



BALKRISHNA SYNTHETICS LIMITED
9th Annual Report
2015-2016



9th Annual Report 2015-2016

Company Information

BOARD OF DIRECTORS:

AVNISH P PODDAR
Director

RAJENDRA G JHANWAR
Director (Works)

H.N. MOTIWALA

SANDEEP JHUNJHUNUWALA

BANKERS:

CORPORATION BANK
AXIS BANK
STATE BANK OF INDIA

AUDITORS:

M/s JAYANTILAL THAKKAR & CO.
Chartered Accountants

INTERNAL AUDITORS:

M/s K.M. GARG & CO.
Chartered Accountants

REGISTERED OFFICE:

B/6, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower parel (west)
Mumbai - 400 013.

PLANT AND CORPORATE OFFICE:

H-3/1, MIDC 'A' Road,
Tarapur (Boiser) 401 506
Dist. Thane (Maharashtra)

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To
The Members,
Balkrishna Synthetics Limited

Your Directors have pleasure in presenting the 9th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results

The Company's performance during the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

(Rs. in lacs)

Particular	Current year 31 st March, 2016	Previous year 31 st March, 2015
Income	5800.78	6031.12
Less: Expenses	5975.34	5734.75
Profit/ (Loss) before tax	(174.56)	296.37
Less: Provision for tax	60.07	40.44
Income Tax of earlier years w/off	NIL	NIL
Exception Income	NIL	NIL
Exception expenditure	NIL	NIL
Profit after Tax	(234.63)	255.92

APPROPRIATION

Interim Dividend	NIL	NIL
Final Dividend	NIL	NIL
Tax on distribution of dividend	NIL	NIL
Transfer of General Reserve	NIL	3.76
Balance carried to Balance sheet	655.75	921.55

b. OPERATIONS:

The Company continues to be engaged in the activities pertaining to processing of man made fabrics.

During the year under review, your Company has achieved a turnover of Rs.5800.78 lacs against the last year turnover of Rs. 6031.12 lacs showing a decrease 3.82%. Your Directors are hopeful that in the current financial year, Company will achieve higher growth accompanied with better results.

There was no change in nature of the business of the Company, during the year under review.

During the year Nirvikara Paper Mills Limited sold its entire shareholding in the Company to Siyaram Silk Mills Ltd and accordingly the Company has become a wholly owned subsidiary of Siyaram Silk Mills Ltd., w.e.f. 21st December, 2015.



Your Director at its meeting held on 22nd December, 2015 have approved Scheme of Amalgamation for amalgamating the Company with Siyaram Silk Mills Ltd, subject to requisite approvals. Accordingly a Petition is filed with the Hon'ble High Court of Judicature at Bombay for approval of the Scheme of Amalgamation.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any subsidiary and joint venture company.

d. TRANSFER TO RESERVES:

In view of the losses no amount is transferred to the General Reserve.

e. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

f. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

g. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

h. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

i. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

The details of transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in notes to accounts along with financial statement.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

j. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

There are no Loans, Guarantees, Investments and Securities provided during the financial year under review. Loans and advance given to supplier /employees are in normal course of business.

k. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.



l. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

m. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

n. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

As per the provisions of Section 152 of the Companies Act, 2013, Shri Harish N. Motiwalla retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their approval.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met 6 times during the financial year ended 31st March 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2016, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit/loss of the Company for that year;
- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;



c. **INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

d. **PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:**

None of the managerial personnel i.e. Whole time Directors of the Company are in receipt of remuneration/commission from the Holding Company of the Company.

4. **AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

a. **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2016 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. **REAPPOINTMENT OF AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Jayantilal Thakkar & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting. The consent of the Auditors along with certificate under Section 139 of the Act have been obtained from the Auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company. The Board recommends the appointment of M/s. Jayantilal Thakkar & Co., Chartered Accountants as the Statutory Auditors of the Company.

Necessary resolution for reappointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

5. **OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:



a. **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2016 made under the provisions of Section 92(3) of the Act is attached as Annexure – I which forms part of this Report.

b. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

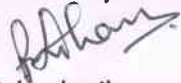
The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure - II which forms part of this Report.

6. **ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions, Staff, Workers and Central and State Governments for their consistent support and encouragement to the Company.

Date: 2nd May, 2016
Place : Mumbai

For and on behalf of the Board
For Balkrishna Synthetics Ltd.


