



## ARSS INFRASTRUCTURE PROJECTS LTD.

**Dated: 30.05.2018**

Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers  
1st Floor, Rotunda Building,  
Dalal Street,  
Mumbai- 400 001

National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400051

**Sub: Outcome of the Meeting of the Board of Directors held on 30.05.2018**

Dear Sir/ Madam,

This is to intimate to your good-self that the meeting of the Board of Directors of the company held today i. e on Wednesday, 30<sup>th</sup> May, 2018 at registered office of the company. Board of directors considered and approved Audited Financial Results of the Company for the Quarter and financial year ended on 31<sup>st</sup> March, 2018 along-with Audit Report of the Statutory Auditors thereon.

Further, please find the attached signed copy of Audited Financial Results of the Company (by Managing Director) for the Quarter and financial year ended on 31<sup>st</sup> March, 2018 along-with Audit Report of the Statutory Auditors thereon and Annexure 1 as required under reg. 33 of SEBI (LODR), Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016 regarding Disclosure of the Impact of Audit Qualifications by the Listed Entities under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016 respectively.

The same is for your kind information and record.

Thanking You,

**For ARSS Infrastructure Projects Limited**

  
(Alka Khemka)  
Company Secretary

Signature :-   
Name : Alka Khemka  
Designation : Company Secretary  
Address : Plot No-38, Sector-A, Zone-D  
Mancheswar Ind. Estate, Bhubaneswar-751010  
Membership No-F6838

Encl: as above

**CIN : L14103OR2000PLC006230**

**Regd. Office :** Sector A, Zone D, Plot #38, Mancheswar Industrial Estate, Bhubaneswar 751010, Odisha

Tel : 91 674 2588552 / 2588554, Fax : +91 674 2585074, E-mail: response@arssgroup.in, Website : www.arssgroup.in

**Corp. Office :** ARSS Mall, Community Centre, Plot No. 40, Block-A, Paschim Vihar, Opposit to Jwalaheri Market, New Delhi-110063 (India)

Tel.:+91 1125252024, Fax : +91 1125252012, E-mail : delhi@arssgroup.in



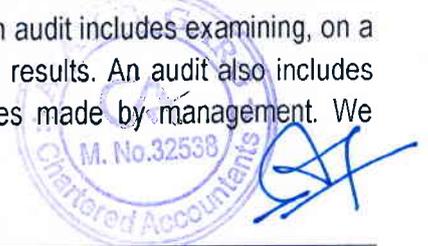
**Auditor's Report On Annual Standalone Ind AS Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
ARSS Infrastructure Projects Limited  
CIN : L14103OR2000PLC006230  
Plot-no-38, Sector-A, Zone-D  
Mancheswar Industrial Estate  
Bhubaneswar-751 010, Odisha

We have audited the quarterly standalone financial results of M/s. ARSS Infrastructure Projects Limited for the quarter ended 31<sup>st</sup> March 2018 and the year to date results for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Attention is drawn to the fact that the figures for the quarter ended 31<sup>st</sup> March 2018 is balancing figures between annual audited standalone financial statement for year ended 31<sup>st</sup> March 2018 and published financial result for nine month ended 31<sup>st</sup> December 2017 which was reviewed by us. Accordingly corresponding quarter ended 31<sup>st</sup> March 2018 and the corresponding year to date from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, including the reconciliation of profit / loss under Ind AS of the corresponding quarter with profit / loss reported under previous GAAP, as reported in these financial results have been approved by company's Board of Directors.

