

HIND SYNTEX LIMITED

Regd. office PLOT NO.2,3,4 & 5, SECTOR A, INDUSTRIAL GROWTH CENTRE PILLUKHEDI (MP) 465 667

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CIN-L17118MP1980PLC001697

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YAER ENDED MARCH 31,2014

PART I							(₹ in Lacs)
Sl. No.	Particulars	3 Months ended 31.03.2014 Audited	Preceding 3 Months ended 31.12.2013 Un audited	Corresponding 3 Months ended 31.03.2013 Un audited	6 Months ended 31.03.2014 Audited	18 Months ended 30.06.2013 Audited	
1	(a) Net Sales / Income from Operations	1281.82	1151.67	3533.02	2413.59	14874.72	
	(b) Other operating income	-	-	-	-	-	
	Total income from operations (net)	1281.82	1151.67	3533.02	2413.59	14874.72	
2	Expenditure:						
	(a) Cost of materials consumed	547.40	423.63	2173.30	971.33	6878.50	
	(b) Purchase of traded goods	-	-	-	-	-	
	(c) Changes in inventories of finished goods, work-in progress	20.15	43.87	115.44	64.05	545.67	
	(d) Employee benefits expense	293.76	282.84	251.72	576.60	1494.26	
	(e) Depreciation and amortisation expense	52.89	51.99	63.94	114.88	470.57	
	(f) Power & Fuel	343.34	345.97	390.27	889.31	2303.16	
	(g) Other expenditure	86.67	117.86	184.26	216.53	1178.19	
	Total Expenses	1366.24	1286.46	3401.93	2632.70	14960.35	
3	Profit/(Loss) from Operations before other income, finance costs and Exceptional items (1-2)	(104.32)	(114.79)	51.09	(219.11)	(93.63)	
4	Other Income	2.62	48.28	30.63	48.90	2240.20	
5	Profit/(Loss) from ordinary activities before finance costs and Exceptional items (3+4)	(101.70)	(66.51)	81.02	(170.21)	2146.57	
6	Finance costs	-	7.88	74.57	7.96	375.59	
7	Profit/(Loss) from ordinary activities after finance costs but before Exceptional items (5+6)	(101.70)	(76.47)	7.35	(178.17)	1770.98	
8	Exceptional items	-	-	-	-	-	
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	(101.70)	(76.47)	7.35	(178.17)	1770.98	
10	Tax Expenses-earlier year	-	-	-	-	13.85	
11	Net Profit/(Loss) from Ordinary activities after tax (9-10)	(101.70)	(76.47)	7.35	(178.17)	1784.83	
12	Extraordinary Items (net of tax expenses ₹ - lakhs)	-	-	-	-	-	
13	Profit / (Loss) from discontinuing operation	-	-	-	-	18.22	
14	Net Profit / (Loss) for the period (11-12)	(101.70)	(76.47)	7.35	(178.17)	1803.05	
15	Paid up equity share capital (Face value of ₹ 10 each)	1272.72	1272.72	1272.72	1272.72	1272.72	
16	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	
17.i	Earnings Per Share (before extraordinary items) (of ₹ 10 each) (not annualised):						
	(a) Basic	(0.80)	(0.60)	0.06	(1.40)	14.02	
	(b) Diluted	(0.80)	(0.60)	0.06	(1.40)	14.17	
17.ii	Earnings Per Share (after extraordinary items) (of ₹ 10 each) (not annualised):						
	(a) Basic	(0.80)	(0.60)	0.06	(1.40)	14.02	
	(b) Diluted	(0.80)	(0.60)	0.06	(1.40)	14.17	

PART II

PART II						
A	PARTICULARS OF SHAREHOLDING					
1	Public Share holding					
	-No. of Shares	6583418	6583418	8856005	6583418	6503418
	-Percentage of shareholding	51.76	51.76	69.64	51.76	51.76
2	Promoters and promoter group share holding					
	a) Pledged/Encumbered					
	-Number of shares	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
	b) Non-encumbered					
	-Number of shares	6135182	6135182	3051994	6135182	6135182
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company)	48.24	48.24	30.36	48.24	48.24

STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lacs)

