



BSL/SECTT/SE/2018-19/06/27

June 19, 2018

Ms. Joyce Rodrigues / Mr. Hiren Shah
Manager
National Stock Exchange of India
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla, Bandra (E),
Mumbai - 400051

Ref: Your e-mail dated 12-Jun-2018

Sub: Clarification for financial Results – BS Limited

Dear Ms. Joyce Rodrigues/Mr. Hiren,

Refer our telephonic conversation regarding the subject, I am attaching herewith this letter a signed copy of Statement of Impact of Audit Qualification (both Standalone & Consolidate) along with following documents for your perusal. Further, Company has filed the following documents in full financials submitted with your good self vide NEAPS App. No. 36576 dated May 31, 2018.

1. Standalone Audited Report.
2. Consolidated audited review report
3. Consolidated audited review report/Statement of impact of Audit Qualification.
4. Audited financial results (resubmitted on June 08, 2018).

Kindly take above information on record & oblige.

Thanking You

Cordially Yours

For BS LIMITED

Nikita
19/06/2018

NIKITA BANSAL

COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As above

BS Limited

CIN:L27109AP2004PLC042375

#504, Trendset Towers, Road No. 2, Banjara Hills, Hyderabad - 500 034, Telangana, India.

Phone: +91 40 4455 8888 | Fax: +91 40 2354 3704 | www.bslimited.in

BS Limited.

(CIN: L27109TG2004PLC042375)

Regd. Office: Sy. No.41, Majeedpalli (V), APIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak 502334, Telangana

AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018

(Rupees in Lakhs)

PARTICULARS	STANDALONE					CONSOLIDATED	
	Quarter Ended			Year Ended		Year Ended	
	31.03.18 Audited	31.12.17 Unaudited	31.03.17 Audited	31.03.18 Audited	31.03.17 Audited	31.03.18 Audited	31.03.17 Audited
1 Income							
a. Net Sales/ Income from Operations	3,478.79	286.83	3,407.21	8,342.10	69,298.29	46,250.87	221,911.31
b. Other Income	13.39	4.55	5.28	157.62	272.07	241.69	572.44
	3,492.18	291.37	3,412.49	8,499.71	69,570.36	46,492.56	222,483.75
2 Expenditure							
a. Cost of materials Consumed	799.08	247.26	2,693.98	2,868.42	45,344.58	2,868.42	45,344.58
b. Purchase of Stock-in-Trade	1,622.95	-	-	2,990.22	-	38,863.49	147,787.41
c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	1,931.38	169.71	5,337.60	3,320.68	10,201.11	3,320.68	10,201.11
d. Excise Duty / GST Paid on Sales	-	47.45	444.45	265.22	1,358.56	265.22	1,358.56
e. Employee Benefit Expense	164.48	182.78	239.21	756.58	1,154.94	991.66	1,599.64
f. Finance Costs	24.96	143.17	(5,532.36)	1,648.72	9,213.85	2,471.71	10,342.18
g. Other Operating Expense	277.80	490.10	3,765.27	2,769.26	18,588.42	2,937.26	18,972.48
h. Administrative Expenses	105.82	143.13	266.57	579.66	1,089.74	874.20	1,390.15
i. Depreciation and Amortization Expense	1,017.39	1,040.56	1,283.56	4,126.50	5,147.50	4,712.43	5,716.03
j. Other Expense	69,502.20	3.81	15,867.54	69,511.73	18,984.98	71,271.02	19,391.63
TOTAL	75,446.06	2,467.98	24,365.84	88,836.97	111,083.69	128,576.09	262,103.78
3 Profit/(Loss) before exceptional and extraordinary items and tax (1-2)	(71,953.88)	(2,176.60)	(20,953.35)	(80,337.26)	(41,513.33)	(82,083.53)	(39,620.03)
4 Exceptional Items	-	-	-	-	-	-	-
5 Profit/(+)/Loss(-) before extraordinary items and tax (3 - 4)	(71,953.88)	(2,176.60)	(20,953.35)	(80,337.26)	(41,513.33)	(82,083.53)	(39,620.03)
6 Extraordinary items	-	-	-	-	-	-	-
7 Profit/(loss) before tax	(71,953.88)	(2,176.60)	(20,953.35)	(80,337.26)	(41,513.33)	(82,083.53)	(39,620.03)
8 Tax Expense							
a. Current Tax	-	-	-	-	-	-	-
b. Deferred tax	(366.24)	-	(701.58)	(366.24)	(701.58)	(80.55)	(654.45)
9 Profit (Loss) for the period from continuing operations (7-8)	(71,587.64)	(2,176.60)	(20,251.77)	(79,971.02)	(40,811.75)	(82,002.98)	(38,965.58)
10 Profit/(loss) from discontinuing operations	-	-	-	-	-	-	-
11 Tax expense of discontinuing operations	-	-	-	-	-	-	-
12 Profit/(loss) from Discontinuing operations (after tax) (10-11)	-	-	-	-	-	-	-
13 Profit (Loss) for the period (9 + 12)	(71,587.64)	(2,176.60)	(20,251.77)	(79,971.02)	(40,811.75)	(82,002.98)	(38,965.58)
14 Other Comprehensive Income (After Tax)	(2.50)	(2.50)	12.77	(10.00)	(3.36)	(10.00)	(3.36)
15 Profit / (Loss) after Comprehensive Income (After Tax) (CI)	(71,590.14)	(2,179.10)	(20,239.01)	(79,981.02)	(40,815.11)	(82,012.98)	(38,968.94)
16 Net Profit attributable to							
a) Owners of the company						(82,002.98)	(38,965.58)
b) Other Non Controlling Interest						-	-
17 Other Comprehensive Income attributable to							
a) Owners of the company						(10.00)	(3.36)
b) Other Non Controlling Interest						-	-
18 Total Comprehensive Income attributable to							
a) Owners of the company						(82,002.98)	(38,965.58)
b) Other Non Controlling Interest						-	-
19 Paid-up Equity Share Capital (Face Value of Re. 1/- each)	4,416.84	4,416.84	4,416.84	4,416.84	4,416.84	4,416.84	4,416.84
20 Reserve (excluding Revaluation Reserve)				(63,911.16)	16,069.86	(58,665.73)	23,720.53
21 Earnings Per Share (EPS)							
Basic EPS (Rs.)	(16.21)	(0.49)	(4.58)	(18.11)	(9.24)	(18.57)	(8.82)
Diluted EPS (Rs.)	(16.21)	(0.49)	(4.58)	(18.11)	(9.24)	(18.57)	(8.82)



