

## Review Report

To

The Board of Directors  
ARSS Infrastructure Projects Limited

1. We have reviewed the accompanying statement of unaudited financial results of ARSS Infrastructure Projects Limited for the quarter / nine months ended 31<sup>st</sup> December, 2013 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. 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 these financial statements 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. A review is limited primarily to inquiries of company personnel and an 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.
3. a. *In absence of detailed working papers on physical verification of inventories, discrepancies, if any, between book and physical inventories could not be ascertained including effect of the same in the financial statements of the company.*  
b. *Interest on delayed payment of statutory dues has not been provided for, which has neither been quantified nor the effect of the same on the financial statements has been ascertained.*  
c. *No provision has been made against performance Bank Guarantees invoked amounting to Rs. 89.83 Crores against the company and disputed by it.*  
d. *No provision has been made against sundry debtors amounting to Rs. 615.04 Crores disputed by the parties and referred for arbitration.*  
e. *In absence of confirmations, recoverability against bills/claims of Rs. 172.88 Crores raised on account of various supplies/services can not be confirmed.*  
f. *In absence of regular audit, correctness of share of profit from Joint Ventures amounting to Rs. 1.55 Crores accounted for on provisional basis can not be conformed.*
4. Based on our review conducted as above and *subject to Para- 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including

Bhubaneswar  
The 13<sup>th</sup> day of February, 2014



For P. A. & Associates  
Chartered Accountants  
Firm Regn. No-313085E



[ CA. B. N. Dash ]  
Partner  
M. No-062142

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED 31ST DECEMBER, 2013

(Rs. in Lakhs except for shares & EPS)

Particulars	Quarter ended			Nine Month ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>PART I-STATEMENT OF FINANCIAL RESULTS</b>						
<b>1. Income from operations</b>						
a) Net Sales/ Income from Operation	27,357.36	18,590.48	23,520.74	59,409.48	49,819.66	77,098.33
b) Other operating Income	51.71	101.84	161.01	221.52	477.09	713.21
<b>Total Income from Operation (Net)</b>	<b>27,409.07</b>	<b>18,692.32</b>	<b>23,681.75</b>	<b>59,631.00</b>	<b>50,296.75</b>	<b>77,811.54</b>
2. Income from Investments	36.26	92.64	141.86	155.05	234.54	153.15
3. Net Sales/ Income from Operations and Investments	27,445.33	18,784.96	23,823.61	59,786.05	50,531.29	77,964.69
<b>4. Expenses</b>						
a) Cost of materials consumed	4,820.89	4,036.44	7,584.41	11,058.64	14,039.59	22,792.65
b) Purchases of Stock-in-trade	-	-	-	-	-	-
c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	1,180.69	930.04	1,010.91	6,904.17	1,852.41	6,362.99
d) Employee benefits expense	720.88	502.32	748.27	1,857.16	2,291.58	3,767.89
e) Power & Fuel	2,146.66	1,519.43	2,597.11	4,495.53	5,301.78	7,402.44
f) Depreciation & Amortisation	889.98	875.98	903.56	2,652.68	2,693.08	3,560.47
g) Other Expenses	13,321.84	9,354.71	7,964.51	25,528.31	19,770.19	26,784.30
<b>Total Expenses</b>	<b>23,080.94</b>	<b>17,218.92</b>	<b>20,808.77</b>	<b>52,496.49</b>	<b>45,948.63</b>	<b>70,670.74</b>
5. Profit from operations & investments before other Incomes, Finance costs and Exceptional Items	4,364.39	1,566.04	3,014.84	7,289.56	4,582.66	7,293.95
6. Other Income	7.34	0.96	3.06	8.85	10.68	85.46
7. Profit from ordinary activities before Finance Costs and Exceptional Items	4,371.73	1,567.00	3,017.90	7,298.41	4,593.34	7,379.41
8. Finance Costs	5,018.24	3,268.18	3,744.71	11,797.35	9,950.09	13,381.99
9 Profit from ordinary activities after Finance Costs but before Exceptional Items & Tax	(646.51)	(1,701.18)	(726.81)	(4,498.94)	(5,356.75)	(6,002.58)
10. Exceptional item (refer note 5)	-	-	-	-	-	-
11. Profit from Ordinary Activities before Tax	(646.51)	(1,701.18)	(726.81)	(4,498.94)	(5,356.75)	(6,002.58)
12. Tax Expenses	(49.72)	(83.76)	101.01	(72.46)	338.78	456.07
13. Net Profit from Ordinary Activities after tax	(596.79)	(1,617.42)	(827.82)	(4,426.48)	(5,695.53)	(6,458.65)
14. Extraordinary items ( net of tax expense )	-	-	-	-	-	-
15. Net Profit for the period	(596.79)	(1,617.42)	(827.82)	(4,426.48)	(5,695.53)	(6,458.65)
16. Paid up Equity Share Capital ( Rs.10/- per share )	1,484.32	1,484.32	1,484.32	1,484.32	1,484.32	1,484.32
17. Reserves (excluding Revaluation Reserve )	29,510.20	30,106.98	34,699.80	29,510.20	34,699.80	33,936.68
18. Earnings per Share (Rs.)						
- Basic	(4.02)	(10.90)	(5.58)	(29.82)	(38.37)	(43.51)
- Diluted	(2.00)	(5.42)	(4.92)	(14.83)	(33.83)	(31.64)
<b>PART II-SELECTED INFORMATION FOR THE QUARTER/ NINE MONTHS ENDING 31st DECEMBER, 2013</b>						
<b>A) PARTICULARS OF SHAREHOLDING</b>						
1. Public Shareholding						
Number of Shares	12,043,582	12,043,582	11,443,582	12,043,582	11,443,582	11,443,582
Percentage of Shareholding	81.14	81.14	77.10	81.14	77.10	77.10
2. Promoters and Promoter Group Shareholding						
<b>a) Pledged / Encumbered</b>						
Number of Shares	2,646,648	2,646,648	600,000	2,646,648	600,000	3,246,648
Percentage of Shares (as a % of the total Shareholding of promoters & promoter group)	94.54	94.54	17.65	94.54	17.65	95.50
Percentage of Shares (as a % of the total Share Capital of the Company)	17.83	17.83	4.04	17.83	4.04	21.87
<b>b) Non-encumbered</b>						
Number of Shares	153,000	153,000	2,799,648	153,000	2,799,648	153,000
Percentage of Shares (as a % of the total Shareholding of promoters & promoter group)	5.46	5.46	82.36	5.46	82.36	4.50
Percentage of Shares (as a % of the total Share Capital of the Company)	1.03	1.03	18.86	1.03	18.86	1.03
<b>Particulars</b>						
<b>B) INVESTOR COMPLAINTS</b>						
9 months ended 31.12.2013						
Pending at the beginning of quarter				NIL		
Received during the quarter				NIL		
Disposed of during the quarter				NIL		
Remaining unresolved at the end of the quarter				NIL		





