

14<sup>th</sup> November, 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/Madam,

**Sub: Outcome of Board Meeting held on 14<sup>th</sup> November, 2016.**


Pursuant to SEBI (Listing Obligations and 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 Unaudited Financial Results of the Company as per Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the quarter and half year ended 30<sup>th</sup> September, 2016.

A copy of the Unaudited Financial Results (Standalone) for the quarter and half year ended 30<sup>th</sup> September, 2016 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  
Company Secretary  
ACS - 19454



**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  
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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016.**

SN	Particulars	Quarter Ended			Half Year Ended		Rs. in lakh
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	Year Ended
		Un audited	Un audited	Un-audited	Un-audited	Un-audited	31-Mar-16 Audited
<b>1</b>	<b>Income from Operations</b>						
	(a) Net Sales / Income from operations (Net of excise duty)	2,265.18	2,415.86	2,404.73	4,681.04	4,535.65	9,462.02
	(b) Other Operating Income	83.06	157.26	122.86	240.32	246.21	513.47
	<b>Total income from Operations (net)</b>	<b>2,348.25</b>	<b>2,573.11</b>	<b>2,527.59</b>	<b>4,921.36</b>	<b>4,781.86</b>	<b>9,975.49</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of Materials consumed	2,058.90	1,769.42	1,759.33	3,828.32	3,462.08	6,816.83
	(b) Purchase of stock-in-trade	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(230.95)	35.72	(59.34)	(195.23)	(361.98)	(104.23)
	(d) Employee benefits expense	177.21	166.80	218.59	344.02	424.84	774.43
	(e) Depreciation and Amortisation expense	344.21	341.89	345.40	686.11	686.82	1,375.84
	(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	634.53	563.44	883.99	1,197.96	1,467.83	2,671.33
	<b>Total Expenses</b>	<b>2,983.90</b>	<b>2,877.27</b>	<b>3,147.97</b>	<b>5,861.17</b>	<b>5,679.59</b>	<b>11,534.20</b>
<b>3</b>	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items ( 1 - 2 )</b>	<b>(635.65)</b>	<b>(304.16)</b>	<b>(620.38)</b>	<b>(939.81)</b>	<b>(897.73)</b>	<b>(1,558.71)</b>
<b>4</b>	<b>Other Income</b>	<b>338.93</b>	<b>92.95</b>	<b>57.92</b>	<b>431.88</b>	<b>65.09</b>	<b>94.04</b>
<b>5</b>	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items ( 3 ± 4 )</b>	<b>(296.73)</b>	<b>(211.21)</b>	<b>(562.46)</b>	<b>(507.94)</b>	<b>(832.64)</b>	<b>(1,464.68)</b>
<b>6</b>	<b>Finance Costs</b>	<b>1,810.53</b>	<b>1,718.77</b>	<b>1,536.72</b>	<b>3,529.30</b>	<b>3,001.22</b>	<b>6,256.39</b>
<b>7</b>	<b>Profit / (Loss) after Interest but before Exceptional Items ( 5 ± 6 )</b>	<b>(2,107.26)</b>	<b>(1,929.98)</b>	<b>(2,099.18)</b>	<b>(4,037.24)</b>	<b>(3,833.86)</b>	<b>(7,721.07)</b>
<b>8</b>	<b>Exceptional &amp; Prior Period Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.44)</b>	<b>(1.29)</b>
<b>9</b>	<b>Profit / (Loss) from ordinary activities before tax ( 7 ± 8 )</b>	<b>(2,107.26)</b>	<b>(1,929.98)</b>	<b>(2,099.18)</b>	<b>(4,037.24)</b>	<b>(3,834.30)</b>	<b>(7,722.35)</b>
<b>10</b>	<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax ( 9 ± 10 )</b>	<b>(2,107.26)</b>	<b>(1,929.98)</b>	<b>(2,099.18)</b>	<b>(4,037.24)</b>	<b>(3,834.30)</b>	<b>(7,722.35)</b>
<b>12</b>	<b>Extra ordinary items (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Net Profit / (Loss) for the period (11 ± 12)</b>	<b>(2,107.26)</b>	<b>(1,929.98)</b>	<b>(2,099.18)</b>	<b>(4,037.24)</b>	<b>(3,834.30)</b>	<b>(7,722.35)</b>
<b>14</b>	<b>Paid - up equity share capital (Face value of Rs.1/- per share)</b>	<b>26686.35</b>	<b>26686.35</b>	<b>26686.35</b>	<b>26686.35</b>	<b>26686.35</b>	<b>26686.35</b>
<b>15</b>	<b>Reserves excluding Revaluation Reserves and Foreign Currency Translation Reserve</b>	<b>(45,812.59)</b>	<b>(43,705.33)</b>	<b>(37,887.31)</b>	<b>(45,812.59)</b>	<b>(37,887.31)</b>	<b>(41,775.35)</b>
<b>16. i.</b>	<b>Earnings Per Share (before extraordinary items) (of Rs. 1/- each) (not annualised):</b>						
	(a) Basic	(0.08)	(0.07)	(0.08)	(0.15)	(0.14)	(0.29)
	(b) Diluted	(0.08)	(0.07)	(0.08)	(0.15)	(0.14)	(0.29)
<b>16. ii.</b>	<b>Earnings Per Share (after extraordinary items) (of Rs. 1/- each) (not annualised):</b>						
	(a) Basic	(0.08)	(0.07)	(0.08)	(0.15)	(0.14)	(0.29)
	(b) Diluted	(0.08)	(0.07)	(0.08)	(0.15)	(0.14)	(0.29)