BS Limited

(CIN: L27109TG2004PLC042375)

Regd. Office: Sy. No.41, Majeedpalli (V), APJIC Indl. Area, Muppireddypally, Manoharabad Mandal, Medak 502334, Telangana

AUDITED STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

PARTICULARS	STANDALONE		CONSOLIDATED	
	31.03.18 Audited	31.03.17 Audited	31.03.18 Audited	31.03.17 Audited
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	19,845.17	23,965.09	30,370.73	35,031.06
(b) Capital work-in-progress	951.11	941.03	951.11	941.03
(c) Other Intangible Assets	2.53	2.95	2.53	2.95
(d) Financial Assets				
(i) Non-Current investments	5,441.05	5,441.05	54.61	54.61
(ii) Long-term loans and advances	149.99	141.54	156.35	2,301.39
Total Non Current Assets	26,389.85	30,491.66	31,535.33	38,331.03
(2) Current assets				
(a) Inventories	4,257.97	9,644.08	4,257.97	9,644.08
(b) Financial Assets				
(i) Trade Receivables	73,317.49	136,824.29	97,984.56	164,719.88
(ii) Cash and cash equivalents	523.26	625.42	1,409.13	4,007.80
(iii) Short term loans and advances	8,733.78	8,237.85	10,905.03	13,731.38
(c) Other current assets	12,346.51	7,150.85	12,386.28	7,151.95
Total Current Assets	99,179.00	162,482.49	126,942.97	199,255.09
TOTAL ASSETS	125,568.85	192,974.15	158,478.29	237,586.11
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	4,416.84	4,416.84	4,416.84	4,416.84
(b) Other Equity	(63,911.16)	16,069.86	(58,665.73)	23,720.53
Total Equity	(59,494.32)	20,486.70	(54,248.90)	28,137.36
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13,723.64	17,547.31	21,381.77	24,416.18
(b) Provisions	113.39	116.06	113.41	116.06
(c) Deferred tax liabilities (Net)	275.38	641.62	264.29	630.53
(d) Other non-current liabilities	-	232.32	-	232.32
Total Non-Current Liabilities	14,112.41	18,537.31	21,759.47	25,395.10
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	126,740.74	120,761.74	132,207.41	120,810.98
(ii) Trade Payables	10,713.24	12,029.15	24,342.87	39,801.80
(b) Other current liabilities	25,003.11	12,077.03	25,664.09	14,183.09
(c) Provisions	8,493.66	9,082.21	8,753.36	9,257.78
Total Current Liabilities	170,950.75	153,950.14	190,967.73	184,053.65
TOTAL EQUITY AND LIABILITIES	125,568.85	192,974.15	158,478.29	237,586.11



BS Limited

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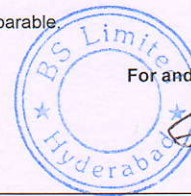
Notes :

- 1) The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 30th May 2018.
- 2) The above financials are prepared in accordance with the Ind-AS as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- 3) **Segmental Reporting**

