



ARSS Infrastructure Projects Ltd.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

(Rs. in Lakhs except for shares & EPS)

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
PART I-STATEMENT OF FINANCIAL RESULTS				
1. Income from operations				
a) Net Sales/ Income from Operation	18,269.05	30,732.39	13,461.63	90,141.87
b) Other operating Income	122.15	366.09	67.96	587.61
Total Income from Operation (Net)	18,391.21	31,098.48	13,529.59	90,729.48
2. Income from Investments	74.89	(59.29)	26.15	95.76
3. Net Sales/ Income from Operations and Investments	18,466.09	31,039.18	13,555.74	90,825.23
4. Expenses				
a) Cost of materials consumed	4,210.35	7,434.29	2,201.31	18,492.93
b) Purchases of Stock-in-trade	-	-	-	-
c) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	816.77	660.53	4,793.44	7,564.70
d) Employee benefits expense	710.32	797.71	633.96	2,654.87
e) Power & Fuel	1,701.15	2,038.45	829.44	6,533.98
f) Depreciation & Amortisation	869.01	842.78	866.72	3,495.46
g) Other Expenses	6,016.97	10,108.53	2,851.76	35,636.84
Total Expenses	14,324.57	21,882.29	12,196.63	74,378.78
5. Profit from operations & investments before other Incomes, Finance costs and Exceptional Items	4,141.52	9,156.89	1,359.11	16,446.45
6. Other Income	122.87	(0.51)	0.55	8.34
7. Profit from ordinary activities before Finance Costs and Exceptional Items	4,264.39	9,156.38	1,359.66	16,454.79
8. Finance Costs	4,148.81	4,513.51	3,510.94	16,310.86
9. Profit from ordinary activities after Finance Costs but before Exceptional Items & Tax	115.57	4,642.88	(2,151.28)	143.94
10. Exceptional item (refer note 5)	-	-	-	-
11. Profit from Ordinary Activities before Tax	115.57	4,642.88	(2,151.28)	143.94
12. Tax Expenses	5.66	49.58	61.02	(22.88)
13. Net Profit from Ordinary Activities after tax	109.91	4,593.30	(2,212.30)	166.82
14. Extraordinary items (net of tax expense)	-	-	-	-
15. Net Profit for the period	109.91	4,593.30	(2,212.30)	166.82
16. Paid up Equity Share Capital (Rs. 10/- per share)	1,484.32	1,484.32	1,484.32	1,484.32
17. Reserves (excluding Revaluation Reserve)	34,213.40	34,103.50	31,724.38	34,103.50
18. Earnings per Share (Rs.)				
- Basic	0.74	30.95	(14.90)	1.12
- Diluted				
PART II-SELECTED INFORMATION FOR THE QUARTER ENDED 30th JUNE, 2014				
A) PARTICULARS OF SHAREHOLDING				
1. Public Shareholding				
Number of Shares	12,043,582	12,043,582	12,043,582	12,043,582
Percentage of Shareholding	81.14	81.14	81.14	81.14
2. Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
Number of Shares	2,646,648	2,646,648	2,646,648	2,646,648
Percentage of Shares (as a % of the total Shareholding of promoters & promoter group)	94.54	94.54	94.54	94.54
Percentage of Shares (as a % of the total Share Capital of the Company)	17.83	17.83	17.83	17.83
b) Non-encumbered				
Number of Shares	153,000	153,000	153,000	153,000
Percentage of Shares (as a % of the total Shareholding of promoters & promoter group)	5.46	5.46	5.46	5.46
Percentage of Shares (as a % of the total Share Capital of the Company)	1.03	1.03	1.03	1.03
Particulars				
Quarter ended 30.06.2014				
B) INVESTOR COMPLAINTS				
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 & year ending 30th June, 2014

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 09th August, 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 31st March, 2014.
3. The Company's operations predominantly consist of Civil Construction activities. Hence there are no reportable segments as defined by Accounting Standard-17, "Segment Reporting" issued by the Institute of Chartered Accountants of India. During the year under report, substantial part of the company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.
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. Inventories of raw materials, work in progress and finished goods have been last physically verified as on 31.01.2014 by a Chartered Accountant firm appointed by the bankers. As per their report received by the Company on 02.05.2014, the total value of physical stock is lower by Rs.11.95 Crores than the book stock determined on the date of verification, effect of which has not been considered in the books of accounts.
6. The loan from Export Import Bank has been taken over by Edelweiss Asset Reconstruction Company Limited and during the quarter, there is no transaction in such account. However, pending account statement from Edelweiss Asset Reconstruction Company Limited, the interest has been charged on a provisional basis.
7. Contract wise surplus/deficit has not been prepared as the number and complexity of the contracts are very high.
8. No provision has been made against performance Bank Guarantees invoked in earlier periods amounting to Rs. 89.33 Crores against the company and disputed by it.
9. No provision has been made against claims under loans and advances amounting to Rs. 785.43 Crores disputed by the parties and referred for arbitration.
10. Diluted earning per share has not been computed due to uncertainty over number of potential equity shares after conversion of CCPS.
11. Interest on Inter Corporate deposits has not been charged as the same are under dispute and pending at different forums.
12. Cost of leasehold land has not been amortised.
13. Share of profit from Joint Ventures amounting to Rs. 0.74 Crores has been accounted for on a provisional basis.
14. The figures for the corresponding quarter of the previous year are regrouped / reclassified wherever necessary to make them comparable with that of current quarter.

For ARSS Infrastructure Projects Ltd.



Rajesh Agarwal
(Managing Director)

Date : 09th Day of August, 2014
Place : Bhubaneswar

Review Report

To

The Board of Directors
ARSS Infrastructure Projects Limited

Introduction

We have reviewed Part I - Standalone Unaudited Financial Results for the Quarter ended 30th June, 2014 of the accompanying Statement of Unaudited Financial Results ("Part I of the Statement") 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) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' 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 j' stated below, nothing has come to our attention that causes us to believe that the said Part I of the Statement 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 in earlier periods amounting to Rs.89.83 Crores against the company and disputed by it.*
- b) *No provision has been made against claims recoverable amounting to Rs. 785.43 Crores disputed by the parties and referred for arbitration.*
- c) *The Company has not given effect to the loss of Fixed Assets in fire with a gross value of Rs. 3.78 Crores resulting charging of higher depreciation by Rs. 0.04 Crores and reduction in profit by the same amount. The gross value of fixed assets has remained higher by Rs. 3.78 crores.*
- d) *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.



- e) *In absence of details of potential equity shares, diluted earning per share has not been ascertained in compliance with AS-20- "Earning per Share" issued by the Institute of Chartered Accountants of India.*
- f) *Cost of leasehold Land has not been amortized which is not in conformity with AS-19- "Accounting for Leases" issued by the Institute of Chartered Accountants of India. Amount of amortisation has also not been ascertained.*
- g) *Interest amounting to Rs. 1.03 Crores on inter corporate deposits received and term loans has not been charged to the Profit & Loss account resulting in overstatement of profit to that extent.*
- h) *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.*
- i) *In absence of regular audit, share of profit from Joint Ventures amounting to Rs. 0.74 Crores has been accounted for on provisional basis and hence cannot be confirmed.*
- j) *In absence of transaction statement of one bank account, accounting of transactions, if any, cannot be confirmed.*

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 30/06/2014 of the Statement, from the details furnished by the Management / Registrars.

For P. A. & Associates
Chartered Accountants



(CA. B N Dash)
Partner

Membership No. 062142



Date : The 09th day of August, 2014
Place : Bhubaneswar