These quarterly standalone financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of standalone financial statements for the year ended 31<sup>st</sup> March 2018 and our review of standalone financial result for the nine month period ended 31<sup>st</sup> December 2017, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



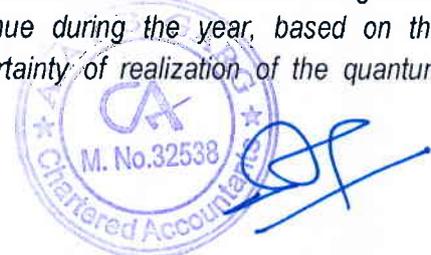


**AJAY B GARG**  
CHARTERED ACCOUNTANT

Conclusion:

Based on our audit conducted as above and subject to 'para a to h' stated below, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016 in this regard; and
- (ii) give a true and fair view of the net profit/ loss (financial performance including other comprehensive income) and other financial information for the quarter ended 31<sup>st</sup> March 2018 as well as the year to date results for the period from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.
  - a) *In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.*
  - b) *In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.*
  - c) *The company has overdue accumulated secured debts amounting to Rs.1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit & Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.*
  - d) *Interest on Service Tax payable of Rs.88.03 Lakhs has not provided, resulting to underreporting of loss to that extent.*
  - e) *Interest on Mobilization Advance Received of Rs.365.89 Lakhs has not been provided, resulting to underreporting of loss to that extent.*
  - f) *We draw attention to the Note No.10 to accompanying statement, wherein, Company has recognized additional claims receivables from various agencies amounting to Rs.13055 Lakhs as revenue during the year, based on the management perception of increased certainty of realization of the quantum amount of claim.*





# AJAY B GARG

CHARTERED ACCOUNTANT

- g) We draw attention to the Note No.12 to accompanying statement, wherein, based on expert advice and management estimation, Company has made downward revaluation of fixed assets by Rs.9510.76 Lakhs to represent it at fair value.
- h) We draw attention to the Note No.13 to accompanying statement, wherein, director's remuneration given is pending for approval from Central Government.

For Ajay B Garg  
Chartered Accountants

A Garg  
Proprietor  
Membership No.: 032538



Date : The 30<sup>th</sup> day of May, 2018.  
Place : Mumbai

## ARSS Infrastructure Projects Limited

CIN : L141030R2000PLC006230

## Part- II :Statement of Standalone Financial Results for the Quarter and Year ended March 31,2018

(₹ In lakhs)

		Quarter ended			Year ended	
		March 31,	December 31,	March 31,	March 31,	March 31,
		2018	2017	2017	2018	2017
		Audited	Un-audited	Audited	Audited	Audited
1	Revenue from Operations	13082	9105	33388	58434	83665
2	Other Income	794	410	469	1404	1378
3	Other Gains/(Losses)	125	28	28	502	111
4	<b>TOTAL INCOME(1+2+3)</b>	<b>14001</b>	<b>9543</b>	<b>33885</b>	<b>60340</b>	<b>85154</b>
5	<b>EXPENSES</b>					
	Cost of Materials Consumed	2126	2737	7438	12805	17064
	Cost Of Services Sold	5595	4085	4085	22380	16,340
	Change in Inventories (Increase) /Decrease	2170	-3225	9976	1193	46660
	Depreciation and Amortization expenses	610	596	785	2393	3263
	Employee Benefit Expenses	784	831	849	2951	2764
	Finance cost	374	777	816	3724	7699
	Other Expenses	6031	3795	11001	22771	25003
	<b>Total expenses</b>	<b>17690</b>	<b>9596</b>	<b>34950</b>	<b>68217</b>	<b>118793</b>
6	<b>PROFIT BEFORE TAX(4-5)</b>	<b>-3689</b>	<b>-53</b>	<b>-1065</b>	<b>-7877</b>	<b>-33639</b>
7	<b>TAX EXPENSES</b>					
	a)Current Tax	-	-	-	-	-
	b)Tax of Earilier Years	595	592	-	595	20
	c)Deferred tax	-2403	-38	49	-2,995	-498
	<b>Total Tax expense</b>	<b>-1808</b>	<b>554</b>	<b>49</b>	<b>-2400</b>	<b>-478</b>
8	<b>NET PROFIT FOR THE PERIOD(6-7)</b>	<b>-1881</b>	<b>-607</b>	<b>-1114</b>	<b>-5477</b>	<b>-33161</b>
	<b>OTHER COMPREHENSIVE</b>					
9	<b>INCOME (Refer Note 4)</b>	-3	131	-	-3	0
10	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-1884</b>	<b>-476</b>	<b>-1114</b>	<b>-5480</b>	<b>-33161</b>
11	Paid up equity share capital (face value: ₹10per share)	2274	2274	1484	2274	1484
12	<b>Total Other Equity</b>	-	-	-	1947	2216
13	Basic & diluted earnings per share(in ₹ )	-8.27	-2.67	-7.51	-24.09	-223.46

