

# BHORUKA ALUMINIUM LIMITED

BAL:BSE:FR:17:18/

ELECTRONIC FILING

May 30, 2017

To

Manager (CRD)  
Bombay Stock Exchange Limited(BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

Scrip Code: 506027

Dear Sir,

**Sub: Outcome of Board Meeting pursuant to Regulation 30 and 33 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015**

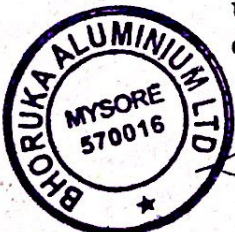
We would like to inform you that the Board of Directors at their meeting held today, inter-alia, has approved the following:

1. The Standalone Audited Financial Results for the Fourth quarter and Financial Year ended 31<sup>st</sup> March, 2017.
2. Changes in Statutory Auditors:

Based on the recommendation of the Audit Committee, the Board of Directors have recommended the appointment of M/s E.S. & Associates, Chartered Accountants (Firm Registration No. 011236S), Mysore, as Statutory Auditors of the Company for a term of 5 (Five) consecutive years; commencing from the conclusion of the 37<sup>th</sup> Annual General Meeting to be held during September, 2017 until the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2022, subject to the approval of Shareholders at the 37<sup>th</sup> Annual General Meeting of the Company, in place of the existing Statutory Auditors M/s. R.S. Agarwala & Co., Chartered Accountants, in compliance with Auditors rotational requirements as mandated under the provisions of Section 139 of the Companies Act, 2013 and Rules framed thereunder.

#### Brief Profile:

M/s. E.S. & Associates are the leading Chartered Accountants in Mysore. M/s. E.S. & Associates have given their consent to act as Statutory Auditors and have also confirmed that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.



Registered Office : No. 427E, 2nd Floor, Hebbal Industrial Area, Mysore 570016, Karnataka, India

Phone: +91-821-2510352/2510351 Fax : +91-821-2415291, E-mail:info@bhorukaaluminium.com,

Website: www.bhorukaaluminium.com CIN : L27203KA1979PLC003442

# BHORUKA ALUMINIUM LIMITED

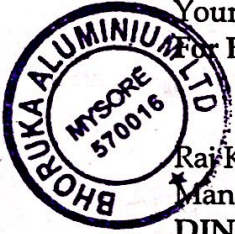
We submit herewith a copy of Standalone Audited Financial Results for the Fourth quarter and year ended 31<sup>st</sup> March, 2017 in terms of Circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016 together with Statement of Assets and Liabilities, Independent Auditors Report and Statement on Impact of Audit Qualification (For Audit Report with modified opinion) in terms of Regulation 33/52 of SEBI (LODR) Amended Regulations, 2016.


The meeting of Board of Directors commenced at 11.45 A.M. and concluded at 2.00 P.M.

We would request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For Bhoruka Aluminium Limited



