

**Auditor's Report on Consolidated Year to Date Results of the Era Infra Engineering Limited  
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

To Board of Directors of  
Era Infra Engineering Limited

We have audited the accompanying Statement of Consolidated Financial Results of Era Infra Engineering Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), its jointly controlled entities and its share of the loss of its associate for the year ended 31 March, 2017 (the "Statement"), , being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

These consolidated financial results have been prepared from consolidated Ind AS financial statements, which are the responsibility of the Company's management.

Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our audit of such consolidated Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down as per accounting standards mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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(s). 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.

We did not audit the financial statements of 14 subsidiaries, whose financial statements reflect total assets of Rs. 689075.20 Lakhs as at 31st March, 2017, total revenues of Rs. 4322.91 Lakhs and net cash flows amounting to Rs. (1306.07) Lacs for the year ended on that date as considered in the consolidated financial statements. The financial statements of 12 subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, the financials of four subsidiaries have not been audited and we have relied upon the management estimate and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries company,



We also did not audit the result of 5 associate whose loss after tax is Rs 12546.70 lacs for the Year ended 31.03.2017 .The financial statements of the 3 associates have been audited by other auditors, whose reports have been furnished to us by the Management .The financial statements of 2 associates have not been audited and we have relied upon the management estimate and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Associates Company.

We also did not audit the result of 12 Joint Ventures whose loss after tax is Rs 27.34 Lakhs for the Year ended 31.03.2017 .The financial statements of 4 Joint Ventures have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Ventures.

The financial statements of 8 Joint Ventures have not been audited and we have relied upon the management estimate and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture

#### Opinion

##### A. *Basis of qualified opinion –*

In respect of undermentioned matter as were fully explained in Holding Company

*Based on Indian Accounting Standard (Ind AS-1) and Standard of Auditing (SA) 570, 'Going Concern' issued by the Institute of Chartered Accountants read with section 143 of the Companies Act, 2013, non-disclosure of material uncertainties related to event and condition may cast significant doubt upon the entity ability to continue as a going concern .The major indicators of material uncertainties are as mentioned therein and listed here are as*

1. *Regarding The Company has been incurring losses from prior years and quartets including in the current quarter due to which the entire net worth of the Company had been eroded as reported in March, 2016. The accumulated losses of Rs. 284606.96 Lakhs are more than the entire net-worth as on 31.03.2017.*
2. *Regarding the Company is contesting material litigations against it including winding up petitions and matters under section 138 of the Negotiable Instruments Act, 1881 as amended thereto.*
3. *Regarding total trade receivables of Rs.310961.38 Lakhs as on 31.03.2017 Rs. . 143145.61 Lakhs are outstanding from the period prior to 01.04.2014;*
  - a. *These are slow moving as partly received or non-moving as no movement due to delay in obtaining confirmation and subsequent reconciliation. In some cases invoices raised by the Company are to be recognised by these customers which includes joint ventures, associates and other related parties, considering the non-recoverability since long these needs to be impaired.*
  - b. *The management is of the opinion that as the Company has*
    - i. *Identified many cases during the quarter & have already started process of invoking the arbitration and shortly expect to file in all the identified cases.*



- ii. undertaken confirmation and reconciliation process along-with of its dues/claims in other than arbitration cases.
  - iii. been continuously updating the documentation, it is not appropriate to make any provision at this point of time which may dilute the recovery of these receivables. Provisions in the books of accounts will be made at the time of finalization of matters;
4. Out of the total 'Other short term loans & advances' of Rs. 138777.81 Lakhs as on 31.03.2017 (excluding claims for invocation of Bank Guarantee), and in most of the cases the balances are outstanding from the period prior to 01.04.2014. Based on updated document regarding the terms & conditions and written confirmation, it cannot be ascertained whether the amounts will be recovered or goods & services will be received in future, considering the non-recoverability or material against these advances since long these should be impaired.

Since these are quite old advances, the Management is of the view that ongoing confirmation and reconciliation process is under progress and management is reviewing and will impair on getting finality and shall make further provision only on completion of the process including as provided under the applicable laws. Considering the non-recoverability since long these needs to be impaired.