Particulars	STANDALONE					CONSOLIDATED	
	Quarter Ended		Year Ended			Year Ended	
	31.03.18 Audited	31.12.17 Unaudited	31.03.17 Audited	31.03.18 Audited	31.03.17 Audited	31.03.18 Audited	31.03.17 Audited
1) Segment Revenue							
Engineering, Procurement and Construction business (EPC)	1,847.47	286.83	3,407.21	5,334.19	69,298.29	9,535.94	70,493.21
Trading Business	1,631.32	-	-	3,007.91	-	36,714.93	151,418.10
Total	3,478.79	286.83	3,407.21	8,342.10	69,298.29	46,250.87	221,911.31
2) Segment Results (EBIDTA)							
Engineering, Procurement and Construction business (EPC)	(70,933.28)	(997.42)	(25,207.43)	(74,737.35)	(27,424.05)	(73,716.37)	(26,662.78)
Trading Business	8.37	-	-	17.69	-	(1,424.71)	2,528.52
Total (EBIDTA)	(70,924.92)	(997.42)	(25,207.43)	(74,719.66)	(27,424.05)	(75,141.08)	(24,134.26)
Less : Interest	24.96	143.17	(5,532.36)	1,648.72	9,213.85	2,471.71	10,342.18
Other Un-allocable Expenditure net off	1,019.89	1,043.06	1,270.80	4,136.50	5,150.86	4,722.43	5,719.39
Un-allocable income	(13.39)	(4.55)	(5.28)	(157.62)	(272.07)	(241.69)	(572.44)
3) Total Profit Before Tax	(71,956.38)	(2,179.10)	(20,940.59)	(80,347.26)	(41,516.69)	(82,093.53)	(39,623.39)
4) Segment Assets							
Engineering, Procurement and Construction business (EPC)	125,568.85	188,378.93	192,974.15	125,568.85	192,974.15	136,678.23	204,403.89
Trading Business	-	-	-	-	-	21,800.06	33,182.22
Total Segment Assets	125,568.85	188,378.93	192,974.15	125,568.85	192,974.15	158,478.29	237,586.11
5) Segment Liabilities							
Engineering, Procurement and Construction business (EPC)	171,339.52	161,214.74	154,940.14	171,339.52	154,940.14	172,391.49	157,101.16
Trading Business	-	-	-	-	-	18,953.93	27,931.41
Total Segment Liabilities	171,339.52	161,214.74	154,940.14	171,339.52	154,940.14	191,345.42	185,032.57
4) Capital Employed							
Engineering, Procurement and Construction business (EPC)	(45,770.68)	27,164.19	38,034.01	(45,770.68)	38,034.01	(35,713.26)	47,302.74
Trading Business	-	-	-	-	-	2,846.13	5,250.81
Total	(45,770.68)	27,164.19	38,034.01	(45,770.68)	38,034.01	(32,867.13)	52,553.54

- 4) The Board of Directors, at its Meeting held on November 28, 2016, had resolved to revise the Financial Statements for FY 2014-15 and FY 2015-16, voluntarily, by seeking the approval of the National Company Law Tribunal ("NCLT"), in compliance with Section 131 of the Companies Act, 2013 and Rules prescribed thereunder. Accordingly, the Company has filed an application with the National Company Law Tribunal seeking approval for the Revision of the Financial Statements of the Company for the FY 2014-15 and FY 2015-16 to Write-off the outstanding Receivables and Loans & Advances over Two Financial years aggregating to Rs.110.55 Crores in the FY 2014-15 and Rs. 103.61 Crores in the FY 2015-16. The Petition has been rejected by NCLT and the company has filed an appeal with NCLAT against the order of NCLT. No effect has been given for the same in the financials.
- 5) In view of the defaults in the payment of interest in the case of Working capital loans and payment of interest and loan installments in the case of Term Loans /Corporate Loans the Companies Loan Accounts have been classified as NPA by the Lending Banks and Financial Institutions and hence the provision for interest amounting to Rs. 169.67 Cr. (P.Y Rs. 90.90 cr) and Rs. 28.60 Cr.(P.Y Rs. 10.62 cr) has not been made by the Company on its Working Capital Loan and Term Loan / corporate loans respectively. The loss of the Company has been understated by Rs.198.27 Cr (P.Y Rs. 101.52 cr). in view of non provision of interest amount.
- 6) The figures for the quarter ended 31st March 2018 and 31st March 2017 are arrived at as difference between audited figures in respect of full financial year for the year ended March 31, 2018 & March, 2017 and reviewed figures upto nine months period ended December 31, 2017 & December 31, 2016 respectively.
- 7) Previous Period Figures have been regrouped / rearranged wherever considered necessary, to make them comparable.