  
Raj Kumar Aggarwal  
Managing Director  
DIN:01559120

**BHORUKA ALUMINIUM LIMITED**

CIN No: L27203KA1979PLC003442

Reg. Office: No.427E, 2nd Floor, Hebbal Industrial Area, Mysore-570 016

Email: company.secretary@bhorukaaluminium.com

Website: www.bhorukaaluminium.com

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017**

Rs. In Lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from Operations	-	-	-	-	-
II	Other Income	3.93	3.00	5.56	13.05	14.36
III	Total Income (I + II)	3.93	3.00	5.56	13.05	14.36
IV	Expenses					
	(a) Cost of Materials consumed	-	-	-	-	-
	(b) Purchases of Stock-in-Trade	-	-	-	-	-
	(c) Changes in inventories of finished goods	-	-	-	-	-
	(d) Work-in-progress and Stock-in-Trade	-	-	-	-	-
	(e) Employee benefit expense	8.23	7.97	18.71	32.08	35.54
	(f) Finance Cost	-	-	-	-	0.09
	(g) Depreciation and Amortisation Expense	5.27	5.27	3.80	21.08	19.28
	(h) Other Expenses	11.47	9.38	3.48	43.67	52.36
	Total Expenses	24.97	22.63	25.99	96.83	107.27
V	Profit / (Loss) before exceptional and extraordinary items and tax (III -IV)	(21.04)	(19.63)	(20.43)	(83.78)	(92.91)
VI	Exceptional Items	-	-	-	-	16.34
VII	VII. Profit before extraordinary items and tax (V - VI)	(21.04)	(19.63)	(20.43)	(83.78)	(76.57)
VIII	Extraordinary items	-	-	-	-	-
IX	Profit before tax (VII- VIII)	(21.04)	(19.63)	(20.43)	(83.78)	(76.57)
X	Tax Expense					
	(1) Current Tax	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)	(21.04)	(19.63)	(20.43)	(83.78)	(76.57)
XII	Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV	Profit (Loss) for the period (XI + XIV)	(21.04)	(19.63)	(20.43)	(83.78)	(76.57)
XVI	Paid up Equity Share Capital (Face value of Rs.10/= each)	5,494.21	5,494.21	5,494.21	5,494.21	5,494.21
XVII	Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year				(758.56)	(674.77)
XVIII	Earnings per Share (EPS) - (Non Annualised)					
	(1) Basic	(0.04)	(0.04)	(0.04)	(0.15)	(0.14)
	(2) Diluted	(0.04)	(0.04)	(0.04)	(0.15)	(0.14)



**Notes:**

1	The above audited financial results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held today i.e. on 30th May, 2017
2	The company's Statutory Auditors have audited the above results for the quarter and the financial year ended 31.03.2017 and have issued a qualified audit report. The audit report has been filed with the Bombay Stock Exchange. With respect to sl.no 8(a) and (b) of Auditors Report, the Company has given unsecured interest free loan to Companies in earlier years and loan given to 100% Wholly Owned Subsidiary has been written off during 2014-15 consequent to wound up of the said subsidiary. Management response from time to time has been disclosed in our earlier years Directors' Report. Auditors qualification in their Auditors Report are repetitive of earlier financial years and the Management response shall be incorporated in the Annual Report 16-17 in Directors Report in due course.
3	As there is no business operation and other Income comprises of rental and interest income, the Company is under severe liquidity crisis to meet its liabilities and looking at various options to over come the said crisis
4	As per Accounting Standard (AS) 17, the Company has not reported any segment result since the Company is operating in single segment i.e.agriculture and agriculture is not generating any revenue
5	The Income and Expenses for the quarter ended 31.03.2017 represents the difference between the audited results for the financial year ended 31.03.2017 and unaudited financial results for the nine months ended 31.12.2016
6	Previous quarters/years figures have been re-grouped/reclassified wherever necessary to conform to the classification for the current quarter/year
7	Annual General Meeting of the Company will be held on or before 30th September 2017
8	Investors can access the result in our Company's website: <a href="http://www.bhorukaaluminium.com">www.bhorukaaluminium.com</a> as well as Website of Bombay Stock Exchange (Corporate Section)

