



KESORAM TEXTILE MILLS LIMITED

Regd. Office & Factory : 42, GARDEN REACH ROAD, KOLKATA - 700 024, PHONE NOS. : +91 33 2469 7825/2489 3472
FAX : +91 33 2469 6788, E-mail : ktmltext@vsnl.net; Website : kesoramtextiles.com

KTML/SH/ST.EX/2017

25th May, 2017

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range,
Kolkata – 700001

Dear Sirs,

Sub: Audited Financial Results for the quarter/ year ended March 31, 2017.

In continuation of our letter dated May 12, 2017, we wish to inform you that the Board of Directors of the Company at its meeting held today has approved the Audited Financial Statements for the year ended March 31, 2017 and the Financial Results for the quarter /year ended March 31, 2017, as recommended by the Audit Committee.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- i) Statements showing the Audited Financial Results for the quarter / year ended March 31,2017 ; and
- ii) Auditor's Report on Audited Financial Statements for the year ended March 31, 2017.

The Report of Auditors has a modified opinion, a statement showing impact of audit qualification is enclosed in the format as specified by SEBI.

Kindly acknowledge receipt.

Yours faithfully,
For KESORAM TEXTILE MILLS LIMITED

U. S. Asopa

Director

CIN : L17114WB1999PLC089148

City Office & Share Department : 9/1, R. N. Mukherjee Road, Kolkata - 700 001 • Phone Nos. : +91 33 2243 5453/2242 9454
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KESORAM TEXTILE MILLS LIMITED

Regd. Office: 42, GARDEN REACH ROAD, KOLKATA - 700 024

Statement of Financial Results for the quarter and the year ended 31st March, 2017

(Approved by the Board of Directors on 25.05.2017 after review thereof by the Audit Committee)

(₹ In Lacs)

Sl. No.	Particulars	Current three months ended 31.03.2017 (Audited)	Preceding three months ended 31.12.2016 (Unaudited)	Corresponding three months ended in the previous year 31.03.2016 (Audited)	Year to date figure for current period ended 31.03.2017 (Audited)	Year to date figure for previous period ended 31.03.2016 (Audited)
1	Income from Operations					
	a. Net sales/income from operations	-	-	-	-	-
	b. Other operating income	-	-	-	-	-
	Total Income from operations	-	-	-	-	-
2	Expenses					
	a. Employee benefits expense	-11.30	12.59	-13.75	25.88	16.93
	b. Rates & Taxes	2.04	2.14	2.04	8.45	8.67
	c. AGM & Annual Report expenses	0.00	0.40	1.11	16.37	17.75
	d. Depreciation (net of transfer from revaluation reserve) and amortisation expense	0.64	0.64	0.64	2.56	2.56
	e. Other expenses	7.35	10.02	6.79	30.88	25.83
	Total expenses	-1.27	25.79	-3.17	84.14	71.74
3	Profit (+)/ Loss (-) from operations before other income, finance costs and exceptional items (1 - 2)	1.27	-25.79	3.17	-84.14	-71.74
4	Other income	29.89	29.65	22.07	119.42	87.62
5	Profit (+)/ Loss (-) from ordinary activities before finance costs and exceptional items (3 +4)	31.16	3.86	25.24	35.28	15.88
6	Finance costs	0.01	0.00	0.01	0.02	0.01
7	Profit (+)/ Loss (-) from ordinary activities after finance costs but before exceptional items (5 -6)	31.15	3.86	25.23	35.26	15.87
8	Exceptional items	-	-	-	-	-
9	Profit (+)/ Loss (-) from ordinary activities before tax (7 -8)	31.15	3.86	25.23	35.26	15.87
10	Tax expense (Fringe Benefit tax)	-	-	-	-	-
11	Net Profit (+)/ Loss (-) from ordinary activities after tax (9 -10)	31.15	3.86	25.23	35.26	15.87
12	Extraordinary items (net of tax expense ₹ Nil)	-	-	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11-12)	31.15	3.86	25.23	35.26	15.87
14	Paid - up Equity Share Capital (Face Value ₹ 2/- per Share)	1,045.64	1,045.64	1,045.64	1,045.64	1,045.64
15	Reserves (excluding Revaluation Reserves) as per Balance Sheet of previous accounting year	-	-	-	-2,107.73	-2,142.99
16	Earnings Per Share -Basic and Diluted (₹)	0.06	0.01	0.05	0.07	0.03

KESORAM TEXTILE MILLS LIMITED

Regd. Office: 42, GARDEN REACH ROAD, KOLKATA - 700 024

Statement of Financial Results for the quarter and the year ended 31st March, 2017