For and on behalf of the Board of Directors



Arun Dogra
(Arun Dogra)
Whole Time Director

Place : Hyderabad
Date : May 30, 2018

ANNEXURE I

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

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]

Rs. In Lakhs				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	8499.71	8499.71
	2.	Total Expenditure	88480.73	108307.18
	3.	Net Profit/(Loss)	(79981.02)	(99807.47)
	4.	Earnings Per Share	(18.11)	(22.59)
	5.	Total Assets	125568.85	104165.93
	6.	Total Liabilities	185063.17	204889.62
	7.	Net Worth	(59494.32)	(100723.69)
	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. The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA's by the banks during the preceding financial year. Provision for interest (excluding penal interest) amounting to Rs. 169.67 Cr. and Rs. 28.60 Cr. on its Working Capital Loan and Term Loan respectively has not been made in the books by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.198.27 Cr. in view of non provision of Interest amount. If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 997.98 Cr.
2. The trade receivables could not be verified as confirmation of balances has not been received. The company has written off trade receivables amounting to Rs. 694.96 Crores in the current financial year. The realisability of remaining trade receivables amounting to Rs.500.84 Crores is in doubt and company has not made any provision for Bad and Doubtful debts in respect of these receivables.
3. Since the Company has not obtained any technical/market/commercial evaluation for the inventory, we are unable to comment on the realizable value of

the same, which may be lower than the amount at which it has been reflected in the balance sheet.

4. In absence of technical and costing evaluation of current and noncurrent assets, impact of impairments, if any, on their economic value, we can't comment on the realizable value of same

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: first time

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

1. Company has not provided interest accrued on Loans as the same has been classified as NPA by the lenders. Company is in talks with the lenders for resolution process which includes waiver of interest
2. Out of Trade receivables of 500.84 cr , the company has approached NCLT to write off Rs. 161.21 cr in earlier financial years by revision of financials for earlier years and for the balance amount of Rs. 339.63cr , the company is reconciling the accounts with customers and is confident of recovery subject to settlements and consequential adjustments.

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

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

1. Valuation of inventory is done by the management at realisable value by taking into account the current status of inventory and the management is of the opinion that valuation is not over estimated .
2. Management has done the in house evaluation of the current assets and is of the opinion that no provision is required for impairment except of Rs. 52.82 cr being Loans and advances given to supplier for which the company has already approached NCLT to write off the same in earlier financial years by revision of financials for earlier years

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

(iii) Auditors' Comments on (i) or (ii) above:

III.

Signatories:

CEO/Managing Director
CFO

Audit Committee Chairman

Statutory Auditor

Place: Hyderabad

Date: 30-05-2018

ANNEXURE I

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

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]

		Rs. In Lakhs		
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	46492.56	46492.56
	2.	Total Expenditure	128505.54	148331.99
	3.	Net Profit/(Loss)	(82012.98)	(101839.43)
	4.	Earnings Per Share	(18.57)	(23.05)
	5.	Total Assets	158478.29	137075.37
	6.	Total Liabilities	212727.19	232553.64
	7.	Net Worth	(54248.90)	(95478.27)
	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. The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA's by the banks during the preceding financial year. Provision for interest (excluding penal interest) amounting to Rs. 169.67 Cr. and Rs. 28.60 Cr. on its Working Capital Loan and Term Loan respectively has not been made in the books by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.198.27 Cr. in view of non provision of Interest amount. If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 997.98 Cr.
2. The trade receivables could not be verified as confirmation of balances has not been received. The company has written off trade receivables amounting to Rs. 694.96 Crores in the current financial year. The realisability of remaining trade receivables amounting to Rs.500.84 Crores is in doubt and company has not made any provision for Bad and Doubtful debts in respect of these receivables.
3. Since the Company has not obtained any technical/market/commercial evaluation for the inventory, we are unable to comment on the realizable value of

the same, which may be lower than the amount at which it has been reflected in the balance sheet.

4. In absence of technical and costing evaluation of current and noncurrent assets, impact of impairments, if any, on their economic value, we can't comment on the realizable value of same
5. The statutory auditors of BS Global Resources Private Limited have mentioned in their audit report that they are unable to obtain the direct bank confirmation for the Cash at Bank amounting to US\$ 8,988/- as included in Cash and Cash equivalents as stated at the date of Statement of Financial Position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
6. The statutory auditors of BS Global Resources Private Limited have mentioned in their audit report that they are unable to verify the subsequent collections after the year end which are past due amounting to US\$ 28,364,714/- as included in Trade and Other receivables. Further mentioned that they are unable to obtain the direct confirmation for the Trade and Other receivables amounting to amounting to US\$28,364,714/- as included in Trade and Other receivables as stated at the date of Statement of Financial Position as at 31st March 2018. Hence, they mentioned that are unable to verify independently on the correctness, completeness and valuation of the Trade and Other receivables. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
7. The statutory auditors of BS Global Resources Private Limited have mentioned in their audit report that they are unable to obtain the direct confirmation for the Trade and other payables amounting to US\$7,669,040/- as included in Trade and Other payables. Further mentioned that they are unable to verify the subsequent payments for the Trade and other payables to the extent of US\$ 9,756,142/- as included in Trade and Other payables as stated at the date of Statement of Financial position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
8. The statutory auditors of BS Global Resources Private Limited have mentioned in their audit report that they are unable to obtain the bank confirmation for the borrowings amounting to US\$3,490,799/-as included in Borrowings. Further mentioned that they are unable to verify the subsequent payments for the Borrowings after the year end which are past due to the extent of US\$ 6,655,940/- as included in Borrowings as stated at the date of Statement of Financial Position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: first time

