AJAY B GARG
CHARTERED ACCOUNTANT

Review Report

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

Introduction

We have reviewed Standalone Unaudited Financial Results for the Quarter ended 30/09/2014 of the accompanying Statement of Unaudited Financial Results of ARSS Infrastructure Projects Limited , which has been approved by the Board of Directors. Management is responsible for the preparation and presentation of the said Part I of the Statement in accordance with applicable Accounting Standards and other recognised accounting practices and policies. Our responsibility is to express a conclusion on the said Part I of the Statement based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2400(R), 'Engagements to Review Financial Statements' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and subject to '*para a to e*' stated below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial result is not prepared, in all material respects, in accordance with applicable Accounting Standards 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 including the manner in which it is to be disclosed.

a) *No provision has been made against performance bank guarantees invoked total amounting to Rs.93.37 Crores against the company and disputed by it.*

b) *No provision has been made against claims recoverable amounting to Rs. 857.69 Crores disputed by the parties and referred for arbitration.*

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c) *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.*

d) *Interest for the quarter amounting to Rs.0.79 Crores on inter corporate deposits received has not been charged to the Profit & Loss account resulting in overstatement of profit to that extent.*

e) *In the absence of accounts of ARSS Balajee JV, HCIL-Adhikarya-ARSS JV, HCIL-ARSSPL JV, HCIL-ARSS-Kalindee JV, ARSS-MVPL JV and HCIL-ARSSPL-Triveni JV, discrepancies, if any, between the said accounts with that of the Company is not ascertainable.*

Report on Legal and Other Regulatory Requirements

We also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreement and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended 30/09/2014 of the Statement, from the details furnished by the Management / Registrars.

For Ajay B Garg
Chartered Accountants

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

*Ajay Garg*
Proprietor
Membership No.: 032538

Date : The 11th day of September, 2014
Place : Mumbai

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