(Approved by the Board of Directors on 25.05.2017 after review thereof by the Audit Committee)

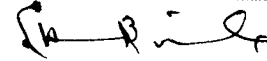
Notes:

1. Suspension of work at Mills, which was declared on 5th January, 1999 is still continuing.
2. These accounts have been prepared on a 'Going Concern' basis as the Board for Industrial and Financial Reconstruction vide its order dated 19th September, 2006 held that the Company is not a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act. 1985.
3. The Company is still in the process of negotiating revised terms for the determination of the amount due and payable by it to Kesoram Industries Ltd. and the amount outstanding on account of interest thereon. Accordingly, no provision has been made in the accounts for interest amounting to Rs.81.16 Lacs and Rs. 329.13 lacs on such loan for the quarter/year ended 31st March, 2017 respectively. Interest for the quarter/year ended 31st March, 2016 amounting to `74.40 Lacs and `299.21 Lacs respectively was also not provided in the earlier year.
4. Deferred Tax Assets has not been recognised by way of commercial prudence as there is reasonable uncertainty with regard to sufficient future taxable income which may be available for its realisation.
5. Segment reporting is not applicable as the Company's activity falls within a single business segment.
6. The Auditor's Report on the accounts for the year ended 31st March, 2017 contains qualifications pertaining to non provision of interest on loan. The management's response thereto is set out in Notes 3 above. No provision has been made for interest on loan during quarter/year ended 31st March, 2017. If such interest had been provided, the net loss for the quarter/year ended 31st March, 2017 would have been `50.01 Lacs and `293.87 Lacs respectively against net loss of `49.17 Lacs and `283.34 Lacs for the quarter/year ended 31st March, 2016 respectively.
7. The figures for the quarter ended 31st March, 2017 & 31st March, 2016 are the balancing figure between the audited figures in respect of full financial year and the figures upto 3rd quarter of relevant financial year.
8. Statement of Assets and Liabilities as at 31st March, 2017

Particulars	(₹ in Lacs)	
	31st March, 2016 (Audited)	31st March, 2016 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	1,045.64	1,045.64
(b) Reserves and Surplus	-2,107.73	-2,142.99
Sub-total - Shareholders' Funds	-1,062.09	-1,097.35
2 Non-Current Liabilities		
(a) Long-Term Provisions	256.54	292.19
Sub-total - Non-Current liabilities	256.54	292.19
3 Current Liabilities		
(a) Short-Term Borrowings	956.01	956.06
(b) Other Current Liabilities	102.46	81.57
(c) Short-Term Provisions	24.78	10.73
Sub-total - Current Liabilities	1,083.25	1,048.36
TOTAL - EQUITY AND LIABILITIES	277.70	243.20
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets	55.48	58.08
(b) Long-Term Loans and Advances	40.75	40.57
Sub-total - Non-Current Assets	96.23	98.65
2 Current Assets		
(a) Current Investments	0.00	0.00
(b) Cash and Bank Balances	126.46	129.59
(c) Short-Term Loans and Advances	52.85	13.03
(d) Other Current Assets	2.16	1.93
Sub-total - Current Assets	181.47	144.55
TOTAL - ASSETS	277.70	243.20

9. Previous periods figures have been regrouped or rearranged where considered necessary.

For Kesoram Textile Mills Ltd.


(S K BIRLA)
CHAIRMAN

Dated :- 25.05.2017

Place :- Kolkata

KESORAM TEXTILE MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes No.	ASSETS	
		March 31, 2017	March 31, 2016
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	104,563,810	104,563,810
Reserves and Surplus	4	(210,772,773)	(214,298,990)
Non-Current Liabilities			
Long-Term Provisions	5	25,653,723	29,219,375
Current Liabilities			
Short-Term Borrowings	6	95,600,765	95,605,415
Other Current Liabilities	7	10,246,767	8,156,708
Short-Term Provisions	8	2,478,172	1,073,228
Total		27,770,464	24,319,546
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	5,547,687	5,807,406
Long-Term Loans and Advances	10	4,074,658	4,057,282
Current Assets			
Cash and Bank Balances	11	12,646,195	12,959,116
Short-Term Loans and Advances	12	5,285,331	1,302,534
Other Current Assets	13	216,593	193,208
Total		27,770,464	24,319,546
Significant Accounting Policies and Notes to Accounts	1 to 23		

The Notes are an integral part of the Financial Statements.