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

1. Company has not provided interest accrued on Loans as the same has been classified as NPA by the lenders. Company is in talks with the lenders for resolution process which includes waiver of interest
2. Out of Trade receivables of 500.84 cr , the company has approached NCLT to write off Rs. 161.21 cr in earlier financial years by revision of financials for earlier years and for the balance amount of Rs. 339.63cr , the company is reconciling the accounts with customers and is confident of recovery subject to settlements and consequential adjustments.
3. As regards the balance confirmation from banks in the case of BS Global Resources Private Ltd , due to constraint of time the company has not arranged the confirmation in time however the balance as mentioned is available in the bank accounts of the company.
4. In respect of confirmations of Trade receivables , Trade payables and Lenders and loans and advances , due to shortage of manpower necessary confirmations were not taken in time and delayed , however the management is of the opinion that there are no material adjustments in this regards.

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

- (i) Management's estimation on the impact of audit qualification:
 1. Valuation of inventory is done by the management at reliable value by taking into account the current status of inventory and the management is of the opinion that valuation is not over estimated .
 2. Management has done the in house evaluation of the current assets and is of the opinion that no provision is required for impairment except of Rs. 52.82 cr being Loans and advances given to supplier for which the company has already approached NCLT to write off the same in earlier financial years by revision of financials for earlier years

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

(iii) Auditors' Comments on (i) or (ii) above:

III.

Signatories:

CEO/Managing Director

CFO

Audit Committee Chairman

Statutory Auditor

Place: Hyderabad

Date: 30.05.2018





P. MURALI & CO.,

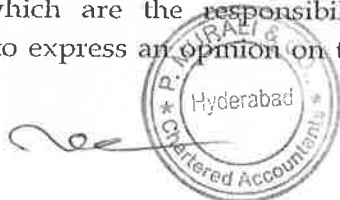
CHARTERED ACCOUNTANTS
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Auditor's Report on Standalone Quarterly Financial Results and Year to Date Financial Results of M/s. BS LIMITED pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

To
The Board of Directors
BS LIMITED

1. We have audited the standalone quarterly financial results of M/s. BS LIMITED for the quarter ended March 31, 2018 and to the year to date financial results for the year ended March 31, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The Standalone financial results for the quarter ended March 31, 2018 have been prepared on the basis of the annual standalone IND AS financial Statements for the nine-month period ended December 31, 2017, the Standalone audited annual financial statements as at and for the year ended March 31, 2018, and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Standalone financial results based on our review of the financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with applicable Ind AS and other recognised accounting policies laid down in Accounting Standard (Ind AS) 25, Interim Financial Reporting, specified under section 133 of the act, read with rules 7 of the companies (Accounts) Rules 2014 and other accounting principles generally accepted in India and our audit of the annual financial statements as at and for the year ended March 31, 2018; and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. These Standalone financial results have been prepared on the basis of Ind AS financial statements and reviewed quarterly financial results up to the end of the third quarter, which are the responsibility of Companies Management. Our responsibility is to express an opinion on these Standalone financial results based





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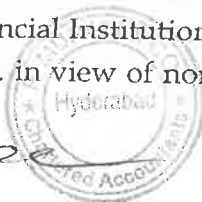
on our Audit of such annual Ind AS Financial statements, which has been prepared in accordance with the recognised and measurements principles laid down in Indian Accounting Standards, prescribed under section 133 of the Companies Act, 2013 and the relevant requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

3. 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. 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.
4. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for Qualified Opinion and Disclaimer Opinion, these standalone quarterly financial results as well as the year to date standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in this regard; and
 - (ii) give a true and fair view of the total comprehensive losses (Comprising of net losses & other Comprehensive losses) and other financial information for the quarter ended March 31, 2018 as well as the year to date results for the period from April 1, 2017 to March 31, 2018.

Basis of Qualified Opinion:

Attention is invited to:

- a) The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA by the banks during the preceding financial year. Provision for interest (excluding penal interest) amounting to Rs. 169.67 Cr. and Rs. 28.60 Cr. on its Working Capital Loan and Term Loan respectively has not been made in the books by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.198.27 Cr. in view of non provision of Interest amount. If the