5. As mentioned above in paragraph 4, a claim of Rs. 3975.50 lakhs for the quarter under review and Rs 26496.63 Lakhs for the year ended, pertains to invocation of Performance and other Bank Guarantees are receivable due to noncompliance of terms & conditions of the contract. The management has initiated the legal process for recovery of the said claim.
6. A sum of Rs.18784.87 Lakhs as on 31<sup>st</sup> March, 2017 under Capital advances is outstanding since long. The management has initiated the process of recovery of the amount of loans & advances or receipt of goods & services there – against. Due to no recovery and non-receipt of material against these needs to be impaired.
7. During the year, the company is developing a program for physical verification of work -in progress, of Rs 60593.13 Lakhs recognised in books as on 31.03.2017. On completion of physical verification & post reconciliation with the records, discrepancies will be adjusted. For raw material & other inventory management has completed the physical verification, is under process of reconciling , as explained and based on reconciliation the difference and discrepancies have been adjusted.
8. The Company has made investments in securities, non – current & current, of / through its subsidiaries, associates, Joint ventures & group companies. In case of two associates Gwalior bypass projects limited & Hyderabad Ring Road Projects Private Limited, considering the accumulated losses in these and in others, the management is of view since these investee entities business is toll / annuity based which has a long gestation period, & also arbitration claims will be filed, the impairment, if any, is considered to be temporary in nature. Further considering the qualified opinion in financial statements of four subsidiaries (Bareilly Highways Projects Limited, Dehradun Highways projects Limited Haridwar Highways Projects est Haryana Highways Projects Private Limited) the impact on diminution in value as per Indian Accounting Standard (Ind-As) is not ascertainable.





9. *There is delay in deductions & deposit of statutory dues including VAT, service - tax, excise & customs duty, income tax, royalty, labour cess, entry tax, provident fund etc. & other similar dues, returns and forms. Provisions of interest on delay of these have not been recognised & exact quantum is not determinable, as delay on overall basis and for the quarter and year ended, reconciliations are under progress.*
10. *Based on inadequate security cover, prior approval of CDR EG before sale of assets etc., and other non-compliances of CDR terms & conditions still continues as already reported in earlier periods.*
11. *The loans provided by lenders under consortium have been reclassified as Non-Performing Assets (NPA) by all the Lenders.*
12. *Regarding For earlier non-compliances the Company is in the process of complying with the relevant provisions of the Companies Act 2013 & the SEBI Act, 1992, as amended, with respect to, quorums, meetings of Board of Directors, various committees, submission & publication of quarterly results, filing of various forms & declarations, compliance with listing regulations etc the rectification for excess Managerial Remuneration paid earlier is still awaited.*
13. *Compliance & records relating to the related parties are being updated. MGT - 14 relating approval of Board of Directors for issue of debentures is still pending and there is absence of women director and chief financial officer in the Company and common director to material subsidiary. As per the management the process of appointment is under progress.*
14. *Regarding levy of penalty by the stock exchanges of Rs 33.22 lacs for non-publishing & filing of results of quarter ended 30<sup>th</sup> June & 30<sup>th</sup> September-2015 on time. Management expects it to be waived off;*  
*As a consequence of above qualification explicit unreserved statements for compliance of all IND AS is not in compliance with requirement of IND AS.*

In our opinion and to the best of our information and according to the explanations given except for the possible effects of the matters described in the aforesaid paragraphs 1 to 14 for our basis of qualified opinion, to these consolidated financial results of:

**B. Basis of Qualified opinion**

In respect of undermentioned matter as were fully explained in Subsidiaries Company.

*The company has not recognized the revenue and impairment for cost including overrun cost during construction activity period as required by Indian Accounting Standards (Ind-AS) 11 "Construction Contracts" & (Ind-AS) 36 "Impairment of Assets", as a consequence to this the explicit unreserved statement for compliance of all INDAS is not complied with the requirements of IND AS.*

*Based on the records & explanation provided the impact on profit & intangible assets under development cannot be reliably ascertained due to uncertainty involved in completion of projects hence in ascertainment of recognition of revenue and impairment.*

*The view of management in this regard is explained in notes to accounts of standalone financial statements of Bareilly Highways Projects Limited, Dehradun Highways projects Limited Haridwar Highways Projects est Haryana Highways Projects Private Limited.*



In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.**

C. Emphasis of Matter

1. Regarding Financial Statements of one subsidiary, namely, Rampur Highway Project Limited, which reports bank guarantee of Rs 790.00 Lacs has been encashed by National Highway Authority of India (NHAI) given by holding company.
2. Regarding Financial Statements of one subsidiary, namely ARK Vidyut Urja Limited we draw the attention to the Financial Statements which reports the uncertainty related to the fundamental accounting assumption of going concern of the company in view its increasing accumulated losses and adverse financial position.