KESORAM TEXTILE MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Notes No.	Year ended	
		March 31, 2017	March 31, 2016
INCOME:			
Other Income	15	11,941,966	8,762,334
Total Revenue		11,941,966	8,762,334
EXPENSES:			
Employee Benefits Expense	16	2,588,365	1,692,759
Finance Costs	17	2,351	1,024
Depreciation and Amortization Expense	9	255,825	255,830
Other Expenses	18	5,569,208	5,225,682
Total Expenses		8,415,749	7,175,295
Profit/(Loss) Before Tax		3,526,217	1,587,039
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit/(Loss) for the period		3,526,217	1,587,039
Earnings per Equity Share [Nominal Value per Share ₹ 2/-]	19		
Basic		0.067	0.030
Diluted		0.067	0.030
Significant Accounting Policies and Notes to Accounts	1 to 23		

The Notes are an integral part of the Financial Statements.



**APS
ASSOCIATES**

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Facsimile: 2432-9786

Chartered Accountants

E-mail: apsassociates@gmail.com/ banbhattachal@yahoo.co.in
Website: www.apsassociates.net

INDEPENDENT AUDITORS' REPORT

To
The Members of **KESORAM TEXTILE MILLS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **KESORAM TEXTILE MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and 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 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 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 are 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.

Auditors' Responsibility

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



Contd...2

New Delhi	Mumbai	Gandhinagar	Surat	Patna	Bhopal	Jamshedpur
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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 there under.

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 disclosures in the financial statement. 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 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.

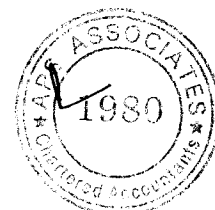
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

The Company has not provided interest on loan from Kesoram Industries Limited ever since the amount was borrowed. The interest on loan payable for the year ended 31st March 2017 amounting to ₹ 3,29,12,771/- (Previous Year ₹ 2,99,20,701/-) has not been provided in these accounts. The aggregate interest on loan not provided till date is ₹ 26,65,40,480/- (Previous Year ₹ 23,36,27,709/-) including interest not provided during the current year. If interest on this loan had been provided during the year, there would be a loss of ₹ 2,93,86,554 as against profit of ₹ 35,26,217/- shown in these financial statements. If interest on loan were provided every year, the debit balance of Profit & Loss in the Balance Sheet as on 31st March 2017 shown under the head "Reserve and Surplus" would be ₹ 47,73,13,253/- (Previous Year ₹ 44,79,26,699/-) as against the ₹ 21,07,72,773/- (Previous Year ₹ 21,42,98,990/-) disclosed in these financial statements. Interest accrued on Unsecured Loan would amount to ₹ 26,65,40,480/- (Previous Year ₹ 23,36,27,709/-) as against "Nil" (Previous Year - "Nil") disclosed in these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, ***except for the effects of the matters described in the Basis for Qualified Opinion paragraph***, the aforesaid 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, 2017 and its profit and its Cash flows for the year ended on that date.

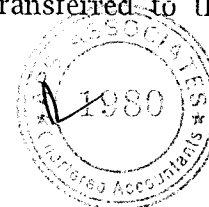


Emphasis of Matter

We draw attention to the note 2.1 in the financial statements regarding the preparation of the accounts on 'Going Concern' basis. In view of its accumulated losses, the net worth of the Company has been fully eroded and the Company's current liabilities have exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the financial statements of the Company have been prepared on a Going Concern basis for the reasons stated in the said Note.

Report on Other Legal and Regulatory Requirements

1. 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 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 written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) We give in the Annexure a report on the internal financial control in the Company.
 - 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 14 to the financial statements. not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.





Chartered Accountants New Delhi>Mumbai> Gandhinagar >Surat>Bhopal>Patna>Jamshedpur

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(iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 and the same are in accordance with the books of accounts maintained by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs, in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of
APS ASSOCIATES
Chartered Accountants
(Registration No. 306015E)

Subir Kumar
(SUBIR KUMAR)
Partner
Membership No.300073



Kolkata,
Dated, the 25th May 2017

Chartered Accountants New Delhi>Mumbai> Gandhinagar >Surat>Bhopal>Patna>Jamshedpur

Annexure to the Independent Auditors' Report of even date on the Financial Statements of Kesoram Textile Mills Limited
Statement under Companies (Auditor's Report) Order, 2016

