ARSS INFRASTRUCTURE PROJECTS LTD.

Date: 19.07.2016

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

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

Sub: SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016 On Impact of Audit Qualifications by the Listed Entities under Regulation 33/52 of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2016.

Dear Sir,

Please find enclosed herewith the 'Statement on Impact of Audit Qualifications' (for the FY 2015-16) in the format specified in **Annexure I** pursuant to the SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016 on Impact of Audit Qualifications by the Listed Entities under Regulation 33/52 of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2016.

Kindly take the same in your 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

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (*Standalone and Consolidated separately*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016
[*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 Rs.)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in Rs.)
	1.	Turnover / Total income	6,44,89,52,406/-	6,44,89,52,406/-
	2.	Total Expenditure	6,38,66,64,562/-	6,38,66,64,562/-
	3.	Net Profit/(Loss)	5,01,72,511/-	5,01,72,511/-
	4.	Earnings Per Share	Basic: 3.38 Diluted: 2.21	Basic: 3.38 Diluted: 2.21
	5.	Total Assets	24,04,16,18,770/-	24,04,16,18,770/-
	6.	Total Liabilities	24,04,16,18,770/-	24,04,16,18,770/-
	7.	Net Worth	3,82,11,58,236/-	3,82,11,58,236/-
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II.	Audit Qualification (each audit qualification separately):
	a. **Details of Audit Qualification:** 1. In absence of relevant records, Contract-wise surplus/loss has neither been ascertained nor recognized in compliance with the requirements of para 34 and 35 of AS-7 "Construction Contracts" issued by the Institute of Chartered Accountants of India. 2. In the absence of accounts of Balaji-ARSS (JV) and ARSS-MVPL JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.
	b. **Type of Audit Qualification :** Qualified Opinion
	c. **Frequency of qualification:** Qualification No. 1 since Financial Year 2013-14 Qualification No. 2 since Financial Year 2013-14
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA**

G.C. Parijat (Ch. Audit Committee)

S. H. Pattanaik (CFO)

(Managing Director)

AJAY B. GARG CA M. No.32538 Chartered Accountants

	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-1 : 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-2 : 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. Balajii Engicons Pvt. Ltd. and Mateshweri Vanijya Pvt. Ltd. and the same has not been yet finalized from their end. Hence financial implication for the JV is not quantifiable. However the accounting effects of the discrepancies, if any after the finalization of its accounts will be given at current date.
	(iii) **Auditors' Comments on (i) or (ii) above:** As per our qualification.
III.	**Signatories:**
	☐ **CEO/Managing Director**
	☐ CFO
	☐ **Audit Committee Chairman** ✓
	☐ **Statutory Auditor**
	Place: Bhubaneswar
	Date: 22.06.2016

AJAY B. GARG * M. No.32538 * Chartered