

Ramsarup Industries Ltd.



Dated: - 05/09/2016

To
Listing Department,
National Stock Exchange of India Ltd.(**NSE**),
Exchange Plaza, Bandra, Kurla complex, Bandra (East)
Mumbai - 400 051.

Dear Sir,

Please find enclosed herewith Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2015 - Under Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Thanking you,

Yours faithfully,

For RAMSARUP INDUSTRIES LIMITED

Aashish Jhunjunwala
Managing Director
DIN - 00351451

Enclo: As Stated

OFFICE:

7C, Kiran Shankar Roy Road, "Hastings Chambers", 2nd Floor, Room No.1.
Kolkata 700001

CIN: L65993WB1979PLC032113

Phone: 4000 9100, 22421200, Fax: 91-33-2242 1888

Website : www.ramsarup.com

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2015 - Under Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl. NO.	Particulars	Audited Figures (as reported before adjusting for qualifications) (In Crores)	Adjusted Figures (audited figures after adjusting for qualifications) (In Crores)
	1	Turnover / Total income	4.46	4.46
	2	Total Expenditure	184.37	580.21
	3	Net Profit/(Loss)	(179.91)	(575.75)
	4	Earnings Per Share	(51.29)	(164.13)
	5	Total Assets	2267.00	2662.84
	6	Total Liabilities	2267.00	2662.84
	7	Net Worth	(1158.48)	(1554.32)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification :			
	<p>1. The Company has four manufacturing units at Kalyani, Shyamnagar, Kharagpur, and Durgapur , all of which are under the suspension of work for the last few years and they are under the symbolic /physical possession of lenders due to default of payment of the outstanding loans. Detail physical verifications of fixed assets and inventories could not be conducted by the management. We have also not been able to obtain sufficient appropriate audit evidences (SAAE) in respect of existence and valuation of fixed assets and inventories lying in these factories.</p> <p>2. Borrowings from banks and financial institutions have been classified as non performing assets by the lenders. No balance confirmation of the outstanding loan could be obtained nor any bank statement has been provided by them. In absence of the same, we are unable to confirm the accuracy of the balances appearing in the books of account. As the borrowings have been considered as NPA, no interest has been charged by the banks since then. During the year the company has provided interest on these borrowings upto 1st quarter June 2014 but interest of Rs. 395.84 crore for the three quarters from 1st July to 31st March , 2015 has not been provided.</p> <p>3. The net worth of the company has been fully eroded and therefore the company filed an application before the Ld.BIFR which is still pending. The Company's ability to continue the business is significantly dependent upon the viability of</p>			



	the restructuring plan to be approved by the Ld. BIFR.
	b. Type of Audit Qualification – Qualified Opinion / Disclaimer of Opinion / Adverse Opinion.
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Qualification No. 1, 2 & 3 has appeared for the first time.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Reply for qualified opinion 2 : Since the accounts have become NPA the Bankers do not provide statement of accounts and confirmation / certificates in relation to various facilitation. However the Company had been providing interest and other charges on the accounts as per last sanctioned limit till June, 2014. There may be differences between the bank balance & Company's balance due to estimation. Company is not expecting any major variation between the outstanding of the lenders & the company. There was no difference between the outstanding of the banks and Company as on the date of NPA. Company has debited nearly Rs. 1325 crores on account of interest since the account has turned NPA. Impact of past and future interest if any will form part of the package to be submitted to Ld. BIFR and at the relevant time. e. For Audit Qualification(s) where the impact is not quantified by the auditor: Reply for qualified opinion 1 Security / watch & ward is being maintained of the plant by the Company and Banker's / ARC's have been getting asset valuation report done from time to time. Impairment, if any will be accounted for at the relevant time and will form part of the BIFR rehabilitation package. Reply for qualified opinion 3 – The Company is in active discussion with ARC's & Lenders for settlement & rehabilitation/ revival of the Company under the aegis of Ld. BIFR. The Company is confident of getting the support from its lending banks / FI's / ARC's. (i) Management's estimation on the impact of audit qualification – As per management reply for qualified opinion 3. (ii) If management is unable to estimate the impact, reasons for the same: - For qualified opinion 1 – Manufacturing units are under suspension of work. Hence, currently it is not possible to carry out an impairment study. Banker's and ARC's



	have been getting asset valuation report carried out from time to time. Detailed impairment study will be carried out at the relevant time and will form part of the BIFR rehabilitation package. Accordingly its impact will be quantified in the statement of accounts.	
	(iii) Auditor's Comments on (i) or (ii) above : NA	
III	Signatories	
	CEO / Managing Director – Sh. Aashish Jhunhunwala	For RAMSARUP INDUSTRIES LIMITED  Managing Director
	Audit Committee Chairman – Sh. Aashish Jhunhunwala	
	Statutory Auditor – M/s. P. K. Lilha & Co (Sh. P. K. Lilha)	For P. K. LILHA & CO  Partner P.K. Lilha, FCA.
	Place – Kolkata	
	Date – 05.09.2016	