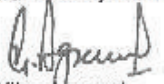
Particulars	As at	
	31/03/2014	30/09/2013
A EQUITY AND LIABILITIES		
1 Shareholders Funds		
(a) Share capital	1272.72	1272.72
(b) Reserves and Surplus	(599.20)	(455.85)
Sub total -Shareholding funds	673.52	816.87
2 Current Liabilities		
(a) Trade payables	815.33	355.24
(b) Other current liabilities	1,722.21	1,011.36
(c) Short-term provisions	45.99	79.91
Sub-total -Current liabilities	2583.53	2246.53
TOTAL EQUITY AND LIABILITIES	3257.05	3053.40
B ASSETS		
1 Non-current assets		
(a) Fixed Assets	1,770.46	1,721.10
(b) Long-term loans and advances	939.66	708.37
Sub-total Non-current assets	2710.12	2427.47
2 Current assets		
(a) Inventories	325.63	405.98
(b) Trade receivables	43.22	2.46
(c) Cash and cash equivalents	30.00	22.67
(d) Short-term loans and advances	33.73	64.43
(e) Other current assets	114.35	130.40
Sub-total current assets	546.83	625.93
Total ASSETS	3257.05	3053.40

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held May 30, 2014.
- Auditors qualification with regard to provision of depreciation on Plant & Machinery at the rates prescribed under continuous process plant continues as in the past.
- Net Deferred Tax Asset on account of unabsorbed depreciation / carried forward losses has not been accounted considering the requirement of certainty / virtual certainty, as stated in Accounting Standard (AS 22) "Accounting for Taxes on Income".
- Finance Cost of ₹ 7.95.593/- is shown after Net-off of Waiver of Principal Amount of Working Capital Loan of ₹ 14,51,101/- and waiver of Interest of ₹ 38,49,091/- on Term Loan and Working Capital Loan, in pursuance to the scheme of "One Time Settlement" determined in a consolidated manner in pursuance to the Corporate Debt Restructuring (CDR) Scheme, which would have been shown under "Other Income" in the above Unaudited Financial Results.
- The Company has only one segment of activity namely "Synthetic Blended Yarn".
- Previous year quarter figures have been regrouped or rearranged, wherever necessary.
- There were no complaint received from investors during the quarter.

Dated: May 30, 2014.
Place: Kolkata

For Hind Syntex Limited


Vilas Agrawal
Wholtime Director

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	Y.A.THAR
A.A.DESAI	P.H.CLERK
K.R.GANDHI (Ms.)	R.G.DOSHI
H.G.BUCH	M.V.SHAH
D.R.DESAI (Ms.)	A.A.AGRAWAL (Ms.)
	A.B.AGRAWAL

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INDEPENDENT AUDITOR'S REPORT

To the Members of
HIND SYNTEX LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HIND SYNTEX LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the period from October 01, 2013 to March 31, 2014 ("the period"), and a summary of significant accounting policies, and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our Qualified Audit Opinion as well as Disclaimer of Opinion.



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Basis for Qualified Opinion

- (a) *During the period ended on March 31, 2014, the Company has charged to the Statement of Profit and Loss of ₹ 1,037,547 in respect of Gratuity and of ₹ 508,952 in respect of Compensated Absences. In the absence of detailed information from an Independent Actuary, Inter alia, as to the present value of obligation and employee benefits cost to be recognised respectively in the Balance Sheet and Statement of Profit & Loss, we are unable to ascertain the adjustment and the charges which should have been made to the Statement of Profit & Loss, respectively, in respect of Gratuity and Compensated Absences, as contemplated by the Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] and accordingly, we are unable to comment on the effect thereof on the Profit for the period and the consequential effect on the Statement of Profit & Loss, and Current Liabilities and Provisions carried forward for the period end (Refer note no. 25 of Notes forming part of the financial statements).*

Further, in view of the absence of the information as aforesaid, the Company has not made disclosures of reconciliation of obligation, fair value of plan assets, Actuarial assumptions, etc. as required by AS-15 (Revised).

- (b) *Based on a technical opinion, the Company has provided depreciation on all plant and machinery (including Power Plant) as continuous process plants at the rate pursuant to notification in GSR No.756E dated 16.12.1993 on straight line method.*

On the basis of the Guidance Note issued by the Institute of Chartered Accountants of India on "Some Important Issues Arising From The Amendments To Schedule XIV to the Companies Act, 1956", in our opinion, depreciation should have been provided at the rate other than that provided for continuous process plant Schedule XIV of the Companies Act, 1956.