(i) include the financial results of the following entities:

1. Subsidiaries

- i. Zedek Realtors Private Limited
- ii. Yarikh Realtors Private Limited
- iii. Haridwar Highways Project Limited
- iv. Era Infrastructure (India) Limited
- v. Era T&D Limited
- vi. Dehardun Highways Project Limited
- vii. Bareilly Highways Project Limited
- viii. West Haryana Highways Projects Private Limited
- ix. Bragi Developers Private Limited
- x. Paulo Realtech Private Limited
- xi. Era Khandwa Power Limited
- xii. Golden Annum Holding Limited
- xiii. Era & Partners Co, LLC
- xiv. Rampur Highways Project Limited

2. Joint Ventures

- i. Rani-Era JV
- ii. Optima Era Joint Venture
- iii. Metrostroy Era JV
- iv. Era Infra Ark Vidyut Urja JV
- v. Era Patel Advance Kiran Joint Venture
- vi. Era Infra - Sai Dutta JV
- vii. Era Ranken JV
- viii. KMB-Era JV
- ix. Era Patel Advance Joint Venture
- x. Trans Global Era Infra Joint Venture



- xi. Era Infra Buildsys Joint Venture
- xii. Induni Era JV

3. Associates

- i. Gwalior Bypass Projects Limited
  - ii. Hyderabad Ring Road Project Private Limited
  - iii. Apex Buildsys Limited
  - iv. SPA Group Algeria
  - v. Era Energy Limited
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular No. CIR/CFD/FAC/62/2016 in this regard;
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31st March, 2017.

For S.S. Kothari Mehta & Co.  
Chartered Accountants  
Firm Registration No -000756N

(Neeraj Bansal)  
Partner  
Membership No. : 095960

Place: New Delhi  
Date: 29<sup>th</sup> May, 2016





Era Infra Engineering Limited  
Registered Office : 1107, Indraprakash Building, 21, Barakhamba Road, New Delhi-110001  
CIN : L74899DL1990PLC041350

Part-I Statement of Audited Financial Results for the Year ended 31st March, 2017.

(Rs in Lakhs except EPS)