\* 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 14th November, 2016.
- In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statutory Auditors have done limited review of these results.
- The above financial results of the Company for the quarter ended 30th September, 2016 are available at the Company's website [www.birlacotsyn.com](http://www.birlacotsyn.com) and the website of the stock exchanges i.e [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- Corresponding figures in previous quarters/ period have been regrouped / rearranged wherever required, to make them comparable.

For Birla Cotsyn (India) Limited

  
 R K Dixit  
 Director  
 DIN : 06655663

  
 S N Baheti  
 Director  
 DIN : 06933453

Place : Mumbai  
 Date : 14th November, 2016



**STANDALONE SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2016.**

in Lakh

SN	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	31-Mar-16
		unaudited	unaudited	unaudited	unaudited	unaudited	Audited
1	Segment Revenue (net sale/income from each segment should be disclosed under this head)						
	a. Textile - Yarn	2,348.25	2,573.11	2,527.60	4,921.36	4,781.85	9,975.49
	b. Textile - Fabrics	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
	d. Unallocated	-	-	-	-	-	-
	<b>Total</b>	<b>2,348.25</b>	<b>2,573.11</b>	<b>2,527.60</b>	<b>4,921.36</b>	<b>4,781.85</b>	<b>9,975.49</b>
Less:	Inter Segment Revenue	-	-	-	-	-	-
	<b>Net Sales / Income from Operations</b>	<b>2,348.25</b>	<b>2,573.11</b>	<b>2,527.60</b>	<b>4,921.36</b>	<b>4,781.85</b>	<b>9,975.49</b>
2	Segment Results (Profit(+)/ Loss (-) before tax and interest from Each Segment) #						
	a. Textile - Yarn	(313.32)	(229.12)	(619.36)	(542.44)	(893.19)	(1,548.82)
	b. Textile - Fabrics	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
	d. Unallocated	16.59	17.92	56.91	34.51	60.11	82.86
	<b>Total</b>	<b>(296.73)</b>	<b>(211.21)</b>	<b>(562.45)</b>	<b>(507.94)</b>	<b>(833.08)</b>	<b>(1,465.96)</b>
Less:	i) Interest**	1,810.53	1,718.77	1,536.72	3,529.30	3,001.22	6,256.39
	ii) Other Un-allocable Expenditure net off	-	-	-	-	-	-
	iii) Un-allocable income	-	-	-	-	-	-
	<b>Total Profit / (Loss) before Tax</b>	<b>(2,107.26)</b>	<b>(1,929.98)</b>	<b>(2,099.17)</b>	<b>(4,037.24)</b>	<b>(3,834.30)</b>	<b>(7,722.35)</b>
3	Capital Employed (Segment Assets - Segment Liabilities)						
	a. Textile - Yarn	13,877.61	14,183.47	15,111.94	13,877.61	15,111.94	14,339.20
	b. Textile - Fabrics	-	-	-	-	-	-
	c. Others	-	-	-	-	-	-
	d. Unallocated	(27,794.44)	(25,993.04)	(21,103.50)	(27,794.44)	(21,103.50)	(24,218.80)
	<b>Total</b>	<b>(13,916.83)</b>	<b>(11,809.57)</b>	<b>(5,991.56)</b>	<b>(13,916.83)</b>	<b>(5,991.56)</b>	<b>(9,879.60)</b>

