

THE BOARD OF DIRECTORS
KESORAM INDUSTRIES LIMITED
9/1, R. N. MUKHERJEE ROAD
KOLKATA 700 001

1. We have reviewed the accompanying 'Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2010' in which are included the results for the quarter ended September 30, 2010 and the statement of assets and liabilities as on that date (the "Statement") of Kesoram Industries Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "*Engagements to Review Financial Statements*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. We have not reviewed the statement of assets and liabilities as on September 30, 2009.
6. As indicated in Note 8 of the Statement, insurance claim of Rs 48.16 crore lodged on account of damage of certain inventory items due to flood has been recognised as "Other Operating Income" and no effect has been given in the aforesaid Statement for further claims of Rs 22.00 crore lodged on an estimated basis due to flood damage to plant & machineries and other items of fixed assets. Pending settlement of such claims, we are unable to comment on the appropriateness of the recognition of the claim of Rs 48.16 crore as "Other Operating Income" and the resultant adjustments, as may be required, on the results for the quarter / half year ended 30th September, 2010 and the net asset position as on that date.
7. Subject to our remark in paragraph 6 above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and has not

disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement for Equity and Clause 29 of the Listing Agreement for Debt Securities including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Price Waterhouse**

Firm Registration Number : 301112E

Chartered Accountants



S K Deb

Partner

Membership No. 13390

Kolkata

November 10, 2010