Particulars	Standalone			Consolidated	
	Quarter Ended			Year Ended (Audited)	
	Audited	Reviewed	Audited	Year Ended (Audited)	Year Ended (Audited)
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
1 (a) Revenue from Operations	41,279.60	34,521.50	26,832.41	121,072.83	121,101.91
<b>Total Income from operations</b>	<b>41,279.60</b>	<b>34,521.50</b>	<b>26,832.41</b>	<b>121,072.83</b>	<b>121,101.91</b>
2 Expenses					
(a) Direct Expenses	42,394.73	36,294.98	29,889.73	133,605.82	144,089.68
(b) Employees Cost	1,465.83	1,332.78	2,163.84	6,096.65	9,290.28
(c) Depreciation	4,771.14	4,883.60	4,888.67	19,443.09	19,620.83
(d) Other Expenditure	211.37	1,496.31	978.38	2,940.41	5,458.64
<b>Total Expenses</b>	<b>48,843.07</b>	<b>44,007.67</b>	<b>37,920.62</b>	<b>162,085.97</b>	<b>178,459.41</b>
3 <b>Profit From Operations before other income, finance costs and exceptional items</b>	<b>(7,563.47)</b>	<b>(9,486.17)</b>	<b>(11,088.21)</b>	<b>(41,013.13)</b>	<b>(57,357.50)</b>
4 Other Income	877.01	120.70	415.78	1,285.86	913.26
5 <b>Profit before finance costs and exceptional items (3+4)</b>	<b>(6,686.46)</b>	<b>(9,365.47)</b>	<b>(10,672.43)</b>	<b>(39,727.28)</b>	<b>(56,444.24)</b>
6 Finance Costs	21,995.59	23,260.74	21,260.49	89,776.00	75,145.46
7 <b>Profit after finance costs but before exceptional items</b>	<b>(28,682.05)</b>	<b>(32,626.20)</b>	<b>(31,932.92)</b>	<b>(129,503.27)</b>	<b>(131,589.70)</b>
8 Exceptional items					21.91
9 <b>Profit Before Tax (7+8)</b>	<b>(28,682.05)</b>	<b>(32,626.20)</b>	<b>(31,932.92)</b>	<b>(129,503.27)</b>	<b>(131,589.70)</b>
10 Tax Expenses					31.66
11 <b>Net Profit after Tax (9-10) (PAT)</b>	<b>(28,682.05)</b>	<b>(32,626.20)</b>	<b>(31,932.92)</b>	<b>(129,503.27)</b>	<b>(131,589.70)</b>
Share of profit/ (loss) of associates					(4,220.84)
Minority Interest					(3.77)
12 Other Comprehensive Income (OCI)	72.40	50.08	292.29	225.63	292.29
13 <b>Total Income Including Other Comprehensive Income (11+12)</b>	<b>(28,609.65)</b>	<b>(32,576.13)</b>	<b>(31,640.63)</b>	<b>(129,277.65)</b>	<b>(131,297.41)</b>
14 Paid Up equity Share Capital (face value of share : Rs. 2 each)	6,631.99	6,631.99	6,631.99	6,631.99	6,631.99
15 <b>Earnings per share (EPS) of Rs. 2 each (non annualized)</b>					
(a) Basic EPS	(8.63)	(9.82)	(9.54)	(38.99)	(39.60)
(b) Diluted EPS	(8.63)	(9.82)	(9.54)	(38.99)	(39.60)

See accompanying notes to the financial results

Standalone Segment-wise Revenue, Result, Assets and Liabilities in terms of Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015

(Rs in Lakhs)

Particulars	Standalone			Consolidated	
	Quarter Ended (Unaudited)			Year Ended (Audited)	
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
1 Segment Revenue					
(a) Contracts	39,353.17	33,379.66	25,505.20	116,247.78	122,858.18
(b) Equipment Hiring	956.03	1,023.92	1,312.16	4,018.09	6,078.00
(c) Toll Collection					1,112.02
(d) Trading	1,824.22	987.57	1,128.09	4,320.79	16,356.46
<b>Total</b>	<b>42,133.42</b>	<b>35,390.15</b>	<b>27,945.45</b>	<b>124,586.66</b>	<b>126,294.66</b>
Less: Inter Segment Revenue	853.82	869.04	1,113.04	3,513.83	5,195.73
<b>Net Segment Revenue</b>	<b>41,279.60</b>	<b>34,521.50</b>	<b>26,832.41</b>	<b>121,072.83</b>	<b>121,101.91</b>
2 Segment Results (Profit/ (Loss) Before Interest and Tax					
(a) Contracts	(5,074.74)	(8,545.07)	(10,494.17)	(36,104.61)	(56,259.78)
(b) Equipment Hiring	(732.02)	(688.37)	(25.77)	(2,900.33)	(1,055.89)
(c) Trading	93.21	(18.39)	86.56	123.08	587.09
<b>Total</b>	<b>(5,713.55)</b>	<b>(9,251.43)</b>	<b>(10,443.37)</b>	<b>(38,882.05)</b>	<b>(56,728.58)</b>
Less: (i) Interest	21,898.90	23,190.25	21,297.23	89,335.36	73,974.43
ii) Other Un-allocable Expenditure	(202.58)	62.82			(21.91)
iii) Un-allocable Income	(877.01)	(120.70)	(392.31)	(1,285.86)	(889.79)
<b>Profit / (Loss) Before Tax (7+8)</b>	<b>(28,682.05)</b>	<b>(32,626.20)</b>	<b>(31,932.92)</b>	<b>(129,503.27)</b>	<b>(131,589.70)</b>
3 Segment Assets					
(a) Contracts	591,116.54	626,863.25	656,228.44	591,116.54	656,228.44
(b) Equipment Hiring	78,914.30	81,594.76	82,631.30	78,914.30	82,631.30
(c) Trading					
(d) Other Un-allocable Assets	143,268.11	119,122.81	118,037.81	143,268.11	118,037.81
<b>Total Assets</b>	<b>813,298.95</b>	<b>826,580.82</b>	<b>816,897.55</b>	<b>813,298.95</b>	<b>856,897.55</b>
4 Segment Liabilities					
(a) Contracts	894,653.47	885,172.32	818,276.44	894,653.47	818,276.44
(b) Equipment Hiring	89,573.43	87,679.46	84,273.43	93,573.43	84,273.43
(c) Trading					
(d) Other Un-allocable Liabilities	(573.12)	(768.39)	(768.38)	(673.12)	(768.38)
<b>Total Liabilities</b>	<b>988,912.00</b>	<b>973,620.16</b>	<b>903,318.25</b>	<b>988,900.02</b>	<b>903,318.25</b>