Regd. Office : Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate, Bhubaneswar, Odisha - 751010  
 Corp. Office : ARSS Mall, Plot no-40, Community Centre, Block-A, Paschim Vihar, Opp-Jwalaheri Market, New Delhi - 110063  
 E-mail : response@arssgroup.in, Website: www.arssgroup.in



**ARSS Infrastructure Projects Limited**  
**CIN : L141030R2000PLC006230**  
**Statement of Standalone Balance Sheet Year ended March 31,2018**

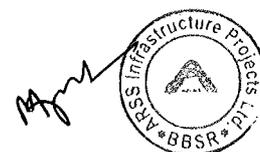
(₹ In lakhs)

	As at		
	March 31, 2018	March 31, 2017	1st April, 2016
	Audited	Audited	Audited
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	8,683	20,657	26,507
(b) Capital Work-in-progress	-	-	-
(c) Intangible Assets	-	-	-
(d) Financial Assets			
(i) Investments	4,238	4,190	3,922
(ii) Trade Receivables	-	-	-
(iii) Loans	195	333	325
(iv) Other Financial Assets	133,044	88,025	93,599
(e) Deferred Tax Liabilities (net)	1,097	-	-
(f) Other Non-Current Assets	-	-	16
<b>2. Current assets</b>			
(a) Inventories	6,175	5,869	55,775
(b) Financial Assets			
(i) Investments	-	-	-
(ii) Trade Receivables	5,080	8,214	18,515
(iii) Cash & Bank Balance	6,480	1,627	1,414
(iv) Bank Balances Other	3,363	5,807	6,186
(v) Loans	4,964	4,107	8,209
(vi) Other Financial Assets	1,073	37,492	16,389
(c) Current Tax Assets (net)	5,018	6,325	6,984
(d) Other Current Assets	1,456	1,875	2,074
<b>3. Non-Current Assets Held For Disposal</b>	-	2	107
<b>TOTAL ASSETS</b>	<b>180866</b>	<b>184523</b>	<b>240022</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity Share Capital	2,274	1,484	1,484
b. Other Equity	1,947	2,216	35,378
<b>2. Liabilities</b>			
<b>(i) Non-current Liabilities</b>			
a. Financial Liabilities			
(i) Borrowings	66,306	67,335	55,129
(ii) Trade Payables	-	-	-
(iii) Other Financial Liabilities	-	-	8
b. Provisions	61	70	73
c. Deferred Tax Liabilities (net)	-	1,900	2,399
d. Other Non-current Liabilities	108	108	108
<b>(ii) Current Liabilities</b>			
a. Financial Liabilities			
(i) Borrowings	101,825	101,599	94,549
(ii) Trade Payables	4,982	4,896	5,009
(iii) Other Financial Liabilities	1,785	3,379	42,731
b. Provisions	27	18	15
c. Other Current Liabilities	1,551	1,518	3,139
d. Current Tax Liability (net)	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180866</b>	<b>184523</b>	<b>240022</b>

Regd. Office : Plot No-38, Sector-A, Zone-D, Mancheswar Industrial Estate,  
Bhubaneswar, Odisha - 751010

Corp. Office : ARSS Mall, Plot no-40, Community Centre, Block-A, Paschim Vihar, Opp-Jwalaheri  
Market, New Delhi - 110063

E-mail : [response@arssgroup.in](mailto:response@arssgroup.in), Website: [www.arssgroup.in](http://www.arssgroup.in)