Rajendra Jhanwar
Director



ANNEXURE - I**EXTRACT OF ANNUAL RETURN****As on financial year ended on 31st March 2016****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

CIN	:	U17299MH2007PLC168720
Registration Date	:	14/03/2007
Name of the Company	:	BALKRISHNA SYNTHETICS LIMITED
Category / Sub-Category of the Company	:	Company Limited having Share Capital/ Indian Non-government Company
Address of the Registered office and contact details	:	6th floor, Unit 612, B Wing, Trade World, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	The Company has an in-house Share Department at the registered office address

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Processing of man made fabrics	17124	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Siyaram Silk Mills Limited	L17116MH1978PLC020451	Holding Co.	100	2(46)

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**i Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Chang
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									e during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0		0.00
b) Central Govt	0	0	0	0.00	0	0	0		0.00
c) State Govt(s)	0	0	0	0.00	0	0	0		0.00
d) Bodies Corp.	0	10,00,000	10,00,000	100.00	9,99,400	600	10,00,000	100.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0		0.00
f) Any other	0	0	0	0.00	0	0	0		0.00
Sub-total(A)(1):	0	10,00,000	10,00,000	100.00	9,99,400	600	10,00,000	100.00	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	10,00,000	10,00,000	100.00	9,99,400	600	10,00,000	100.00	0.00
B. Public									
Shareholding									
(1) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00



	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non-Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00



C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	0	10,00,000	10,00,000	100.00	9,99,400	600	10,00,000	100.00	0.00

ii SHAREHOLDING OF PROMOTORS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Nirvikara Paper Mills Limited	10,00,000	100.00	0.00	0	0.00	0.00	0.00
2	Siyaram Silk Mills Limited	0	0.00	0.00	10,00,000	100.00	0.00	0.00
	Total	10,00,000	100.00	0.00	10,00,000	100.00	0.00	0.00

iii CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Nirvikara Paper Mills Limited	10,00,000*	100.00	0	0.00
2	Siyaram Silk Mills Limited	0	0.00	10,00,000*	100.00
	* 10,00,000 shares are transferred from Nirvikara Paper Mills Limited to Siyaram Silk Mills Limited w.e.f. 21 st December, 2015.				

iv SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
	Nil				



v SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors and KMP				
	Nil				

II. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	104824364	Nil	Nil	104824364
ii) Interest due but not paid	NIL	Nil	Nil	NIL
iii) Interest accrued but not due	NIL	Nil	Nil	NIL
Total (i+ii+iii)	104824364	Nil	Nil	104824364
Change in Indebtedness during the financial year				
Addition	24536711	Nil	Nil	24536711
Reduction	28824364	Nil	Nil	28824364
Net Change	-4287653	Nil	Nil	-4287653
Indebtedness at the end of the financial year	100536711	Nil	Nil	100536711
i) Principal Amount	100536711	Nil	Nil	100536711
Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	100536711	Nil	Nil	100536711

III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of Whole-time Director	Total Amount
		Shri Rajendra Jhanwar	
1	Gross salary	3494064	3494064
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1762272	1762272
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1617852	1617852
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	113940	113940
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)		
	Ceiling as per the Act	Rs. 42,00,000 p.a	Rs. 42,00,000 p.a

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Harish N. Motiwalla	Sandeep Kumar Jhunjhunwala	Avnish Poddar	
	1. Independent Directors				
	Fee for attending board / committee meetings	50000	50000	40000	140000
	Commission	Nil	Nil	Nil	Nil



	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	50,000	50,000	40000	1,40,000
	2. Other Non-Executive Directors				
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	50,000	50,000	40,000	1,40,000
	Total Managerial Remuneration	50,000	50,000	40,000	1,40,000
	Overall Ceiling as per the Act	Rs. 1,00,000 Per meeting	Rs. 1,00,000 Per meeting	Rs. 1,00,000 Per meeting	

A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total				

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the	Brief Description	Details of Penalty /	Authority [RD /NCLT/	Appeal made, if any
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	Companies Act		Punishment/ Compounding fees imposed	COURT]	(give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

N.A



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
BALKRISHNA SYNTHETICS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Balkrishna synthetics Limited ("the Company") which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and 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

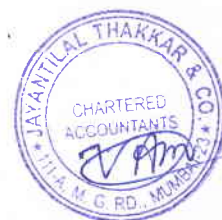
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



V. A. Merchant

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of these fixed assets has been conducted by the management at intervals during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in the following cases:
In case of leasehold land: - (as at Balance Sheet date)
total number of cases: 1
Gross Block: 3,87,026
Net Block : 3,35,784
Remarks: As explained to us, the Company is in the process of getting the title deeds of the property transferred/endorsed in its name.
- In case of Buildings:- (as at Balance Sheet date)
Total number of cases: 8
Gross Block: 72,266
Net Block : 61,604
Remarks: As explained to us, the Company is in the process of getting the title deeds of the property transferred/endorsed in its name.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.



(vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2016 outstanding for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs and Excise Duty and that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act	Income Tax	1,26,070	2010-11	Assessing Authority
Sales Tax Act	VAT Tax (Including Interest and Penalty)	7,16,79,924	2011-12	Assessing Authority
Central Excise Act	Excise Duty (Including Interest and Penalty)	90,07,634 6,58,24,905 4,87,318	1992-1994 1998-2000 2003-2004	Assessing Authority Assessing Authority Assessing Authority
Textile Committee Act	Cess	15,92,088	1998-2000	High Court

- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank. Further as per the records of the Company, during the year there were no loans or borrowings from any financial institution, government or debenture holders.
- (ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

MUMBAI
DATED: 02ND MAY, 2016



FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

V.A. Merchant

VIRAL A. MERCHANT
Partner
Membership No.116279

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balkrishna synthetics Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR JAYANTILAL THAKKAR & CO.

Chartered Accountants
(Firm Reg. No. 104133W)



V. A. Merchant

VIRAL A. MERCHANT

Partner

Membership No.116279

MUMBAI

DATED: 02ND MAY, 2016

BALKRISHNA SYNTHETICS LIMITED

Balance Sheet as at 31st March, 2016

PARTICULARS	Note No.	Current Year Rupees	Previous Year Rupees
I EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUND			
(a) Share capital	2	1,00,00,000	1,00,00,000
(b) Reserves and surplus	3	<u>6,55,75,253</u>	<u>9,21,55,410</u>
		7,55,75,253	10,21,55,410
2 NON-CURRENT LIABILITIES			
(a) Long-term borrowings	4	7,25,36,711	7,60,00,000
(b) Deferred tax liabilities (net)	5	3,56,76,391	2,96,69,822
(c) Long-term provisions	6	<u>71,37,530</u>	<u>58,81,963</u>
		11,53,50,632	11,15,51,785
3 CURRENT LIABILITIES			
(a) Short term borrowings	7	5,96,57,044	6,10,15,046
(b) Trade payables	8	7,00,35,788	7,62,60,274
(c) Other current liabilities	9	16,04,47,573	6,20,52,889
(d) Short-term provisions	10	<u>29,76,504</u>	<u>24,65,188</u>
		29,31,16,909	20,17,93,397
TOTAL		<u><u>48,40,42,794</u></u>	<u><u>41,55,00,592</u></u>
II. ASSETS			
1 Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	27,55,74,488	25,36,12,593
(ii) Capital work-in-progress		<u>81,87,805</u>	<u>4,33,97,479</u>
		28,37,62,293	29,70,10,072
(b) Non-current investments	12	5,01,99,300	55,65,700
(c) Long-term loans and advances	13	<u>6,34,98,923</u>	<u>5,66,93,071</u>
		11,36,98,223	6,22,58,771
2 Current Assets			
(a) Inventories	14	4,67,64,820	3,37,79,918
(b) Trade receivables	15	27,723,669	8,416,457
(c) Cash and cash equivalents	16	1,09,696	3,12,451
(d) Short-term loans and advances	17	1,17,84,122	1,35,27,711
(e) Other current assets	18	<u>1,99,971</u>	<u>1,95,212</u>
		8,65,82,278	5,62,31,749
TOTAL		<u><u>48,40,42,794</u></u>	<u><u>41,55,00,592</u></u>

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 39

The Notes referred to above form an integral part of the Financial Statement.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

V. A. Merchant
VIRAL A. MERCHANT

Partner

Mumbai,

Dated: 02nd May, 2016

For and on behalf of the Board of Directors

Harish N Motiwalla
HARISH N MOTIWALLA Director

Rajendra Jhanwar
RAJENDRA JHANWAR Director (Works)

Mumbai,

Dated: 02nd May, 2016



BALKRISHNA SYNTHETICS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2016

PARTICULARS	Note No.	Current Year Rupees	Previous Year Rupees
I Revenue from operations	19	57,72,38,935	60,07,36,778
II Other Income	20	28,39,223	23,75,059
III Total Revenue (I+II)		58,00,78,158	60,31,11,837
IV Expenses :			
Cost of materials consumed	21	10,13,33,107	10,01,06,828
Changes in inventories of work-in-progress	22	1,95,811	5,17,393
Employee benefits expense	23	10,14,76,476	8,58,80,855
Finance Cost	24	1,40,00,560	1,40,10,937
Depreciation and other amortization expense	25	4,68,32,250	3,93,69,688
Other Expenses	26	33,36,96,134	33,35,89,556
Total Expenses		59,75,34,338	57,34,75,257
V (Loss)/Profit before tax (III-IV)		(17,456,180)	2,96,36,580
VI Tax expense:			
- Current tax		-	1,10,79,601
- MAT Credit Entitlement		-	(5,149,989)
- Deferred tax		6,006,569	5,929,612
VII (Loss)/Profit after tax (V-VI)		(23,462,749)	2,55,92,291
VIII Earnings per equity share:			
Basic and Diluted	32	(23.46)	25.59

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 39

The Notes referred to above form an integral part of the Financial Statement.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