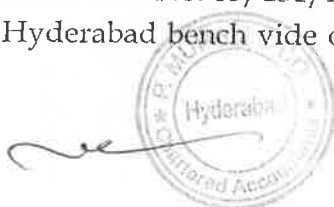


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- accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 997.98 Cr.
- b) The Company is not regular in payment of undisputed statutory dues during the current financial year amounting to Rs. 10,20,44,204 which includes TDS, TCS, Dividend Distribution Tax, Service Tax, Provident Fund, Employees State Insurance and Professional Tax.
- c) Since the Company has not obtained any technical/market/commercial evaluation for the inventory, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet.
- d) In absence of technical and costing evaluation of current and non-current assets, impact of impairments, if any, on their economic value, we are not in a position to comment on the realizable value of same.
- e) The trade receivables could not be verified as confirmation of balances have not been received. The company has written off trade receivables amounting to Rs. 694.96 Crores in the current financial year. The realisability of remaining trade receivables amounting to Rs.500.84 Crores is in doubt and company has not made any provision for Bad and Doubtful debts in respect of these receivables.
- f) This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its financial obligation including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations.
- g) The financial statements for the FY 2015-16 were not adopted by the shareholders at the AGM conducted on 29-12-2017. The company's ongoing petition u/s 131 of the Companies Act, 2013 and rules prescribed there under for the Financial Year's 2014-15 and 2015-16 for getting approval for revision of its financial Statements to write-off outstanding trade receivables and Loan & Advances given by company over 2 Financial Year's aggregating to 214.16 crores i.e. 110.55 crores in F.Y. 2014-15 and remaining balance of Rs.103.61 Crore in F.Y. 2015-16 vide application C.A. No. 85/131/HDB/2017 had been dismissed by the Honorable NCLT, Hyderabad bench vide order dated 27.02.2018. Aggrieved by





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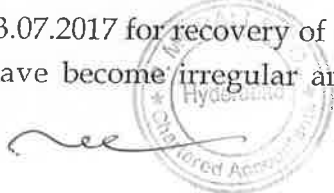
the above decision of NCLT, the company has filed an appeal before Hon'ble NCLAT on 19-05-2018 which is pending as on date.

- h) The company has given bank guarantees for the contracts entered during preceding financial years. The projects were abandoned midway due to some technical reasons and during the current financial year, the customers have invoked those bank guarantees. This made the company to claim the respective invoked amounts from the customers.
- i) The company did not file the returns of Income Tax for the assessment years of 2015-16 and 2016-17 and self-assessment tax amounting to Rs. 26,79,98,355 and Rs. 35,35,45,760/- respectively were not paid and such status of payment will not hold good afterwards as due to account of application for revision of financials for these two years (F.Y.2014-15 and F.Y.2015-16) by the company under Sec. 131 of the Companies Act 2013 and which is pending for disposal with NCLAT.
- j) The company's net worth has been eroded on account of losses of the company in current financial year and immediately preceding financial year and the Net worth of the company is negative. The current liabilities of the company exceeded its current assets as at the balance sheet date by Rs. 7,17,64,25,721 /-. It would cast doubt on the Company's ability to continue as a going concern basis. The financials has not been with such adjustments for the F Y- 2017-18.

Emphasis of Matters:

Attention is invited to:

- a) During the year, SBI along with other banks which are in consortium for granting loans to the company has issued notices on 14-09-2017 & 20-09-2017 under section 13(4), Rule 8(1), 8(2) of SARFAESI Act advising to take symbolic possession and later issued a notice on 07.12.2017 & 29.12.2017 under Rule 8(6) of the Security Interest (Enforcement) Rules under the SARFAESI Act advising for the proposed sale of the said properties, which are mortgaged to banks, by public E-Auction.
- b) State Bank of India and 7 other banks made an application with Debts Recovery Tribunal (DRT) on 13.07.2017 for recovery of outstanding dues to the banks from BS Limited which have become irregular and overdue. The Hon'ble DRT has





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passed an interim order on 21.07.2017, mentioning to the company that they should file the objections/Counters against the application as on 08-08-2017.

- c) The company and its promoters, has been declared as "Willful Defaulter" by IFCI Limited, one of the term lenders, as per guidelines of Reserve Bank of India's Circular dated 1.7.2015.
- d) The company has received show cause notice from State Bank of India, SAM II Branch, Hyderabad, vide their letter No. SAMB/HYD/KSJ/1871 dated 5.3.2018 seeking company's replies as to why the company should not be declared as a willful defaulter.
- e) The company has Outstanding Trade Receivables and the Advances which have been outstanding for more than 365 days as on the financial year ending March 31, 2018 and that the Financial Statements of the Company did not include any adjustment relating to the certainty of the recovery of such balances to the extent of Rs. 232.33 crores.
- f) During the year, State Bank of India SAM-II Branch has made application, with National Company Law Tribunal (NCLT) Hyderabad under Section 7 of Insolvency and Bankruptcy Code 2016.
- g) Trading of company's securities has been suspended in both Bombay Stock Exchange & National Stock Exchange for Non-Filing of annual reports with Stock Exchanges for two years i.e., F.Y. 2015-16 & F.Y.2016-17. The SEBI has suspended trading of Company's securities w.e.f 11.05.2018.
- h) One of the major manufacturing unit of the company has not been in its operations from October, 2017.

For P. Murali & Co,
Chartered Accountants,
FRN No: 007257S


A. Krishna Rao
Partner
M.No:020085



Place: Hyderabad
Date: 30-05-2018



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Auditor's report on quarterly consolidated financial results and year to date results of the M/s. BS Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
BS Limited

1. We have audited the accompanying statement of quarterly consolidated financial results of BS Limited ('the Company'), its subsidiaries and joint venture (the Company, its subsidiaries and joint venture together referred to as, 'the Group') for the quarter and year ended March 31, 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. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter and year ended March 31, 2018 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2017, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements 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, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements 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.