Place: Mysuru

Date: 30.05.2017



For Bhoruka Aluminium Limited

  
Raj Kumar Aggarwal  
Managing DirectorDIN:  
01559120

## STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakhs

	Particulars	31.03.2017	31.03.2016
		Audited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders Funds:</b>		
	(a) Share capital	5,494.21	5,494.21
	(b) Reserves and Surplus	(758.56)	(674.77)
	(c) Money Received against Share Warrants	-	-
	<b>Sub Total -Shareholders Funds</b>	<b>4,735.65</b>	<b>4,819.44</b>
<b>2</b>	Share application money pending allotment	-	-
<b>3</b>	<b>Non Current Liabilities</b>		
	(a) Long Term Borrowings	296.60	211.60
	(b) Defened Tax Liabilites (net)	-	-
	(c) Other Long term Liabilities	-	-
	(d) Long Term Provisions	0.42	0.42
	<b>Sub Total -Non Current Liabilities</b>	<b>297.02</b>	<b>212.02</b>
<b>4</b>	<b>Current Liabilites</b>		
	(a) Short Term Borrowings	760.00	760.00
	(b) Trade Payables	627.23	627.23
	(c) Other Cument Liabilities	11.47	12.99
	(d) Short Term Provisions	443.82	523.08
	<b>Sub Total -Current Liabilities</b>	<b>1,842.52</b>	<b>1,923.30</b>
	<b>TOTAL EQUITY AND LIABILITES</b>	<b>6,875.19</b>	<b>6,954.76</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Cument Assets</b>		
	(a) Tangible Assets	56.12	77.19
	(b) Non Cument Investments	4,528.66	4,311.96
	(c) Defened Tax Asset (net)	-	-
	(d) Long Term loans and advances	2,183.15	2,460.40
	(e) Other Non Cument assets	-	-
	<b>Sub Total -Non Current Assets</b>	<b>6,767.93</b>	<b>6,849.55</b>
<b>2</b>	<b>Current Assets:</b>		
	(a) Current Investments	-	-
	(b) Inventories	-	-
	(c) Trade Receivables	-	0.90
	(d) Cash and Bank Balances	23.65	23.49
	(e) Short term Loans and Advances	-	-
	(f) Other Current Assets	83.61	80.82
	<b>Sub-total -Cument Assets</b>	<b>107.26</b>	<b>105.21</b>
	<b>TOTAL ASSETS</b>	<b>6,875.19</b>	<b>6,954.76</b>

Place: Mysuru  
Date: 30.05.2017



For Bhoruka Aluminium Limited

*Raj Kumar Aggarwal*  
Raj Kumar Aggarwal  
Managing Director  
DIN: 01559120

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHORUKA ALUMINIUM LIMITED

### Report on the Financial Statements

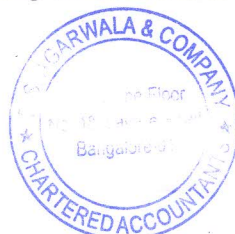
1. We have audited the accompanying financial statements of **BHORUKA ALUMINIUM LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2017**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. 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 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.
6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes



A handwritten signature in blue ink, appearing to be "M. Agarwala", written over the stamp.

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 financial statements.

7. 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.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, 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 **31<sup>st</sup> March, 2017**, and its **LOSS** and its cash flows for the year ended on that date subject to:

- (a) unsecured interest free loan given to Companies in earlier years amounting to Rs.21,13,85,894 outstanding as at **31<sup>st</sup> March, 2017** which is not recoverable; (Refer notes no. 21 to financial statements under sl.no.11)
- (b) unsecured interest free loan given to 100% wholly owned overseas subsidiary Bhoruka Aluminium FZE, UAE, amounting to Rs.4,16,67,054 has been written off in the Profit and Loss Account of previous year without the approval of RBI consequent to wound up of the said subsidiary; (Refer notes no. 21 to financial statements under sl. no. 12)

#### Report on Other Legal and Regulatory Requirements

9. 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, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
10. 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.



M. J. [Signature]

- (e) On the basis of the 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) On the basis of the information and explanation of the Company provided to us, the internal financial control, framework the report of the internal auditors and in our opinion, the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls; refer to our separate report in **Annexure "B"**.
- (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, as amended 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, if any, of pending litigations as at 31<sup>st</sup> March, 2017 on its financial position in its 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 21 to financial statements.

Place: Mysuru  
Date: 30<sup>th</sup> May, 2017



**For R.S. Agarwala & Co.**  
Firm Reg.No.00049S  
Chartered Accountants

**M. Gandhi**  
Partner  
Membership No.22958



## **ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT**

(Referred to under the heading of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report to the Members of **Bhoruka Aluminium Limited** on the Financial Statements for the year ended **31<sup>st</sup> March, 2017**),

We report that,

### **1) In respect of its fixed assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

### **2) In respect of its inventories:**

There are no inventories as on **31<sup>st</sup> March, 2017** as the Aluminium Extrusion Business division has been sold including inventories during the year 2013.