V. A. Merchant

VIRAL A. MERCHANT

Partner

Mumbai,

Dated: 02nd May, 2016



For and on behalf of the Board of Directors

Harish N Motiwalla
HARISH N MOTIWALLA Director

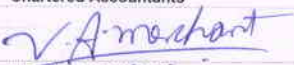

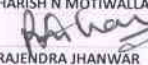
Rajendra Jhanwar
RAJENDRA JHANWAR Director (Works)

Mumbai,

Dated: 02nd May, 2016



BALKRISHNA SYNTHETICS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

		Year Ended 31st March, 2016 Rupees	Year Ended 31st March, 2015 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :			
(Loss)/Profit before tax		(174,56,180)	2,96,36,580
Adjustment for:			
Depreciation and Amortisation	4,68,32,250	3,93,69,688	
Finance Cost	1,40,00,560	1,40,10,937	
Interest Income	(17,41,419)	(1,81,792)	
(Profit) on Sale of Fixed Assets (Net)	(1,059,821)	(21,93,267)	
Unrealised Foreign Exchange differences -(Gain)/Loss	(37,983)	66,112	
Retiring Gratuities	23,96,473	16,38,139	
Leave Encashment	15,64,687	14,92,918	
		6,19,54,747	5,42,02,735
Operating profit before working capital changes		4,44,98,567	8,38,39,315
Adjustment for:			
Trade and other receivables	(24,510,285)	(96,19,854)	
Inventories	(12,984,903)	11,19,204	
Trade payables	9,29,94,562	1,42,41,265	
		5,54,99,374	57,40,615
Cash generated from operations		9,99,97,941	8,95,79,930
Direct taxes (paid)/refund received (Net)		(3,218,336)	(68,85,840)
Gratuity paid		(11,40,906)	(8,89,043)
Leave Encashment paid		(10,53,371)	(9,85,532)
Net cash from Operating Activities		9,45,85,328	8,08,19,515
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets & Capital Work in Progress	(325,42,631)	(5,91,73,063)	
Sale of Fixed Assets	11,75,999	54,69,323	
Purchase of Investments	(446,33,600)	-	
Interest received	17,36,660	1,23,198	
Net cash used in Investing Activities		(742,63,572)	(535,80,542)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds/(Repayment) of Short Term Borrowings (Net)	(1,358,002)	(8,611,352)	
Proceeds from Long Term Borrowings	2,45,36,711	3,11,09,312	
Repayment of Long Term Borrowings	(288,24,364)	(4,51,52,000)	
Loan Received (Inter corporate Loan)	3,00,00,000	1,00,00,000	
Loan Repaid (Inter corporate Loan)	(30,000,000)	-	
Finance Cost Paid	(148,78,856)	(144,97,008)	
Net Cash from Financing Activities		(20,524,511)	(27,151,048)
Net (Decrease)/Increase in cash and cash equivalent		(202,755)	87,925
Cash and cash equivalent as at the beginning of the year		3,12,451	2,24,526
Cash and cash equivalent as at the end of the year		1,09,696	3,12,451
Note			
Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities			
As per our report of even date attached			
For JAYANTILAL THAKKAR & CO. Chartered Accountants  VIRAL A. MERCHANT Partner		For and on behalf of the Board of Directors  HARISH N MOTIWALLA Director  RAJENDRA JHANWAR Director (Works)	
Mumbai, Dated: 02nd May, 2016		Mumbai, Dated: 02nd May, 2016	



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.-1

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

Fixed Assets

- a) Fixed Assets are stated at cost less depreciation/amortisation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- b) Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

- a. Depreciation on fixed assets (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Machineries where the useful life is considered differently based on an independent technical evaluation to 10 years.
- b. Premium on Leasehold Land is amortised over the duration of the Lease.

Investments

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments (investments intended to be held for more than one year) and the same are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline.

Valuation of Inventories

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



BALKRISHNA SYNTHETICS LIMITED

Processing Charges

Processing charges are excluding Excise Duty, as the Company is not liable to pay the duty.

Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Statement of Profit and Loss. Non-monetary items are reported by using the exchange rate at the date of transaction.

Employee Benefits:

A) Short-term employee benefits:

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognized in the year to which it relate.

B) Post employment benefits:

i) Benefits in the nature of contribution to provident fund, employee state insurance scheme etc. provided by the Company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the Company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.

ii) Benefit in the nature of gratuity paid by the Company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the Company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to Profit and Loss Account. The liability of the Company is also determined through actuarial valuation technique at Balance Sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the Balance Sheet date is provided for at the year end.

Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Statement of Profit and Loss.

Taxation

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At the Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.



BALKRISHNA SYNTHETICS LIMITED

Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

Impairment

The carrying amount of an asset is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.