**Notes forming part of the reviewed unaudited financial results  
for the quarter / nine months ended 31<sup>st</sup> December, 2013**

1. The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 13<sup>th</sup> February, 2014. The same were also subjected to limited review by the Statutory Auditors in terms of clause 41 of the Listing Agreement.
2. The Company is following the same accounting policies in preparation of these financial results as were followed in the annual financial statements for the year ended 31<sup>st</sup> March, 2013.
3. The Company has a single segment namely "Civil Construction". Therefore, the company's business does not fall under different business segments as defined by Accounting Standard-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India.
4. The Company's debt is under CDR which was approved on 19.07.2012 by CDR empowered Group (CDREG) and was implemented on 06.09.2012. In terms of the guidelines issued by CDREG the company has issued Compulsorily Convertible Preference Shares to the promoters and their associates to the tune of Rs. 15.00 Crores on preferential allotment basis.
5. Share of Profit from Joint Ventures amounting to Rs. 1.55 Crores has been accounted for on provisional basis.
6. Inventories of raw materials, work in progress and finished goods considered in the accounts have been visually quantified and the value estimated by respective site in charge.
7. Revenue includes Rs. 172.88 Crores against bills raised on account of various supplies/services provided including claims in line with similar billing/claims made by the respective JVs on the contractees.
8. Interest on delayed payment of statutory dues has not been provided for, which has neither been quantified nor the effect of the same on the financial statements has been ascertained.
9. No provision has been made against performance Bank Guarantees invoked amounting to Rs. 89.83 Crores against the company and disputed by it.
10. No provision has been made against sundry debtors amounting to Rs. 615.04 Crores disputed by the parties and referred for arbitration.
11. The figures for the corresponding period of the previous year are regrouped / reclassified wherever necessary to make them comparable with that of current quarter.

For ARSS Infrastructure Projects Ltd.

Date : 13<sup>th</sup> Day of February, 2014  
Place : Bhubaneswar



  
Rajesh Agarwal  
(Managing Director)