### **3) In respect of the loans, secured or unsecured, granted or taken by the Company to/from Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:**

- a) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnership or other parties during the year under review.
- b) However, according to the information and explanations given to us, the Company has granted unsecured interest free loans amounting to Rs. 16,00,42,040 to three Companies in earlier years, all the above companies are covered in the register maintained under Section 189 of the Companies Act, 2013 and the outstanding balance at the end of the financial year i.e. 31<sup>st</sup> March, 2017 was Rs. 16,00,42,040;
- c) There are no stipulation as to the dates of the repayment of the loan;
- d) In our opinion, the interest not charged is prima facie prejudicial to the interest of the Company as per Section 186 of the Companies Act, 2013;

- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit, we have not come across any major weakness in the internal control system nor we have been informed of any such instance in such internal control system.



*H. J.*

- 5) In our opinion and on the basis of the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder. Therefore, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- 6) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2016 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit since the Company is not carrying any manufacturing operations.
- 7) **According to the information and explanations given to us in respect of statutory dues:**
- a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31.03.2017 for a period of more than six months from the date they became payable.
- c) Details of dues of Service Tax, Excise duty and Income Tax which have not been deposited as on 31<sup>st</sup> March, 2017 on account of disputes are given below:

Name of statute	Nature of the disputes	Appeal No.	Forum where dispute pending	Period to which the amount relates	Amount Rs.
Service Tax(Finance Act, 1994)	Service Tax	632/2009	Central Excise & Service Tax Appellate Tribunal	May 2006 to March 2007	1,34,657
		401/2011		Jan.2007 to March 2007	1,95,186
Central Excise Act,1944	Duty SEZ	25944/2013	Central Excise & Service Tax Appellate Tribunal	July 2008 to December 2008	1,13,54,141
		E-136/2009		July 2007 to June 2008	2,39,90,442
Income Tax	Capital Gain Tax	109, CIT(A) Mys 2016-17	ITAT	AY 2013-14	15,10,81,930

- 8) According to the information and explanations given to us, the Company has not availed any term loan from bank / financial institution during the year under review;
- 9) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank / financial institutions.
- 10) According to the information and explanations given to us and the representations made by the Management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.




*H. J.*

- 11) According to the information and explanation given by the management, in our opinion, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) According to the information and explanation given by the management, in our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- 13) According to the information and explanation given by the management, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- 15) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company.
- 16) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as contemplated under the provisions of Section 192 of the Companies Act, 2013. Accordingly paragraph 3(xv) of the order is not applicable.
- 17) According to the information and explanation given to us, there were no amounts which were required to be transferred to Investor Education and Protection Fund (IEPF) in accordance with the relevant provisions of Section 125 of the Companies Act, 2013 and the Rules made thereunder.
- 18) Based on the audit procedures performed and according to the information and explanations given to us by the Management, we report that no material fraud on or by the Company has been noticed or reported by the Company during the course of our audit.
- 19) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Place: Mysuru  
Date: 30<sup>th</sup> May, 2017



**For R.S. Agarwala & Co.,**  
Firm Reg.No. 00049S  
Chartered Accountants  
  
**M. Gandhi**  
Partner  
Membership No.22958

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

To the Members of **Bhoruka Aluminium Limited**

- i. We have audited the internal financial controls over financial reporting of **Bhoruka Aluminium Limited** ("the Company") as of March 31, 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

- ii. 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

- iii. 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.
- iv. 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.
- v. 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



*M P*

- vi. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

- vii. 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**

- viii. 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 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".

#### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 30, 2017 expressed a qualified opinion thereon.