BALKRISHNA SYNTHETICS LIMITED

Current Year Rupees

Previous Year Rupees

NOTE NO.2**SHARE CAPITAL**

Authorised :

12,50,000 Equity Shares of Rs.10 each

1,25,00,000

1,25,00,000

7,50,000 Redeemable Preference Shares of Rs. 10 each

75,00,000

75,00,000

Issued Subscribed and fully paid up:

10,00,000 Equity Shares of Rs.10 each, fully paid up

1,00,00,000

1,00,00,000

1,00,00,000

1,00,00,000

Terms/rights attached to equity shares:

All the Equity Shares has equal rights in respect of distribution of dividends and the repayment of capital.

Notes:

All the above shares are held by the Holding Company viz. Nirvikara Paper Mills Limited and its nominees (upto 20/12/2015), Siyaram Silk Mills Limited (from 21/12/2015)

NOTE NO.3**RESERVES AND SURPLUS****a. Capital Redemption Reserve**

Opening Balance

65,00,000

6,50,00,000

Add: Addition during the year

-

-

Less: Deduction during the year

-

-

Closing Balance

65,00,000

65,00,000

c. Surplus

Opening Balance

8,56,55,410

6,04,39,388

Add: Net (Loss) / Profit for the current period

(23462749)

2,55,92,291

Less: Adjustment Relating to Fixed Assets

-

376,269

Less: Income Tax Earlier Years

(3117408)

-

Closing Balance

5,90,75,253

8,56,55,410

6,55,75,253

9,21,55,410



BALKRISHNA SYNTHETICS LIMITED

Current Year Rupees

Previous Year Rupees

NOTE NO.4

LONG TERM BORROWINGS

Secured

Term loans

- from:

Corporation Bank

7,25,36,711

7,60,00,000

7,25,36,711

7,60,00,000

Term Loans:

Corporation Bank

Secured by exclusive first charge by way of hypothecation of inventory and receivables of the Company and further Secured by charge on Land and Factory Building, Plant and Machinery and all other movable assets, present and future, of the Company.

Repayable in a period upto 20 quarterly instalments from the date of respective loans at an interest of 11.15% p.a.

NOTE NO.5

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability on account of :

Depreciation

3,76,84,138

3,12,04,691

Less: Deferred Tax Assets on account of :

Expenses allowable for tax purpose when paid

20,07,747

15,34,869

Net Deferred Tax Liability

3,56,76,391

2,96,69,822

NOTE NO.6

LONG TERM PROVISIONS

Provision for employee benefits-Gratuity

71,37,530

58,81,963

71,37,530

58,81,963

NOTE NO.7

SHORT TERM BORROWINGS

Secured

Loans repayable on demand

- from banks towards cash credits*

91,57,044

1,05,15,046

Secured by exclusive first charge by way of hypothecation of inventory and receivables of the Company.

Unsecured

Loans repayable on demand

- Inter Corporate Loans from related parties :-

From Holding Company

4,05,00,000

From Other related party

1,00,00,000

5,05,00,000

5,05,00,000

5,05,00,000

5,96,57,044

6,10,15,046

NOTE NO.8

TRADE PAYABLE

Sundry Creditors

(Refer Note No.34 for details of Dues to Micro and Small Enterprises)

7,00,35,788

7,62,60,274



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.9

Current Year Rupees

Previous Year Rupees

OTHER CURRENT LIABILITIES

- Current maturities of long-term debt	2,80,00,000	2,88,24,364
- Income Received in Advance :		
From Holding Company	12,47,35,129	-
From Other related party	-	3,05,98,009
Other payables		
- Statutory dues towards TDS/VAT/CST/Service Tax etc.	28,22,785	25,47,684
- Security Deposits	9,86,613	82,832
- Payable towards Capital Goods	13,65,602	-
- Others	25,37,444	-
	16,04,47,573	6,20,52,889