# 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.

For Birla Cotsyn (India) Limited

*[Signature]*

*[Signature]*

Director



BIRLA COTSYN (INDIA) LIMITED

Balance Sheet as at 30th September, 2016

Particulars	Note	Amount in ₹	
		As at 30th Sept, 2016	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share capital	2	2,66,86,35,154	2,66,86,35,154
(b) Reserves and surplus	3	(4,06,03,17,994)	(3,65,65,94,448)
		<b>(1,39,16,82,840)</b>	<b>(98,79,59,294)</b>
Non-current liabilities			
(a) Long-term borrowings	4	-	-
(b) Other Long term liabilities	5	26,40,000	26,40,000
(c) Long-term provisions	6	2,17,99,502	2,17,99,502
		<b>2,44,39,502</b>	<b>2,44,39,502</b>
Current liabilities			
(a) Short-term borrowings	7	1,60,57,69,065	1,60,57,69,064
(b) Trade payables	8	16,67,38,307	16,30,13,757
(c) Other current liabilities	8	3,25,11,66,153	2,95,15,86,845
(d) Short-term provisions	9	2,64,15,874	2,54,63,264
		<b>5,05,00,89,398</b>	<b>4,74,58,32,929</b>
<b>TOTAL</b>		<b>3,68,28,46,060</b>	<b>3,78,23,13,138</b>
<b>ASSETS</b>			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible assets	10	1,49,21,61,811	1,55,98,13,738
(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	1,91,17,99,443	1,91,17,14,528
(d) Other non-current assets	13	6,46,51,587	5,66,03,971
		<b>3,46,97,19,314</b>	<b>3,52,92,38,710</b>
2 Current assets			
(a) Inventories	14	8,27,82,086	10,05,08,911
(b) Trade receivables	15	35,18,172	27,40,849
(c) Cash and Bank Balances	16	4,13,09,451	6,64,83,808
(d) Short-term loans and advances	17	51,16,496	44,21,630
(e) Other current assets	18	8,04,00,541	7,89,19,229
		<b>21,31,26,746</b>	<b>25,30,74,427</b>
<b>TOTAL</b>		<b>3,68,28,46,060</b>	<b>3,78,23,13,138</b>
Significant accounting policies	1		

The accompanying notes are an integral parts of the financial statements.

As Per our Report of even date

For and on behalf of the Board of Directors of  
Birla Cotsyn (India) Limited



S.N. Baheti  
Director  
DIN: 06933453



R.K. Dixit  
Director  
DIN: 06655663



Place : Mumbai

Dated : 14th November, 2016

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

1. We have reviewed the accompanying Statement of unaudited financial results (“the Statement”) of **BIRLA COTSYN (INDIA) LIMITED** (“the Company”) for the quarter ended 30<sup>th</sup> September, 2016), 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 interim financial statements which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25) 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 issue report on the Statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” Auditing issued by the Institute of Chartered Accountants of India. The standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. **Basis for Qualified Report:**
  - a) *With reference to Inter Corporate Deposits of Rs. 17,45,60,506/- and Other than Company Deposits of Rs.4,45,578/- taken from various parties as at 30<sup>th</sup> September, 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”) read with section 433/434 of the Companies Act 1956, against the Company for non-payment of dues. These matters are sub-judice and the impact, if any, of the outcome is unascertainable at this stage.*