See accompanying notes to the financial results



**Era Infra Engineering Limited**

Part II Audited Statement of Assets & Liabilities for the year ended 31st March 2017

(Rs in Lakhs)

Particulars	Audited (Standalone)		Audited (Consolidated)	
	3/31/2017	3/31/2016	3/31/2017	3/31/2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	107,242.43	127,093.94	109,859.29	129,861.28
(b) Intangible Assets			46,719.09	-
(c) Capital Work in Progress			48.99	48.99
(d) Intangible Assets under Development			385,286.03	341,957.23
(e) Financial assets				
(i) Investments	143,268.11	118,038.29	38,299.23	37,370.05
(ii) Loans	813.79	2,673.40	31,035.92	27,761.09
(iii) Others	-	-	-	-
(f) Deferred tax asset	803.22	796.55	745.97	744.19
(g) Other non-current assets	18,784.87	17,033.35	44,196.75	17,049.96
<b>Current assets</b>				
(a) Inventories	84,657.88	106,684.61	86,109.56	106,999.32
(b) Financial assets				
(i) Trade receivables	310,961.38	344,869.37	246,562.49	298,960.25
(ii) Cash and cash equivalents	1,190.66	1,712.22	2,622.61	3,061.35
(iii) Bank Balances other than (ii) above	6,602.25	7,189.27	6,987.64	8,854.59
(iv) Loans	138,777.81	130,321.84	137,334.23	121,409.86
(v) Others	196.58	497.57	83,432.68	1,331.12
(c) Other current assets	-	-	1,473.04	1,514.22
<b>Total assets</b>	<b>813,298.95</b>	<b>856,910.41</b>	<b>1,220,713.54</b>	<b>1,096,523.50</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	6,631.99	6,631.99	6,631.99	6,631.99
(b) Other equity	(182,233.05)	(52,962.09)	(204,719.96)	(71,847.82)
(c) Non Controlling Interest			413.30	111.01
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities	397,703.34	434,150.50	760,628.85	709,401.56
(b) Provisions	628.58	718.39	636.57	726.10
(c) Other financial liabilities			21,805.53	118.46
(d) Deferred tax liabilities (net)				
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	252,273.45	216,681.64	252,273.45	224,723.42
(ii) Trade payables	53,819.37	51,362.94	56,160.15	52,043.62
(iii) Other financial liabilities	238,219.21	125,262.04	291,318.06	130,271.47
(b) Other current liabilities	46,210.93	75,014.99	33,492.63	44,272.09
(c) Provisions	44.54	49.99	72.99	74.88
<b>Total Equity &amp; Liabilities</b>	<b>813,298.95</b>	<b>856,910.39</b>	<b>1,220,713.52</b>	<b>1,096,523.47</b>

Notes:  
1. The above standalone/ Consolidated audited results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 29th May, 2017.

2. The above results are in compliance with the Indian Accounting Standards (Ind-AS) notified by the Ministry of Corporate Affairs, read with SEBI Circular No. CR/CFD/FAC/62/2016 dated 5th July, 2016.

3. These financial statements are the Company's first Ind-AS financial statements. The Company has adopted all the Ind-AS standards and the adoption was carried out in accordance with Ind-AS 201 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

The image shows a handwritten signature in blue ink over a circular purple stamp. The stamp contains the text 'Era Infra Engineering Limited' around the top edge and 'New Delhi' at the bottom. There is a small star symbol at the bottom of the stamp.