NOTE NO.10**SHORT TERM PROVISIONS****Provision for employee benefits:**

-Leave encashment	29,76,504	24,65,188
	29,76,504	24,65,188



Tangible assets	Fixed Assets	Balance As at 01.04.2015	GROSS BLOCK (AT COST)			Depreciation (Including Amortization)				(Net Block)	
			Additions During the year	Deductions/Adjustments During the year	Balance As at 31.03.2016	Total upto 31.03.2015	For the Year	Deductions During the year	Total upto 31.03.2016	As At 31.03.2016	As At 31.03.2015
Tangible assets											
(a) Land											
Leasehold		2,65,32,096	-	-	2,65,32,096	19,49,229	4,48,828	-	23,98,057	2,41,34,039	2,45,82,867
(b) Buildings		3,09,21,083	-	-	3,09,21,083	76,65,793	11,09,063	-	87,74,856	2,21,46,227	2,32,55,290
(c) Plant and Equipment		39,04,94,641	6,46,00,296	839,365	39,42,55,572	14,63,10,467	3,90,53,009	723,187	18,46,40,289	20,96,15,283	18,41,84,175
(d) Factory and Other Equipment		1,33,50,032	40,73,146	-	1,74,23,178	47,63,372	20,98,312	-	68,61,684	1,05,61,494	85,86,660
(e) Furniture and Fixtures		58,34,900	-	-	58,34,900	21,74,901	7,80,183	-	29,55,084	28,79,816	36,59,999
(f) Office Equipment		11,33,710	34,000	-	11,67,710	3,13,874	1,82,143	-	4,96,016	6,71,693	819,836
(g) Others		-	-	-	-	-	-	-	-	-	-
-Electric Installations		1,33,28,750	-	-	1,33,28,750	65,79,048	25,67,635	-	91,46,682	41,82,068	67,49,702
-Air Conditioners		10,83,187	35,842	-	11,19,028	4,96,535	2,22,055	-	7,18,590	4,00,438	5,86,652
-Computer		17,13,470	1,67,040	-	18,80,510	12,68,008	2,72,902	-	15,40,910	3,39,600	445,462
-Motor Vehicles		784,961.25	-	-	7,84,961	43,012	98,120	-	1,41,132	6,43,830	741,950
TOTAL TANGIBLE (CURRENT PERIOD)		42,51,76,830	6,89,10,323	8,39,365	49,32,47,788	17,15,64,237	4,68,32,250	7,23,187	21,76,73,301	27,55,74,488	-
TOTAL TANGIBLE (PREVIOUS YEAR)		39,77,24,822	3,24,64,146	50,12,138	42,51,76,830	13,33,73,649	3,99,26,672	17,36,083	17,15,64,237	-	25,36,12,593
Capital Work in Progress										8,187,805	4,35,97,479



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.12

Non-current Investments (At Cost):

Trade Investments (Fully paid up)

At cost-Unquoted

3,37,185 (Previous Year 55,567) Equity Share of Rs.100 each of Tarapur Environment Protection Society

Current Year Rupees	Previous Year Rupees
5,01,99,300	55,65,700

NOTE NO.13

LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

(a) Capital Advances

(b) Security Deposits

(c) Others loans and advances

-Cenvat Credit/ Vat Credit Receivables

- MAT Credit Entitlement

-Advance Payments of Taxes and Tax deducted at source(Net of Provision)

14,84,389	26,42,408
46,88,570	46,26,570
3,95,48,366	3,17,47,425
14,34,010	14,34,010
1,63,43,588	1,62,42,658
6,34,98,923	5,66,93,071

NOTE NO.14

INVENTORIES

(As certified by the Management)

(At lower of Cost and Net Realisable Value)

(a) Raw materials

(b) Work-in-Progress

(c) Stores and Spares

(d) Others -Packing Material and Fuel

86,84,642	60,10,588
69,86,059	71,81,870
2,77,48,476	1,87,22,609
33,45,643	18,64,851
4,67,64,820	3,37,79,918

NOTE NO.15

TRADE RECEIVABLES

Trade Receivables outstanding for a period less than Six Months:

Unsecured Considered good

Trade Receivables outstanding for a period exceeding Six Months:

Unsecured Considered good

26,176,285	8,216,520
1,547,384	199,937
27,723,669	8,416,457

NOTE NO.16

CASH AND CASH EQUIVALENTS:

-Balances with banks

-Cash on hand

67,222	2,68,961
42,474	43,490
1,09,696	3,12,451

NOTE NO.17

SHORT TERM LOANS AND ADVANCES:

Unsecured-Others (Considered Good)

-Advance payment to suppliers etc.

-Loans and advances to employees

1,14,67,710	1,34,68,711
3,16,412	59,000
1,17,84,122	1,35,27,711



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.18

OTHER CURRENT ASSETS

Interest Accrued on Security Deposits

Current Year Rupees	Current Year Rupees
1,99,971	1,95,212
1,99,971	1,95,212

NOTE NO.19

REVENUE FROM OPERATIONS

- Sales of Services

Job Charges Received

57,05,16,963 59,44,41,995

Other Operating Revenue:

-Scrap Sales

-Others

37,44,301	48,79,576
29,77,671	14,15,207
67,21,972	62,94,783
57,72,38,935	60,07,36,778

NOTE NO.20

OTHER INCOME

Interest Income on:

Interest Received On Fixed Deposit/Security Deposits

Foreign currency Gain

Profit on Sale of Fixed Assets

17,41,419	1,81,792
37,983	-
10,59,821	21,93,267
28,39,223	23,75,059

NOTE NO.21

COST OF MATERIAL CONSUMED

- Raw Material Consumed

10,13,33,107	10,01,06,828
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NOTE NO.22

CHANGES IN INVENTORIES OF WORK IN PROGRESS

Opening Stock :

Work-in-Progress

Less :

Closing Stock :

Work-in-Progress

Net Decrease in Inventories

71,81,870	76,99,263
69,86,059	71,81,870
1,95,811	5,17,393

NOTE NO.23

Employee benefits expense

-Salaries and wages

-Contribution to provident and other funds

- Staff welfare expenses

8,75,52,889	7,48,76,502
1,08,36,836	80,34,980
30,86,751	29,69,373
10,14,76,476	8,58,80,855

NOTE NO.24

FINANCE COST

Interest expenses (Refer Note Below)

Other borrowing costs

1,40,00,560	1,40,10,937
1,40,00,560	1,40,10,937

Note: Net of Subsidy of Rs.48,39,963 (Previous Year Rs.42,97,169) under the Technology Upgradation Fund Scheme of the Government of India.