**ARSS Infrastructure Projects Limited**

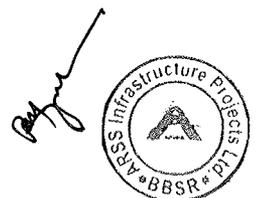
CIN : L141030R2000PLC006230

**Part-III :Selected Explanatory Notes to the statement of Financial Results for the Quarter Ended and Year Ended March 31,2018**

- 1 The above financial results of the Company for the quarter and year ended 31st March, 2018 have been audited and recommended by the audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 30th May, 2018. These results are being published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The above financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2017, and accordingly, these financial results (Including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared.
- 3 The format for quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, Ind AS and Sechedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 4 The company has not declared any dividend during the period for which results has been disclosed .
- 5 Reconciliation in accordance with requirement of Paragraph 32 of Ind-AS 101 "First Time Adoption of Ind-AS" between Standalone equity and financial results ,as previously reported (referred as previous GAAP) and Ind-AS for the quarter and year presented are as under :-

(₹ In lakhs)

5(a) <b>Equity Reconciliation</b>		<b>Standalone</b>	
		<b>As at</b>	
		<b>31st March, 2017</b>	<b>1stApril, 2016</b>
		<b>Audited</b>	<b>Audited</b>
	Total equity as per previous GAAP	5,149	38,212
	Deferred taxes under balance sheet approach	336	418
	Elimination of Finance Component of Deffered Revenue	-231	-
	Remeasurement of Investment in Joint Ventures	-52	-
	Debt Component of Equity Instrument	-1,500	-1,500
	Impairment Losses on Financial Assets	-	-264
	Equity method Consolidation of Associates and Joint Ventures	-	-
	Others	-2	-3
	<b>Total Equity as Per Ind-AS Financial Statements</b>	<b>3700</b>	<b>36862</b>



(₹ In lakhs)

Total Comprehensive Income Reconciliation		Standalone	
		For the Quarter Ended	For the Year Ended
		31st March, 2017	31st March, 2017
		Audited	Audited
	<b>Net Profit as per Previous GAAP</b>	1136	-33063
	Impairment Losses on Financial Assets	-	264
	Deferred taxes under balance sheet approach	-21	-82
	Elimination of Finance Component of Deffered Revenue	-	-231
	Equity method Consolidation of Associates and Joint Ventures	-	-
	Elimination Profit of Joint Ventures recognized in standalone Statement of Profit and Loss	-	-52
	Others	-2	2
	<b>Net Profit as per Ind-AS Financial Statements</b>	<b>1114</b>	<b>-33161</b>
	Re-measurement of defined employee benefit plans net of Tax Effect	-	-
	<b>Total Comprehensive Income as per Ind-AS Financial Statements</b>	<b>1114</b>	<b>-33161</b>

- 6 The company has adopted certain exemptions and exceptions in accordance with Ind-AS 101 "First time adoption of Ind-AS" in preparation Ind-AS Financial Statements.
- 7 Contract wise surplus/deficit has not been prepared as the number and complexity of the contracts are very high.
- 8 No interest has been recognized on borrowings coined as NPA by bankers.
- 9 Revenue from operation includes claims of Rs 13055 Lakhs during the current Financial Year.
- 10 No interest has been recognized on service tax payable of Rs 88 Lakhs.
- 11 The Company has revalued its fixed assets during the year resulting a revaluation loss of Rs. 9510.76 lakhs
- 12 The Company has paid Director remuneration of Rs. 63 lakhs subject to approval from Central Government.
- 13 Comparative figures have been rearranged / regrouped wherever necessary.

