



THE YASH BIRLA GROUP

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See regulation 33 of the SEBI(LODR)(Amendment) Regulations,2016]				
	Sl. No.	Particulars	Audited Figures Rs in lacs (as reported before adjusting for qualifications)	Adjusted Figures Rs in lacs (audited figures after adjusting for qualifications)
I	1.	Turnover/ Total Income	9681	9681
	2.	Total Expenditure	12942	16370
	3.	Net Profit/(Loss)	(3261)	(6689)
	4.	Earnings Per Share (Rupees)	(2.48)	(5.09)
	5.	Total Assets	35094	44122
	6.	Total Liabilities	35094	44122
	7.	Net Worth	(4450)	(13478)
	8.	Any other financial item(s)(as felt appropriate by the management)	-	-
II Audit Qualification(each audit qualification Separately):				
a. Details of Audit Qualification:				
	i.	Note No. 4 regarding the non provision by the Company of the interest amounting to Rs. 34.28 crores for the year and Rs. 90.28 crores being the aggregate upto date , on its working capital/ term loan facilities from banks during the year. Had this amount been provided for the loss would have been higher by Rs. 34.28 crores for the year and cumulatively Rs. 90.28 crores and secured loans would have been higher by an amount of Rs. 90.28 crores in the aggregate.		
	ii.	Note No. 8 regarding the balances of Sundry Creditors, Debtors, Loans and advances, deposits, inter- units etc being not confirmed by the parties/ units and hence our inability to state whether theses balances are recoverable/ payable to the extent stated.		
	iii.	The Company has not complied with the provisions of Section 74 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to non repayment of deposits and interest on due		



ZENITH BIRLA (INDIA) LIMITED



date, maintenance of liquid assets to the extent required as well as not fully complying with the orders passed by the Company Law Board.

- iv. The Company has prepared its accounts on a going concern basis, though its net worth is fully eroded, for reasons stated in Note No. 9.

b. Type of Audit Qualification: ~~Qualified/Disclaimer of Opinion/Adverse Opinion~~

c. Frequency of Qualification

Qualification no. i & ii are appearing for the third time. Qualification No.iii is appearing for the fourth time & Qualification No. iv is appearing for the first time.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management views:

The Company is trying for One Time Settlement (OTS) with the banks. Hence, it is felt prudent for not providing for interest after the accounts became NPA.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

For qualification on Note no.8 regarding balances of sundry creditors, etc, reconciliation of these accounts is an ongoing process and the figures would be ascertained only when the reconciliation is finalised. Hence at this stage, impact of the same is not ascertainable/quantifiable.

For qualification on non compliance of section 74(2) of the Companies Act, 2013, the Honourable Company Law Board has granted an extension for repayment of deposits by its order dated 22.02.2016. Consequently, no amounts were repayable as on 31.03.2016. The Company has provided for interest payable up to 31.03.2016.

For qualification on Note No.9 regarding preparation of accounts on a going concern basis, on account of strategic understanding with suppliers/ customers, which is continuing, the Company is in revival mode and is operating some of its Units. In view of the same, going concern concept holds good.



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iv) Auditors' Comments on (i) or (ii) above

No further comments.

III

Signatories:

• CEO/ Managing Director: (Mr Pushkar Natu)



• CFO

: (Mr B. Girvanesh)



• Audit Committee Chairman : (Mr Milind Prabhudesai)



• Statutory Auditor : (C.V. Parameswar)
(M/s Thakur, Vaidyanath Aiyar & Partner
Co. Chartered Accountants, Mumbai)



Place:Mumbai

Date: 29/06/2016



ZENITH BIRLA (INDIA) LTD.



THE YASH BIRLA GROUP

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See regulation 33 of the SEBI(LODR)(Amendment) Regulations,2016]				
	Sl. No.	Particulars	Audited Figures Rs in Lacs (as reported before adjusting for qualifications)	Adjusted Figures Rs in lacs (audited figures after adjusting for qualifications)
I	1.	Turnover/ Total Income	11399	11399
	2.	Total Expenditure	14667	18095
	3.	Net Profit/(Loss)	(3268)	(6696)
	4.	Earnings Per Share	(2.49)	(5.10)
	5.	Total Assets	35157	44185
	6.	Total Liabilities	35157	44185
	7.	Net Worth	(5463)	(14491)
	8.	Any other financial item(s)(as felt appropriate by the management)	-	-
II Audit Qualification(each audit qualification Separately):				
a. Details of Audit Qualification:				
i. Note No. 4 regarding the non provision by the Company of the interest amounting to Rs. 34.28 crores for the year and Rs. 90.28 crores being the aggregate upto date, on its working capital/ term loan facilities from banks during the year. Had this amount been provided for the loss would have been higher by Rs. 34.28 crores for the year and cumulatively Rs. 90.28 crores and secured loans would have been higher by an amount of Rs. 90.28 crores in the aggregate.				
ii. Note No. 8 regarding the balances of Sundry Creditors, Debtors, Loans and advances, deposits, inter- units etc being not confirmed by the parties/ units and hence our inability to state whether theses balances are recoverable/ payable to the extent stated.				
iii. The Company has prepared its accounts on a going concern basis though its net worth is fully eroded for reasons stated in Note No. 9.				



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Email: zenith@zenithsteelpipes.com, www.yashbirlagroup.com
CIN: L29220MH1960PLCO11773

Registered Office: Industry House, 5th Floor, 159, Churchgate Reclamation, Mumbai 400 020.



b. Type of Audit Qualification: Qualified/Disclaimer of Opinion/Adverse Opinion

c. Frequency of Qualification

Qualification no. i & ii are appearing for the third time. Qualification No.iii is appearing for the first time.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management views:

The Company is trying for One Time Settlement (OTS) with the banks. Hence, it is felt prudent for not providing for interest after the accounts became NPA.

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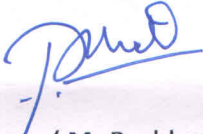
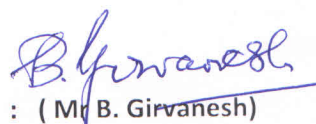
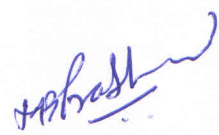
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	(iv) Auditors' Comments on (i) or (ii) above No further comments.
III	Signatories: • CEO/ Managing Director:  (Mr Pushkar Natu)  • CFO  : (Mr B. Girvanesh)  • Audit Committee Chairman : (Mr Milind Prabhudesai)   • Statutory Auditor : (C.V. Parameswar)  Partner (M/s Thakur, Vaidyanath Aiyar & Co. Chartered Accountants, Mumbai)  Place: <u>MUMBAI</u> Date: <u>29/06/2016</u>



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