- b) *No provision has been made during the quarter ended on 30<sup>th</sup> September, 2016 for interest payable of Rs.47,30,039/- on Inter-Corporate and other Deposits taken by the Company. Consequently the loss for the quarter is lower by Rs.47,30,039/- and other current liabilities is understated by Rs.47,30,039/- as at 30<sup>th</sup> September, 2016. Including unprovided interest of earlier periods, Inter-Corporate and other Deposits is understated by Rs.3,75,91,466/-.*
- c) *With reference to dues to related parties of Rs.4,65,49,878/- and trade payables of Rs.16,67,38,307/- as at 30<sup>th</sup> September, 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 quarter ended on 30th September., 2016 for interest payable of Rs.6,83,701/- on loans taken from related parties by the Company and no provision has been made for interest receivable of Rs.84,29,710/- on loans given to related parties by the Company. Consequently the loss for the quarter is higher by Rs.77,46,009/-, Other Current Liabilities is understated by Rs.6,83,701/- and Other Non-Current Assets is understated by Rs.84,29,710/-. Including unprovided interest of earlier periods, Other-Current Liabilities is understated by Rs.85,92,242/- and Other Non-Current Assets is understated by RS.5,48,15,710/-.*
- e) *With reference to Fixed Deposits accepted by the Company, the Company has defaulted in repayment of dues of Rs.3,92,10,750/- as at 30<sup>th</sup> September, 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) of the Companies Act, 1956, read with section 74(2) of the Companies Act, 2013.*
- f) *With reference to loans and advances to related parties, it 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 30<sup>th</sup> September, 2016 or other supportive audit evidence, we are unable to comment upon its impairment, if any.*
- g) *With reference to Plant & Machinery of Rs.46,33,06,019/- (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 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.7,19,26,873/- and correspondingly Foreign Currency Translation Reserve for the period is also understated by Rs.7,19,26,873/-.*

- i) *With reference to capital advance of Rs. 22,68,456/- as at 30<sup>th</sup> September, 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 trade receivables of Rs.35,18,172/- as at 30<sup>th</sup> September, 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 net loss of Rs.21,07,25,557/- incurred by the Company during the quarter ended 30<sup>th</sup> September, 2016 and as of that date the Company's accumulated losses aggregate to Rs.4,63,15,42,888/- resulting in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs.4,83,69,62,652/-. 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 on the basis of management assurance. Our opinion is not qualified in respect of this matter.
- b) We draw attention to the 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. On Company's contesting the said notices in the proceedings before the Hon'ble Bombay High Court, the banks have stated that these notices would be withdrawn and no action in furtherance thereof would be taken with the liberty to initiate fresh steps under SARFAESI Act by invoking the relevant provisions. In view of above, we are unable to express our opinion on 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 on the basis of management assurances. Our opinion is not qualified in respect of this matter.
- c) The Government of India has approved import of Capital Equipment under the "Exports Promotion Capital Goods Scheme" at a concessional rate of custom duty. Under the Scheme the company purchased Capital Goods at nominal duty for which



the company has export obligation aggregating to Rs. 1,32,26,65,296/-, to be fulfilled within eight years from the date of issuance of respective licenses, failing which the duty saved aggregating Rs.16,53,33,162/-, together with interest and penalties, if levied, may have to be paid. As at the year end the Company has fulfilled export obligation aggregating Rs.1,00,52,31,456/-.

The eight years period for meeting the export obligation expired on 11<sup>th</sup> February, 2016 and the Company has an unfulfilled export obligation of Rs.31,74,30,960/- representing duty benefits of Rs.3,96,78,870/-. The amount of duty benefit on unfulfilled obligation along with interest as per the Customs authority is now payable by the Company. The Company has made an application to EPCG Committee, New Delhi for extension of export obligation period by 2 years. No provision has been made in this respect in books of accounts.

5. Based on our review conducted as above, subject to our observation in para 3 read with our comments in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Samria & Co.,**

Chartered Accountants

Firm Registration No: 109043W



**(Adhar Samria)**

Partner

M. No. 049174

Dated: 14<sup>th</sup> November, 2016