Place: Mysuru  
Date: 30<sup>th</sup> May, 2017



**For R.S. Agarwala & Co.**  
Firm Reg. No. 00049S  
Chartered Accountants

**M. Gandhi**  
Partner  
Membership No. 22958

**BHORUKA ALUMINIUM LIMITED**

Statement on Impact of Audit Qualification (For Audit Report with modified opinion) submitted along with Annual Audited Financial Results (Standalone) for the Financial Year ended 31st March, 2017  
(As per Regulation 33/52 of SEBI (LODR) Amended Regulations, 2016)


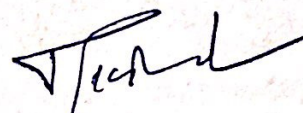
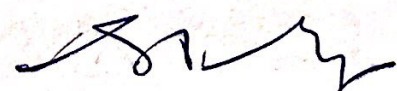
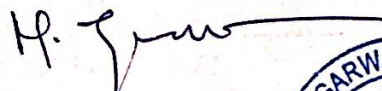
Rs. In Lakhs

Sl.No.	Particulars	Audited figures (As reported before adjusting for qualifications)	Adjusted figures (After adjusting for qualifications)	
I	1	Turnover / Total Income	13.05	13.05
	2	Total Expenditure	96.83	96.83
	3	Net profit / (Loss)	-83.78	-83.78
	4	Earnings per share	-0.15	-0.15
	5	Total Assets	6,875.19	6,875.19
	6	Total Liabilities	6,875.19	6,875.19
	7	Net Worth	4,735.65	4,735.65
	8	Any other financial items(s) (as felt appropriate by the management)	-	-

**Audit Qualifications:**

II	1a	<b>Details of Audit Qualification:</b> Unsecured interest free loan given to Companies in earlier years amounting to Rs.21,13,85,894 outstanding as at 31st March, 2017 which is not recoverable
	b	<b>Type of Audit Qualification: Qualified opinion</b>
	c	<b>Frequency of qualification: Repetitive - Repetitive since financial year 2013-14</b>
		<b>Management views on the impact of the Auditor's Qualification:</b>
	d	The Company has certain transactions with associate companies during the earlier years that have been classified as interest free loan based on the recommendations of experts. The Company is in the process of recovering such dues, but the likelihood of this challenging given difficult economic scenario. Legal notice has been sent to these Companies for recovery of dues.
		<b>Auditor's comments on the Management's views:</b>
	e	In our opinion, after reviewing the financial position of those companies, it is not possible to recover the principal amount. Hence, we are unable to express any opinion.
	2a	<b>Details of Audit Qualification:</b> Unsecured interest free loan given to 100% Wholly Owned Overseas Subsidiary Boruka Aluminium FZE, UAE, amounting to Rs. 4,16,67,054 has been written off in the Profit and Loss Account of during the financial year 2014-15 without the approval of RBI consequent to wound up of the said subsidiary
	b	<b>Type of Audit Qualification: Qualified opinion</b>
	c	<b>Frequency of qualification: Repetitive - Repetitive since financial year 2014-15</b>
	<b>Management views on the impact of the Auditor's Qualification:</b>	
d	The Company has given interest free loan to its 100% Wholly Owned Overseas Subsidiary Boruka Aluminium FZE, UAE, for its principal business activities. Since the said subsidiary has been wound up, the Company has written off the loan amount in the Profit and Loss Account during the financial year 2014-15. The Company is in the process of obtaining approval from RBI after completion of due legal compliances. There is no quantifiable impact on the current financial statements.	
	<b>Auditor's comments on the Management's views:</b>	
e	RBI approval is yet to be obtained	

**Signatories**

III		<p>Raj Kumar Aggarwal Managing Director DIN: 01559120</p> 
		<p>Saligrama Paraswannah Shanthinath Chairman - Audit Committee DIN: 05320198</p> 
		<p>R.S. Agarwala &amp; Co., Chartered Accountants Firm Reg.No.000495 M.Gandhi Partner Membership No.22958</p> 
	<p>Place: Mysuru Date: 30.05.2017</p>	