2. 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 consolidated financial results are free of material misstatements. 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.





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3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries and financial statements and the other financial information of joint venture which is furnished by the management, except for the effects of the matters described in the basis for Qualified Opinion and Disclaimer Opinion, these quarterly consolidated financial results as well as the year to date results:

i. includes the results of the following entities:

a) BS Global Resources Private Limited

b) BS Limited FZE

c) Raichur Sholapur Transmission Company Private Limited (Joint Venture)

ii. are presented in accordance with the requirements 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, in this regard; and

iii. give a true and fair view of the consolidated total comprehensive loss (comprising of net loss and other comprehensive loss) and other financial information for the quarter and year ended March 31, 2018.

4. We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs. 28,311.89 lakhs as at March 31, 2018, and total revenues of Rs. 36,705.55 lakhs for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

We did not audit the financial statements and other financial information, in respect of the joint venture, whose Ind AS financial statements include total assets of Rs. 11,109.38 lakhs as at March 31, 2018, and total revenues of Rs. 1203.21 lakhs for the year ended on that date. These Ind AS financial statements and other financial information, & financial statements have been prepared and furnished to us by the management. Our opinion, in so far as it relates to the affairs of such joint venture is based solely on the information furnished to us. Our opinion is not qualified in respect of this matter.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required

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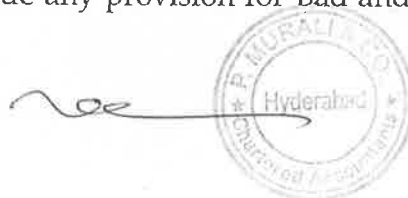
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under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016.

Basis of Qualified Opinion:

Attention is invited to:

- a) The Company has defaulted in repayment of dues to Banks/Financial Institutions during the current financial year. All loans outstanding were classified as NPA by the banks during the preceding financial year. Provision for interest (excluding penal interest) amounting to Rs. 169.67 Cr. and Rs. 28.60 Cr. on its Working Capital Loan and Term Loan respectively has not been made in the books by the Company, as those Loan Accounts were classified as NPA by the Lending Banks and Financial Institutions. The loss of the Company has been understated by Rs.198.27 Cr. in view of non provision of Interest amount. If the accrued interest on outstanding bank facilities debited to P&L account then the company will incur loss of Rs. 997.98 Cr.
- b) The Company is not regular in payment of undisputed statutory dues during the current financial year amounting to Rs. 10,20,44,204 which includes TDS, TCS, Dividend Distribution Tax, Service Tax, Provident Fund, Employees State Insurance and Professional Tax.
- c) Since the Company has not obtained any technical/market/commercial evaluation for the inventory, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet.
- d) In absence of technical and costing evaluation of current and non-current assets, impact of impairments, if any, on their economic value, we are not in a position to comment on the realizable value of same.
- e) The trade receivables could not be verified as confirmation of balances have not been received. The company has written off trade receivables amounting to Rs. 694.96 Crores in the current financial year. The realisability of remaining trade receivables amounting to Rs.500.84 Crores is in doubt and company has not made any provision for Bad and Doubtful debts in respect of these receivables.





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- f) This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to meet its financial obligation including repayment of various loans and unpaid interest and the ability to fund various obligations pertaining to operations including unpaid/overdue creditors, for ensuring/commencing normal operations.
- g) The financial statements for the FY 2015-16 were not adopted by the shareholders at the AGM conducted on 29-12-2017. The company's ongoing petition u/s 131 of the Companies Act, 2013 and rules prescribed there under for the Financial Year's 2014-15 and 2015-16 for getting approval for revision of its financial Statements to write-off outstanding trade receivables and Loan & Advances given by company over 2 Financial Year's aggregating to 214.16 crores i.e. 110.55 crores in F.Y. 2014-15 and remaining balance of Rs.103.61 Crore in F.Y. 2015-16 vide application C.A. No. 85/131/HDB/2017 had been dismissed by the Honorable NCLT, Hyderabad bench vide order dated 27.02.2018. Aggrieved by the above decision of NCLT, the company has filed an appeal before Hon'ble NCLAT on 19-05-2018 which is pending as on date.
- h) The company has given bank guarantees for the contracts entered during preceding financial years. The projects were abandoned midway due to some technical reasons and during the current financial year, the customers have invoked those bank guarantees. This made the company to claim the respective invoked amounts from the customers.
- i) The company did not file the returns of Income Tax for the assessment years of 2015-16 and 2016-17 and self-assessment tax amounting to Rs. 26,79,98,355 and Rs. 35,35,45,760/- respectively were not paid and such status of payment will not hold good afterwards as due to account of application for revision of financials for these two years (F.Y.2014-15 and F.Y.2015-16) by the company under Sec. 131 of the Companies Act 2013 and which is pending for disposal with NCLAT.
- j) The company's net worth has been eroded on account of losses of the company in current financial year and immediately preceding financial year and the Net worth of the company is negative. The current liabilities of the company exceeded its current assets as at the balance sheet date by Rs. 7,17,64,25,721 /-. It would cast doubt on the Company's ability to continue as a going concern basis. The financials has not been with such adjustments for the F Y- 2017-18.