- I. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets are physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c) The title of land being 11,17,620 sq ft have been verified by us and it is held in the name of Kesoram Cotton Mills Ltd.
- II. The Company's manufacturing activities are under suspension since 5th January 1999, and it does not hold any inventory. In our opinion the requirement of clause 'II' are not applicable to the company.
- III. According to the information and explanations given to us and as certified by the management, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- IV. The Company has granted a Guarantee for ₹ 440 Crores on behalf of Camden Industries Ltd by giving its land of 11,17,620 sq ft which is valued at 7,48,000/- in the financial statements. The provisions of Section 186 of the Companies Act, 2013 has been duly complied with.
- V. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- VI. Manufacturing activities of the Company are under suspension since 5th January 1999. The Company has not maintained Cost Records in terms of section 148(1) of the Companies Act 2013 as it has been permitted by the Assistant Directors (Cost), Govt of India, Ministry of Corporate Affairs, Cost Audit Branch Vide letter dated 12.12.2011 not to comply with the Cost Audit order issued by the department earlier relating to maintenance of Cost Records, till their further orders.
- VII. a) According to the records of Company, undisputed statutory dues including provident fund, employee's state insurance, income tax and service tax have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, following are the particulars of disputed dues on account of income tax, excise duty, service tax and sales tax matters which have not been deposited by the Company :-

Name of the Statute	Nature of dues	Amount	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	14,19,420	-	Kolkata High Court
Central Excise Act, 1944	Excise Duty	3,51,206	-	Add. Secretary (R.A) Govt of India
Central Excise Act, 1944	Excise Duty	29,36,767	-	Asst. Commissioner of Central Excise

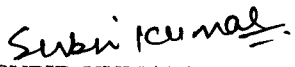


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Central Excise Act, 1944	Excise Duty	1,066	-	Superintendent of Central Excise
Central Excise Act, 1944	Excise Duty	11,71,182	-	Central Excise and Sevice Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4,06,870	-	Asst. Commissioner of Central Excise
Employee's State Insurance Regulation Act,1950	ESI Contribution	11,98,269	-	Dy. Director ESI

- VIII. According to the records of the Company and the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or financial institutions.
- IX. During the year the Company has not raised any money through public offer.
- X. According to the information and explanations given to us and as certified by the management no fraud on or by the Company was reported during the year.
- XI. No Managerial Remuneration has been paid / provided in the financial statements of the Company for the year under review.
- XII. The Company is not a Nidhi Company.
- XIII. According to the information and explanations given to us all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of securities during the year.
- XV. As certified by the management, the Company has not entered into any non-cash transaction with its directors or persons related to any of them.
- XVI. The Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934.

For and on behalf of
APS ASSOCIATES
 Chartered Accountants
 (Registration No. 306015E)


 (SUBIR KUMAR)
 Partner
 Membership No.300073



Kolkata,
 Dated, the 25th May 2017



Chartered Accountants New Delhi>Mumbai> Gandhinagar >Surat>Bhopal>Patna>Jamshedpur

Annexure to the Independent Auditors' Report of even date on the Financial Statements of Kesoram Textile Mills Limited

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 **Kesoram Textile Mills Limited** ("the Company") as of March 31st, 2017 in conjunction with our audit of the 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. 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 judgement, 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.





Chartered Accountants New Delhi>Mumbai> Gandhinagar >Surat>Bhopal>Patna>Jamshedpur

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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 and on behalf of
APS ASSOCIATES
 Chartered Accountants
 (Registration No. 306015E)

Subir Kumar
 (SUBIR KUMAR)
 Partner
 Membership No.300073



Kolkata,
 Dated, the 25th May 2017

ANNEXURE I

**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, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	11941966	11941966
	2.	Total Expenditure	8415749	41328520
	3.	Net Profit/(Loss)	3526217	(-)29386554
	4.	Earnings Per Share	0.067	(-)0.562
	5.	Total Assets	27770464	27770464
	6.	Total Liabilities	133979427	400519907
	7.	Net Worth	(-)106208963	(-)372749443
	8.	Any other financial item(s) (as felt appropriate by the management)		
ii.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: as per report attached			
	b. Type of Audit Qualification : Qualified Opinion and Emphasis of Matter as stated in the attachment to point (a) above.			
	c. Frequency of qualification: continuing since financial year 2003-04			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	<p>i) for qualified opinion: No provision for interest is made for the year and earlier years as the negotiations to revise loan terms and outstanding interest with the lender are yet to be concluded.</p> <p>ii) for Emphasis of Matter: The Accounts have been prepared on going concern basis as the Board for Industrial and Financial Reconstruction vide its order dated 19.09.2006 held that the Company is not a sick Industrial company within the meaning of 3(1)(c) of the Sick Industrial Companies(Special Provisions) Act, 1985</p>			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE			
	(i) Management's estimation on the impact of audit qualification:			
	(ii) If management is unable to estimate the impact, reasons for the same:			
	(iii) Auditors' Comments on (i) or (ii) above:			
iii.	Signatories:			
	• CEO/Managing Director			
	• CFO			
	• Audit Committee Chairman			
	• Statutory Auditor			
	Place: Kolkata			
	Date: 25.05.2017			