Had depreciation been provided at the rate other than that provided for continuous process plant, depreciation for the period would have been ₹ 5,028,919 (instead of ₹ 11,488,465), Profit for the period (Net of Deferred Tax Assets of ₹ 2,095,800 for such depreciation) would have been ₹ 9,260,490 (instead of ₹ 17,816,881) and for the period end, Net Block of Fixed Assets would have been ₹ 60,397,543 (instead of ₹ 177,045,598), Debit Balance in the Statement of Profit and Loss, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 188,227,352 on account of Capital Reserves), (Net of Deferred Tax Asset of ₹ 37,846,461 for such depreciation) would have been ₹ 138,721,210 [instead of Debit Balance in the Statement of Profit and Loss, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 188,227,352 on account of Capital Reserves), of ₹ 59,919,616] and there would have been Deferred Tax Asset (Net) of Rs. Nil (instead of Deferred Tax Assets (Net) of ₹ Nil).



- (c) *During the period ended on March 31, 2014 the Company has arrived at an "One Time Settlement" (OTS) of dues with its lenders, the cut-off date being September 30, 2012; as a result, the lenders have agreed to waive the principal amount of ₹ 4,482,737 and such amount is credited to Capital Reserve which is not in accordance with the Accounting Standard (AS) 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" as notified under the Companies (Accounting Standards) Rules, 2006. In fact, the said treatment is not in line with the opinion of the Expert Advisory Committee (EAC) of the ICAI on Accounting treatment of waiver of loan.*

Had the said waiver of principal amount of loan been credited to the Statement of Profit and Loss instead of the Credit reflected in Capital Reserve account, the profit for the period and the carried forward balances in Surplus under the head 'Reserves & Surplus' would have been higher by ₹ 4,482,737 (Refer note no. 22 of Notes forming part of financial statements and other explanatory information).

Basis for Disclaimer of Opinion

Since we have not been able to obtain sufficient and appropriate audit evidence based on which it is not possible for us to form an opinion as to whether the Company would be liable to pay Minimum Alternate Tax on the Book Profit so as to make Provision for Net Current Tax Expense in the financial statements (Refer note no. 30 of Notes forming part of financial statements and other explanatory information).

Qualified Opinion and Disclaimer of Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the matters described in Basis for Qualified Opinion and Basis of Disclaimer of Opinion paragraphs, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) *in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- b) *in the case of Statement of Profit and Loss, of the loss for the period ended on that date; and*
- c) *in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

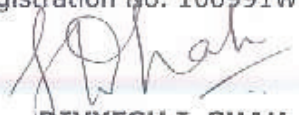
The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;



- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2014, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W




DIVYESH I. SHAH
Partner
Membership No. 37326

Place: *Indore*

Date: *30th May 2014*

BANSI S. MEHTA & CO.
CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D.I.SHAH	Y.A.THAR
A.A.DESAI	P.H.CLERK
K.R.GANDHI (Ms.)	R.G.DOSHI
H.G.BUCH	M.V.SHAH
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Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of HIND SYNTEX LIMITED on the accounts for the period ended March 31, 2014

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i) (a) The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a phased programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the period so as to affect its going concern.
- (ii) (a) The inventories have been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of Inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) (a) As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, secured or unsecured to Companies,
- (c) firms or other parties covered in the register maintained under Section 301 of the & Companies Act, 1956, Clause (iii) (b) of the Order relating to the rate of interest and terms and conditions being prima facie prejudicial to the Company, Clause (iii) (c) relating to regularity of receipt of principal amount and interest and Clause (iii) (d) relating to steps taken for recovery of overdue principal and interest of more than rupees one lakh, are not applicable.



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- (e) During the period, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) As the Company has not taken any loans, secured or unsecured from companies, & firms or other parties covered in Register maintained under Section 301 of the
- (g) Act, Clause (iii) (f) of the Order relating to rate of interest and terms and conditions being prima facie prejudicial to the interest of Company, Clause (iii) (g) relating to regularity in repayment of principal amount and interest, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any services. During the course of our audit, no major weakness has been noticed in these internal control systems.
- (v) (a) According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of Act have been so entered; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements (including purchase of services) entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the period. Hence, the question of complying with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any relevant provision of the Act, and the rules framed there under, does not arise. Accordingly clause 4(vi) of the order is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, in respect of the manufacturing activities of the Company to which the said rules are applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.



- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise-duty, Cess and other material Statutory dues, applicable to it and there were no arrears of such statutory dues as on March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, given herein below are the details of dues of sales tax, income tax, wealth tax, service tax, customs duty, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of the dues	Amount in ₹	Period to which the amount relate	Forum where dispute is pending
Entry Tax Act, 1976	Entry Tax	410,968	1997-98	Tribunal, Bhopal
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	1,083,267	April 2008 to December 2010	Employees' Provident Fund Appellate Tribunal, New Delhi
CENVAT Credit Rules, 2004 and Central Excise Act, 1944	Availing of and Utilisation of CENVAT Credit	76,028	September 2010 to December 2012	Asstt. Commissioner of Central Excise
CENVAT Credit Rules, 2004 and Central Excise Act, 1944	Availing of and Utilisation of CENVAT Credit	71,534	January 2013 to November 2013	Asstt. Commissioner of Central Excise

- (x) **In our opinion, the accumulated losses of the Company as at the end of the financial period are more than fifty percent of its net worth. In addition to this, the Company has incurred cash losses during the period under audit. However in the immediately preceding financial period there were no cash losses.**
- (xi) In view of the sanction of CDR package and related extension of the due dates, the Company has defaulted in following repayment of dues to Banks or Institutions:

I. Principal

Amount in ₹

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Period in which default made good	Amount of default as on September 30, 2012
2006-07	51,940,846	16,937,863	35,002,983	9,727,401	2007-08	25,275,582



2007-08	66,526,092	25,292,744	41,233,348	2,908,204	2008-09	38,325,144
2008-09	75,111,312	2,800,000	72,311,312	-	-	72,311,312
2009-10	75,111,312	-	75,111,312	-	-	75,111,312
2010-11	81,279,485	18,400,000	62,879,485	-	-	62,879,485
2011-12	78,779,485	-	78,779,485	-	-	78,779,485
Apr'12 to Sep'12	60,181,810	-	60,181,810	-	-	60,181,810
Total	488,930,342	63,430,607	425,499,735	12,635,605	-	#412,864,130*

During the period the secured lenders invoked the provision of the SARFAESI Act, 2002 and took over the possession (including right to transfer by way of lease, assignment or sale) of fixed assets being Land & Building valuing ₹ 50,266,490 situated at survey No. 134 to 140 and 142 at Village Birgod, Tehsil - Sonkutch, Dist - Dewas, M.P. in lieu of their outstanding term liability. (Refer Note No. 23 of Notes forming part of the financial statements)

II. Interest

Amount in ₹

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Period in which default made good	Amount of default as on September 30, 2012
2006-07	38,010,844	17,548,156	20,462,688	-	-	20,462,688
2007-08	56,694,298	26,429,413	30,264,885	1,097,696	2008-09	29,167,189
2008-09	60,818,220	9,042,313	51,775,907	-	-	51,775,907
2009-10	61,702,017	2,576,644	59,125,373	-	-	59,125,373
2010-11	70,273,125	4,775,462	65,497,663	-	-	65,497,663
2011-12	75,177,927	14,127,308	61,050,619	6,787,415	2008-09 to 2010-11	54,263,204
Apr'12 to Sep'12	31,051,484	-	31,051,484	-	-	31,051,484
Total	393,727,915	74,499,296	319,228,619	7,885,111	-	311,343,508*

* Company and the secured lenders had mutually agreed to arrive at consensus in respect of settlement of all the claims by the secured lenders on the Company and as a result, in pursuance to the scheme of "One Time Settlement (OTS)", with the cut-off date of September 30, 2012, the secured lenders had agreed to settle the total outstanding (principal and interest thereon). (Refer Note No.22 of Notes forming part of the financial statements)

(xii)

Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.



- (xiii) As the Company is not a chit fund, Nidhi, mutual benefit fund or society the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, in our opinion the Company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As the Company has not given any guarantee for loans taken by others from banks or financial institutions, clause 4(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, in our opinion, the Company has not availed any of the term loan facilities, and hence, the requirements of Clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have not been utilised for long term investment.
- (xviii) According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the period, Clause 4 (xviii) of the Order is not applicable to the Company.
- (xix) According to the Information and explanations given to us, as the Company has not issued any debentures and hence, the question of creating security or charges in respect thereof does not arise, Clause 4 (xix) of the Order is not applicable to the Company.
- (xx) As the Company has not raised any money by public issues during the period, Clause 4 (xx) of the Order is not applicable to the Company.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE : *Indore*

DATED : *30th May 2014*



For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

[Signature]
DIVYESH I. SHAH
Partner

Membership No: 37326