4 Equity Reconciliation

Particulars	Standalone	Consolidated
	As at March 31, 2016	As at March 31, 2016
Equity under IGAAP	(53,052.69)	(71,917.59)
Transaction cost of borrowings	98.57	77.75
Fair valuation of security deposits	(8.42)	(8.42)
Fair valuation of investments in mutual funds	0.44	0.44
Remeasurement of deferred taxes	-	-
Equity as per Ind AS	(52,962.10)	(71,847.82)

5 Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind-AS for the year ended 31st March 2016.

Particulars	Standalone	Standalone	Consolidated
	Quarter ended March 31, 2016	For the year ended March 31, 2016	For the year ended March 31, 2016
Net income under IGAAP	(32,045.96)	(131,863.78)	(131,894.75)
Finance income of security deposits	(39.96)	18.22	4.49
Reclassification of the net defined benefit liability/asset	(73.08)	(292.29)	-
Adjustment for transaction cost	-	(151.24)	(151.24)
Fair Value of investment	-	-	0.21
Profit for the year under Ind AS	(31,932.92)	(131,589.70)	(131,899.24)
Other comprehensive income	292.29	292.29	295.84
Total comprehensive income under Ind AS	(31,640.63)	(131,297.41)	(132,819.18)

6 In view of no reasonable certainty of recovery of losses, deferred tax assets provision has not been recognized.

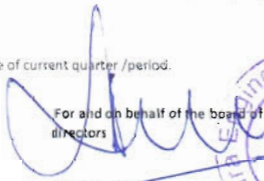
7 With respect to emphasis of matter & qualified opinion as given by Statutory Auditors in the prior annual audit report, limited reviews and annual audit report for the year ended 31st March, 2017. Status of which as follows:

- The management is in the process to obtain new contracts. Further the management is in the process of realising the pending dues by way of arbitration and other possible methods of amicable settlement. Large claims in arbitration have been invoked and/or in the process of invoking by way of arbitration as prescribed in most of the contracts undertaken by the Company and other measures to revive the financial position/ improvement in the profitability and in view of this the material uncertainties relating to events and condition do not cast significant doubt about the ability to continue going concern.
- The management is taking steps to minimize the litigations by way of settling the liabilities of the complainants
- The management is analyzing/ reconciling the outstanding trade receivables and taking appropriate measures to recover by way of arbitration/legal proceeding.
- The management is in the process of discussions/ reconciliation with suppliers/ contractors to comply with the supply of material and execute the work at site to settle the advances.
- The management is considering to devise a programme for verification of Work in Progress.
- Diminution has not been considered for all road projects (BOT/Annuity) in subsidiaries' and associates are in progress and long term in nature.
- Previously, due to financial constraints and mismatch of cash inflow, there has been a delay in depositing the statutory dues. Now the Company is trying comply to its obligations within the prescribed period.
- Due to slow down in infrastructure sector company was unable to meet its interest obligations and lender dues. The Company is carrying out its business as per the CDR mechanism.
- The Company is in process of complying with secretarial non compliances.
- The Company is in the process of identifying the MSME suppliers and has sent written representations to its suppliers to confirm whether or not they are registered under the MSME Act, 2006 still company awaiting reply from them.
- The other points of the auditors which have not been addressed in the above paras are self-explanatory and no further clarification is necessary.
- In regard to non recognition of revenue and impairment due to Ind AS 11, IND AS 36, the management is of opinion that recognition would lead to overstatement of revenue and thereby non provision of impairment is proper. In view of this company is in compliance with all Ind-AS,s

The figures for the quarter ended March 31, 2017 and March 31, 2016 being balancing figures between the Audited figures arrived at based on the Audited results for the full financial year and the published year to date unaudited figures for nine months ended December 31, 2016 and December 31, 2015, respectively.

8 Figures relating to previous periods have been regrouped /rearranged , whenever necessary , to make them comparable with those of current quarter /period.

Place : Noida  
Date : 29th May, 2017

For and on behalf of the board of directors  
  
 HS Bharans  
 Chairman & Managing Director