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Basis of Disclaimer Opinion:

- a) The statutory auditors of BS Global Resources Private Limited have stated in their auditor's report that they are unable to obtain the direct bank confirmation for the Cash at Bank amounting to US\$ 8,988/- as included in Cash and Cash equivalents as stated at the date of Statement of Financial Position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
- b) The statutory auditors of BS Global Resources Private Limited have stated in their auditor's report that they are unable to verify the subsequent collections after the year end which are past due amounting to US\$ 28,364,714/- as included in Trade and Other receivables. Further mentioned that they are unable to obtain the direct confirmation for the Trade and Other receivables amounting to amounting to US\$28,364,714/- as included in Trade and Other receivables as stated at the date of Statement of Financial Position as at 31st March 2018. They stated that are unable to verify independently on the correctness, completeness and valuation of the Trade and Other receivables. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
- c) The statutory auditors of BS Global Resources Private Limited have stated in their auditor's report that they are unable to obtain the direct confirmation for the Trade and other payables amounting to US\$7,669,040/- as included in Trade and Other payables. Further mentioned that they are unable to verify the subsequent payments for the Trade and other payables to the extent of US\$ 9,756,142/- as included in Trade and Other payables as stated at the date of Statement of Financial position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.
- d) The statutory auditors of BS Global Resources Private Limited have stated in their auditor's report that they are unable to obtain the bank confirmation for the borrowings amounting to US\$3,490,799/-as included in Borrowings. Further mentioned that they are unable to verify the subsequent payments for the Borrowings after the year end which are past due to the extent of US\$ 6,655,940/- as included in Borrowings as stated at the date of Statement of Financial Position as at 31st March 2018. The Statutory Auditors have given disclaimed opinion regarding the above matter in their auditor's report.



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Emphasis of Matters:

Attention is invited to:

- a) During the year, SBI along with other banks which are in consortium for granting loans to the company has issued notices on 14-09-2017 & 20-09-2017 under section 13(4), Rule 8(1), 8(2) of SARFAESI Act advising to take symbolic possession and later issued a notice on 07.12.2017 & 29.12.2017 under Rule 8(6) of the Security Interest (Enforcement) Rules under the SARFAESI Act advising for the proposed sale of the said properties, which are mortgaged to banks, by public E-Auction.
- b) State Bank of India and 7 other banks made an application with Debts Recovery Tribunal (DRT) on 13.07.2017 for recovery of outstanding dues to the banks from BS Limited which have become irregular and overdue. The Hon'ble DRT has passed an interim order on 21.07.2017, mentioning to the company that they should file the objections/Counters against the application as on 08-08-2017.
- c) The company and its promoters, has been declared as "Willful Defaulter" by IFCI Limited, one of the term lenders, as per guidelines of Reserve Bank of India's Circular dated 1.7.2015.
- d) The company has received show cause notice from State Bank of India, SAM II Branch, Hyderabad, vide their letter No. SAMB/HYD/KSJ/1871 dated 5.3.2018 seeking company's replies as to why the company should not be declared as a willful defaulter.
- e) The company has Outstanding Trade Receivables and the Advances which have been outstanding for more than 365 days as on the financial year ending March 31, 2018 and that the Financial Statements of the Company did not include any adjustment relating to the certainty of the recovery of such balances to the extent of Rs. 232.33 crores.
- f) During the year, State Bank of India SAM-II Branch has made application, with National Company Law Tribunal (NCLT) Hyderabad under Section 7 of Insolvency and Bankruptcy Code 2016.
- g) Trading of company's securities has been suspended in both Bombay Stock Exchange & National Stock Exchange for Non-Filing of annual reports with



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Stock Exchanges for two years i.e., F.Y. 2015-16 & F.Y.2016-17. The SEBI has suspended trading of Company's securities w.e.f 11.05.2018.

- h) One of the major manufacturing unit of the company has not been in its operations from October, 2017.
- i) The statutory Auditors of BS Global Resources Private Limited have emphasized in their report that the company is exposed to liquidity risk due to the fact that liabilities which are past due amounting to S\$ 16,412,082/- have not been paid as at the date of issuance of Financial Statements. This condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements have been prepared on the going concern basis as the directors and the 100% holding company of the company have undertaken to support the company at least for the next twelve months to enable it to trade and meet its liabilities as and when due.

For P. Murali & Co,
Chartered Accountants,
FRN No: 007257S

A. Krishna Rao
Partner
M.No:020085

Place: Hyderabad
Date:30-05-2018