interest thereon after the due date by the company and therefore all loans accounts became Non Performing Assets effective from respective dates mentioned in such notice. We are informed that the company is contesting the action taken under section 13(4) of SARFAESI Act and therefore the matter is sub-judice. These factors along with other matters as set forth in said notice raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statements have been prepared on going concern basis as disclosed by management in said note. Our opinion is not qualified in respect of this matter.
5. In our opinion and to the best of our information and according to the explanations given to us, subject to our observation in para 3 above and read with our comments in paragraph 4 above, the Statements:
- a) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; and
- b) gives a true and fair view in conformity with the aforesaid Accounting Standard and other accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended 31st March, 2016.
6. The Statement includes the results for the Quarter ended 31st March, 2016 being the balancing figure between the audited figures in respect of the full financial year and the Limited Review year to date figures up to the third quarter of the current financial year.

For Samria & Co.,
Chartered Accountants
Firm Registration No: 109043W



(Adhar Samria)
Partner
M. No. 049174
Dated: 27th May, 2016



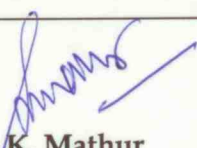
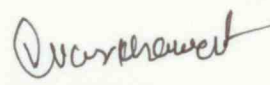


FORM A

(For Audit Report with Unmodified Opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1	Name of the Company	Birla Cotsyn (India) Limited
2	Annual Financial Statements for the year ended	31st March, 2016
3	Type of Audit Observation	<p><u>Matter of Emphasis:</u></p> <p>1. The Auditors has drawn attention to the Note no. 3(e) in the financial Statements. The company has incurred net loss of Rs.77,22,35,179/- during the year ended 31st March, 2016 and as of that date, the Company's accumulated losses aggregate to Rs.4,22,78,19,343/- resulting in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs.4,49,27,58,503/-. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not qualified in respect of this matter.</p> <p>(Managements reply: The loss is basically due to the inadvertent market conditions locally and globally & the general economic scenario across the world, which has effected particularly the Textile Industry. This is further strengthen by the Central Government and State Government coming out liberal textile polices which proves the long term viability and necessity of the Textile industry , Once the same improves the Company expects to do better.)</p> <p>2. The Auditors has drawn attention to Note no. 4A and 4B regarding notice issued by consortium of banks under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002 for non-payment of principal and interest thereon after the due date by the company and therefore all loans accounts became Non Performing Assets effective from respective dates mentioned in such notice. We are informed that the company is contesting the action taken under section 13(4) of SARFAESI Act and therefore the matter is sub-judice. These factors along with other</p>



		<p>matters as set forth in said notice raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statements have been prepared on going concern basis as disclosed by management in said note. Our opinion is not qualified in respect of this matter.</p> <p>(Managements reply: The Banks have issued notice under SARFAESI and have also taken symbolic possession which has been challenged by the Company in the High Court and Hon'ble High Court has passed order to maintain status quo by both parties and such order is still continuing. Besides this Company is also having protection under the Maharashtra Relief Undertaking (Special Provisions) Act, 1958 which provides remedy for the enforcement of any proceedings pending in any court, tribunal, office or authority against the Company.)</p>
4	Frequency of observation	Appearing for the Fourth Time.
5	To be signed by:	
	CEO/ Managing Director/ Manager	 S. K. Mathur
	CFO	 Vipin Varkhawat
	Audit Committee Chairman	 Satyanarayan Baheti
	Auditor of the Company	 Adhar Samria Partner - Samria & Co., Chartered Accountants Membership No. 049174



FORM B

(For Audit Report with modified opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

1	Name of the Company	Birla Cotsyn (India) Limited
2	Annual Financial Statement for the year ended	31 st March, 2015
3	Type of Audit observation	Qualified
4	Frequency of observation	Points 1, 3, 5, 6, 7 Appearing for the Fourth Time Point 4 Appearing for Second Time Points 2, 8, 9, 10 Appearing for the First Time.
5	Draw attention to relevant notes in the Annual Financial Statement and Management response to the qualification in the Directors report.	<p>Observations:</p> <p>1. With reference to note no. 7(B)(a) regarding Inter Corporate Deposits of Rs. 17,45,60,506/- and note no. 7(B)(c) regarding Deposits of Rs.4,45,578/- taken from various parties as at 31st March, 2016 in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon such balances. Further, few such parties have already filed winding up petition under section 271 and 272 of the Companies Act, 2013 ("the Act") against the Company for non-payment of dues. These matters are sub-judice and the impact, if any, of the outcome is unascertainable of this stage.</p> <p>Management's Response: The Company has not obtained the confirmation from all the ICD parties as all the ICD parties have filed legal cases against the Company including winding up petitions for recovery of their dues. The Company is contesting all the legal cases and also trying for out of court settlement by way of reschedulement, concessions or one time settlement.</p> <p>2. No provision has been made during the year for interest payable of Rs.1,88,17,328/- on Inter-Corporate and other Deposits taken by the Company. Consequently the loss for the period is lower by Rs.1,88,17,328/- and other current liabilities is understated by Rs.1,88,17,328/- as at 31st March, 2016.</p> <p>Management's Response: Over the past few years the Company has been providing for interest payable on inter corporate and other deposits. However, the Company has not been paying interest on loan taken, in view of its default on repayment of dues to</p>



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financial institutions and the need to preserve the scarce working capital resources. As such, the management has decided that it is prudent and conservative to not provide for such interest payable till such time as they are settled in cash.