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.25**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation and amortization

Current Year Rupees

Previous Year Rupees

4,68,32,250

3,93,69,688

NOTE NO.26**OTHER EXPENSES:**

- Consumption of stores and spare parts	6,44,95,679	4,32,02,268
-Packing materials consumed	45,03,584	46,94,964
- Power and fuel	17,07,46,315	18,14,05,642
- Freight and forwarding	22,24,733	21,54,085
-Labour/Job Charges	4,48,44,772	3,81,60,050
-water charges	1,34,26,485	2,05,29,549
- Repairs and Maintenance to buildings	74,62,750	1,38,47,411
- Repairs and Maintenance to Machinery	1,51,74,599	1,77,93,138
- Repairs and Maintenance to Others	17,70,858	25,16,382
- Insurance Charges	4,57,896	7,39,720
- Rates and Taxes excluding taxes on income	2,88,645	3,75,927
- Rent	40,002	18,000
- Legal and Professional charges	18,40,193	15,61,444
- Travelling Expenses	21,45,900	18,54,885
- Directors Meeting Fees	1,59,754	78,652
-Interest Others	6,205	6,277
-Foreign currency Loss	-	66,112
- Miscellaneous expenses	41,07,764	45,85,050
	33,36,96,134	33,35,89,556



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.27

Contingent Liabilities and commitments

(i) Contingent Liabilities

a) Claims against the Company not acknowledge as debts *

- Disputed claims for Excise and Cess	7,69,11,944	7,47,13,872
- Disputed claims for Income Tax Demand	1,26,070	1,26,070
- Disputed claims for Sales Tax(VAT)	7,16,79,924	0

b) Guarantees

-Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	1,05,00,000	97,50,000
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(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	5,95,582	1,84,88,729
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*The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

NOTE NO.28

Value of Imports on CIF Basis :

a) Stores and Spare Parts	83,17,489	20,32,579
b) Capital goods	50,12,996	1,46,89,439
	<u>1,33,30,485</u>	<u>1,67,22,018</u>

NOTE NO.29

Raw materials consumed:

a) Colours	2,10,28,949	1,99,03,554
b) Chemicals	8,03,04,158	8,02,03,274
	<u>10,13,33,107</u>	<u>10,01,06,828</u>

NOTE NO.30

Value of Raw Materials and Stores and Spare Parts consumed:

(As certified by the Management)

	Raw Materials		Stores and Spare Parts	
	Rupees	%	Rupees	%
a) Imported	NIL	-	83,60,809	12.96
	(NIL)	-	(35,03,601)	(8.11)
b) Indigenous	10,13,33,107	100	5,61,34,870	87.04
	(10,01,06,828)	(100)	(396,98,667)	(91.89)
	<u>10,13,33,107</u>	<u>100</u>	<u>6,44,95,679</u>	<u>100</u>
	(10,01,06,828)	(100)	(4,32,02,268)	(100)



BALKRISHNA SYNTHETICS LIMITED

NOTE NO.31

SEGMENT INFORMATION

As the Company's business activity falls within a single segment viz 'Textile Processing' and the Processing activity is carried out for domestic market only, the disclosure requirements of Accounting standard -17 "Segment Reporting" are not applicable.

	Current Year Rupees	Previous Year Rupees
NOTE NO.32		
Earning Per Share (EPS)		
(In accordance with Accounting Standard - 20)		
(Loss) / Profit for the year after tax	(23462749)	2,55,92,291
Number of Equity Shares	10,00,000	10,00,000
Nominal Value of Equity Shares (in Rupees)	10	10
Earning Per Share Basic /Diluted (in Rupees)	(23.46)	25.59



NOTE NO.33

BALKRISHNA SYNTHETICS LIMITED

i) Related Party Disclosures *

(Where transactions have taken place)

- a) Key Management Personnel (KMP)
Mr. Rajendra Jhanwar -Director (Works)

- b) Holding Company - Nirvikara Paper Mills Ltd (from 09/02/2015 to 20/12/2015), Sivaram Silk Mills Ltd. (W.E.F. 21/12/2015)
c) Other Related Party -(Enterprises- having significant influence) Sivaram Silk Mills Ltd-up to 20/12/2015 (SSML),S.P.Finance & Trading Ltd. (SPFTL)

Disclosure in respect of Material Related Party Transaction During the Year :