For and On Behalf of the Board  
of Directors of  
ARSS Infrastructure Projects  
Limited

  
Rajesh Agarwal  
(Managing Director)  
DIN-00217823



Date : 30th May, 2018  
Place: Bhubaneswar

**ARSS Infrastructure Projects Limited**

**CIN : L141030R2000PLC006230**

**EXTRACT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31ST MARCH 2018**

**Key numbers of Standalone Financial Results:**

**(Rs. in Lakhs)**

Sl. No.	Particulars	Quarter Ended 31st March, 2018	Year Ended 31st March, 2018	Quarter Ended 31st March, 2017	Year Ended 31st March, 2017
		Audited	Audited	Audited	Audited
1	Revenue from Operations	13,082	58,434	33,388	83,665
2	Net Profit / (Loss) (before Tax, Exceptional and/or Extraordinary items)	(3,689)	(7,877)	(1,065)	(33,639)
3	Net Profit / (Loss) before Tax (after Exceptional and/or Extraordinary items)	(3,689)	(7,877)	(1,065)	(33,639)
4	Net Profit / (Loss) after Tax (after Exceptional and/or Extraordinary items)	(1,881)	(5,477)	(1,114)	(33,161)
5	Total Comprehensive Income [Comprising Profit / (Loss) after tax and Other Comprehensive Income after tax]	(1,884)	(5,480)	(1,114)	(33,161)
6	Equity Share Capital	2,274	2,274	1,484	1,484
7	Earnings per share (of Rs 10/- each) Basic & Diluted (Rs.)	(8.27)	(24.09)	(7.51)	(223.46)

**Notes :**

- a) The above financial results of the Company for the quarter and year ended 31st March, 2018 have been audited and recommended by the audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 30th May, 2018. These results are being published in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) The above is an extract of the detailed format of Statement of Audited Financial Results for the quarter and year ended on 31st March, 2018 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The full format of the Statement of Audited Financial Results for the quarter and year ended on 31st March, 2018, are available on the website of the Stock Exchanges - [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) as well as on the website of the Company - [www.arssgroup.in](http://www.arssgroup.in).

**By order of the Board  
For 'ARSS Infrastructure Projects Limited**

**Date : 30th May, 2018  
Place: Bhubaneswar**

  
**Rajesh Agarwal**  
**(Managing Director)**  
**DIN - 00217823**



## Annexure I

Statement on Impact of Audit Qualifications (for audit report dated 30.05.2018 with modified opinion) submitted along-with Annual Audited Financial Results of ARSS Infrastructure Projects Limited for the Financial Year ended on 31<sup>st</sup> March, 2018.

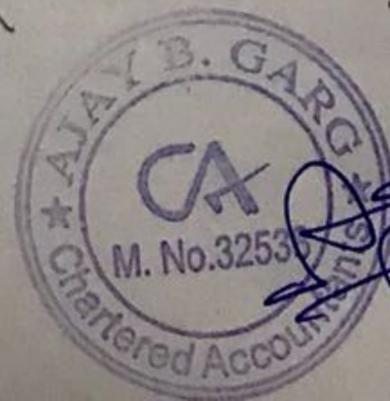
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amount in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in Lakhs)
	1.	Turnover / Total income	60,340	60,340
	2.	Total Expenditure	68,217	68,217
	3.	Net Profit/(Loss)	(7,877)	(7,877)
	4.	Earnings Per Share	(24.09)	(24.09)
	5.	Total Assets	180,866	180,866
	6.	Total Liabilities	176,645	176,645
	7.	Net Worth	4,221	4,221
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.		Audit Qualification (each audit qualification separately):		
		<p>a. <b>Details of Audit Qualification:</b></p> <p>a) <i>In the absence of audited books of accounts of Balaji-ARSS JV, ARSS-MVPL JV, ARSS-SIPS JV, ARSS-BMS JV discrepancies, if any, between the said accounts with that of the Company is not ascertainable.</i></p> <p>b) <i>In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with Ind AS-115 'Revenue from contract with customers'.</i></p> <p>c) <i>The company has overdue accumulated secured debts amounting to Rs.1491.49 Crores subject to reconciliation interest thereon from 01.04.2016. Banks has classified it as NPA. No interest has been charged on these secured debts to the Profit &amp; Loss account resulting in understatement of loss to that extent and understatement of liability. Secured lenders have served notices on various dates under section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for recovery of their dues.</i></p>		