3. With reference to note no. 7(B)(b) regarding dues to related parties of Rs. 4,65,99,878/- and note no. 8(A)(a) trade payables of Rs.16,30,13,757/- as at 31st March, 2016, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon such balances.

Management's Response: The Company is in process of getting confirmation of dues of parties.

4. No provision has been made in the current year for interest payable of Rs.72,32,271/- on loans taken from related parties by the Company and no provision has been made for interest receivable of Rs.3,80,47,916/- on loans given to related parties by the Company. Consequently the loss for the year is higher by Rs.3,08,15,645/-, Other Current Liabilities (Note No 8) is understated by Rs.72,2,271/- and Other Non-Current Assets (Note 13) is understated by Rs.3,80,47,916/-. Including unprovided interest of earlier periods, Other Current Liabilities (Note No 8) is understated by Rs.1,10,06,232/- and Other Non-Current Assets (Note 13) is understated by Rs.5,69,67,920/-.

Management's Response: Over the past few years the Company has been providing for interest receivable on loans given to related parties. However none of the related party has paid the interest amount to the Company resulting in unrealized income which further increases the receivable amount from the parties. Similarly, the Company has not been paying interest on loan taken from related parties in view of its default on repayment of dues to financial institutions and the need to preserve the scarce working capital resources. As such, the management has decided that it is prudent and conservative to not provide for such interest receivable and payable from the related parties till such time as they are settled in cash.



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5. With reference to Fixed Deposits accepted by the Company, the Company has defaulted in repayment of dues of Rs. 4,35,98,500/- as at 31st March, 2016. However, on Company's petition / application under section 58A(9) of the Companies Act, 1956, the Hon'ble Company Law Board has passed an order dated 21st January, 2016 for rescheduling the repayment of the deposits for a specified period under section 58A(9) read with section 74(2) of the Companies Act, 2013. **Management's Response:** The Company has filed a petition before the Company Law Board, Mumbai for rescheduling of re-payment of fixed deposits and interest thereon. The Hon'ble Company Law Board has passed an order dated 21st January, 2016 for rescheduling the repayment of the fixed deposits and interest thereon for a specified period. The Company is now making payments as per order dated 21st January, 2016.
6. With reference to note no. 12(c)(ii) regarding loans and advances to related parties, includes loan of Rs.36,21,08,831/- given to four related parties, which have incurred losses and also have negative net worth as at 31st March 2015. In the absence of latest audited accounts and detailed information of projected cash flows as at 31st March, 2016 or other supportive audit evidence, we are unable to comment upon its impairment, if any. **Management's Response:** The Company is trying to obtain confirmation / reconciliation of such loans. The Company is confident of recovery of the loan amount from all the related parties.
7. With reference to note no. 10(E) regarding Plant & Machinery of Rs. Rs.49,08,56,040/- (net block) situated at factory units of the company which have been closed down and are not operating at the year end, in the absence of future cash flow projection about and information about the value in use, we are unable to comment upon its impairment provision, if any as per Accounting Standard 28 "Impairment of Assets". **Management's Response:** Some Factory units of the Company are not operating due to shortage of need



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based working capital as bankers have stopped providing working capital facility as their working capital accounts have become Non Performing Assets. As per valuation carried out by bankers, there is no diminution in the value of fixed assets of these units.

8. With reference to note no.12(c)(i) regarding loan given to Foreign subsidiary, the Company has not restated the same at exchange rate prevailing on the last day of the reported period as required by Accounting standard 11 "The effect of changes in foreign exchange rates". As a result, the loan to foreign subsidiary for the period is understated by Rs.6,38,23,931/- and correspondingly Foreign Currency Translation Reserve for the period is also understated by Rs. 6,38,23,931/-.

Management's Response: This is a long term strategic investment made by the Company, restating the loan at the end of every reporting period unnecessarily increases the loan receivable amount and Foreign Currency Translation Reserve account. The company shall realize the profit/loss on foreign currency fluctuation at the time of repayment of loan by the subsidiary.

9. With reference to note no.12(a) regarding capital advance of Rs.22,70,541/- as at 31st March, 2016 given to various parties, in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its recoverability in cash or kind, if any.

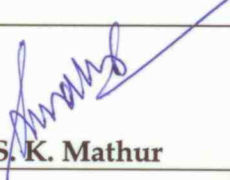
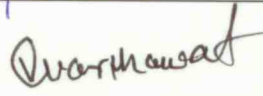


Management's Response: The Company is trying to obtain confirmation / reconciliation of such advances from the parties.

10. With reference to note no.15(B) regarding trade receivables of Rs.27,40,849/- as at 31st March, 2016 in the absence of third party confirmation, reconciliation, if any and other supportive audit evidence, we are unable to comment upon its balance recoverability, if any.



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		Management's Response: The Company is trying to obtain confirmation / reconciliation of such trade receivables from the parties.
6	Additional Comments from the Board/Audit Committee Chair:	Additional Comments shall be made in the Annual Report for the Financial year 2015-16.
7	To be signed by-	
	CEO/ Managing Director/ Manager	 S. K. Mathur
	CFO	 Vipin Varkhawat
	Audit Committee Chairman	 Satyanarayan Baheti
	Auditor of the Company	 Adhar Samria Partner - Samria & Co., Chartered Accountants Membership No. 049174