Transactions	KMP	Other Related Party	SPFTL	Total Rupees
Purchase of Goods/Materials/Services	NIL	1,66,327	NIL	1,66,327
	(NIL)	(5,14,364)	(NIL)	(5,14,364)
Processing charges Income	NIL	38,50,84,290	NIL	38,50,84,290
	(NIL)	(59,44,41,995)	(NIL)	(59,44,41,995)
Remuneration	34,94,064	NIL	NIL	34,94,064
	(32,71,540)	(NIL)	(NIL)	(32,71,540)
Rent Paid	NIL	NIL	NIL	NIL
	(NIL)	(18,000)	(NIL)	(18,000)
Interest Paid	NIL	38,08,118	12,03,288	50,11,406
	(NIL)	(52,64,999)	(8,86,027)	(61,51,026)
Payables	113,940	NIL	1,00,00,000	1,01,13,940
	(108,845)	(710,98,009)	(1,00,00,000)	(8,12,06,854)

d) Transactions with Holding Company- Sivaram Silk Mills Limited from 21/12/2015

Rupees

- i) Purchase of Goods/Materials/Services 6,19,466
ii) Processing charges Income 13,52,46,504
iii) Interest Paid 14,71,318
iv) Payables 16,52,35,129

* Parties identified by the Management and relied upon by the auditors.

No amount in respect of related parties have been written off/back or are provided for during the year.



BALKRISHNA SYNTHETICS LIMITED

Current Year Rupees

Previous Year Rupees

NOTE NO.34

- a) As at 31st March, 2016, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO.35**Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".****Defined benefit plans as per actuarial valuation in respect of Gratuity**

Sr.no.	Descriptions	Current Year Rupees	Previous Year Rupees
i	Components of employer expenses		
	Current Service Cost	8,28,530	6,95,029
	Interest Cost	13,51,189	14,66,143
	Expected Return on Plan Assets	(8,83,573)	(9,91,352)
	Actuarial-Loss/(Gain) (Net)	11,00,327	4,68,319
	Total Expenses recognised in the statement of Profit & Loss		
	Account in Note No.23	23,96,473	16,38,139
ii	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	10,84,478	14,36,480
	Actual Contributions	1,140,906	8,89,043
iii	Net Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	1,92,64,774	1,69,96,087
	Fair value of plan assets	(1,21,27,244)	(1,11,14,124)
	Net Liability recognised in balance sheet	71,37,530	58,81,963
	Reconciliation of Opening and Closing Balances of Defined		
iv	Benefit		
	Obligations (DBO)		
	Present Value of DBO at the beginning of the year	1,69,96,087	1,58,50,190
	Current Service cost	8,28,530	6,95,029
	Interest cost	13,51,189	14,66,143
	Actuarial-Loss/(Gain) on DBO	11,73,446	4,21,205
	Benefits paid	(10,84,478)	(14,36,480)
	Present Value of DBO at the end of the year	1,92,64,774	1,69,96,087
	Reconciliation of Opening and Closing Balances of Fair Value of		
v	Plan Assets		
	Plan assets at the beginning of the year	1,11,14,124	1,07,17,323
	Expected return on plan assets	8,83,573	9,91,352
	Actual Company contributions	11,40,906	8,89,043
	Actuarial Gain / (Loss) on Plan Assets	73,119	(47,114)
	Benefits paid	(10,84,478)	(14,36,480)
	Plan assets at the end of the year	1,21,27,244	1,11,14,124
vi	Actuarial Assumptions		
	Discount Rate	7.81%	7.95%
	Expected Return on plan Assets	7.81%	7.95%
	Salary escalation	4.50%	4.50%

a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs. 84,40,363** (Previous Year Rs.63,96,841) has been recognised in the statement of profit and loss under the heading 'Contribution to Provident and Other Funds' (Note no. 23) .

b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.



BALKRISHNA SYNTHETICS LIMITED

Current Year Rupees Previous Year Rupees

NOTE NO.36

Payment to Statutory Auditors

- Audit Fees	4,50,000	4,25,000
- For Tax Audit	1,00,000	90,000
- For taxation matters	80,000	50,000
- For Company Law matters	25,000	25,000
- For other services - Certification etc.	25,000	25,000
- For reimbursement of expenses		
Service Tax	98,986	77,250
Expenses	11,500	10,000

NOTE NO.37

Amount of Borrowing Cost capitalised

6,514 12,58,924

NOTE NO.38

No Provision has been made in respect of Tax on Income in the Current year in view of Loss for the year as per Income Tax Act 1961.

NOTE NO.39

- a) Figures in brackets in notes 30 and 33 pertain to previous year.
b) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current period classification/disclosure.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

VIRAL A. MERCHANT

Partner

For and on behalf of the Board of Directors

HARISH NIMOTIWALLA

Director

RAJENDRA JHANWAR

Director (Works)

Mumbai,

Dated: 02nd May, 2016

Mumbai,

Dated: 02nd May, 2016