Agm

Deep

S. N. Pattarain  
30/05/2018



- d) Interest on Service Tax payable of Rs.88.03 Lakhs has not provided, resulting to underreporting of loss to that extent
- e) Interest on Mobilization Advance Received of Rs.365.89 Lakhs has not been provided, resulting to underreporting of loss to that extent.
- f) We draw attention to the Note No.10 to accompanying statement, wherein, Company has recognized claims receivables from various agencies amounting to Rs.130.55 Crores as revenue during the year in view of increased certainty of the same.
- g) We draw attention to the Note No.12 to accompanying statement, wherein, based on expert advice and management estimation, Company has made downward revaluation of fixed assets by Rs.9510.76 Lakhs to represent it at fair value.
- h) We draw attention to the Note No.13 to accompanying statement, wherein, director's remuneration given is pending for approval from Central Government.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification:

- Qualification No. a) since Financial Year 2013-14
- Qualification No. b) since Financial Year 2013-14
- Qualification No. c) since Financial Year 2016-17
- Qualification No. d) since Financial Year 2016-17
- Qualification No. e) since Financial Year 2017-18
- Qualification No. f) since Financial Year 2017-18
- Qualification No. g) since Financial Year 2017-18
- Qualification No. h) since Financial Year 2017-18

*Am*

*10*

S. H. Patterain  
30/05/2018



*S. H. Patterain*

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Management view is as follows:

For Qualification No-(f) : The Company has recognized claims receivables from various agencies amounting to Rs.130.55 Crores as revenue as the cost on those projects has already been incurred by the company and the matter is under arbitration.

For Qualification No-(g) : The Company has made downward revaluation of fixed assets by Rs.9510.76 Lakhs to represent it at fair value due obsolescence of assets.

For Qualification No-(h): The company had already applied to Central Government for approval of Director's remuneration the approval of which is pending.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Nil

(ii) If management is unable to estimate the impact, reasons for the same:

For Qualification No-(a): The Joint Venture has completed the object for which it was formed. No transaction has been entered into during the Year. The accounts of the JVs are under the control of respective JV Partners i.e. Balaji Engicons Pvt.Ltd , Mateshweri Vanijya Pvt.Ltd , Shyam Indus Power Solutions Pvt Ltd and BMS Projects. The accounts of these JVs are yet to be finalized from their end. Hence financial implication for the JV is not quantifiable. However the accounting effect of the discrepancies, if any after the finalization of its accounts will be given at current date.

For Qualification No -(b): During the work execution period there is escalation claim, revision of contract value, extension of completion period, etc due to which unpredictable variation in reliable estimation of revenue and cost. Also the allocation of combine Operating overhead, Head office overhead and Financial Cost is not possible due to combine use or high swapping of resources, size of the Contracts. Hence financial implication of the qualification is not quantifiable.

For Qualification No- (c) : The Company has not provided interest on NPA accounts, Since the outstanding amount is not quantifiable and the company is in the process for one time settlement with the banks.

For Qualification No- (d): Management is unable to determined input credit of service tax and there would be variation in service tax liability, hence unable to quantify interest liability on same.

For Qualification No- (e): Interest on Mobilization Advance Received of Rs.365.89 Lakhs has not been provided as the department has the practice to deduct interest & principal of mobilization advance from our running account bill.



S. H. P. Hasain  
30/05/2018

*[Handwritten signature]*

(iii) Auditors' Comments on (i) or (ii) above:  
As per our qualifications.

III.

Signatories:

Managing Director

Rajesh Aggarwal 30/5/18.

CFO

S.K. Pattarain  
30/05/2018

Audit Committee Chairman

P. Parwa  
(S.K. PARWA)

Statutory Auditor

Aggarwal

Place: Bhubaneswar

Date: 30.05.2018

