

MANAGEMENT REPLY TO STATUTORY AUDITOR'S REPORT 2010-2011

1. a) Regarding Accounting Policy, the observation noted.
b) Provision created for work expenses are against the revenue recognized in the accounts and in accordance with accounting on accrual basis.
c) Noted. The figures are dynamic and unit wise details are available.
2. The Company does not have the system of calculating contract wise profit and loss. More over the observation does not have any bearing on the profit and loss account of the company for the year.
3. Age wise classification as required under Scheldule - VI is given in the schedule – J.
It is not practicable to have any documented policy for determining the doubtfulness of any outstanding. Provisions are made wherever necessary after review of debtors and in our opinion existing provisions are adequate to cover up debts.
4. Noted.
5. Operation in these banks stopped 20 year back. Amount is non repartriable and therefore necessary provision was made in the year 2006-2007. It is not ordinarily practicable to get certificate on year to year basis keeping the socio political situation in those Countries.
6. Provision was made after detailed deliberation at Board level Audit Committee in the year.
7. a) No provision is made since the matter is pending before tribunal.
b) The provision for 1.45 crore principal amount exists in the books. How ever provision for penalty and interest is not made since a case of the similar nature is pending in the tribunal. As mentioned in reply to Sl.No.-7(a).
c) Noted
8. Turnover booked as per the accounting policy of the Company..
9. Disclosure given Refer point 1 (d) of notes on accounts.
10. Due to the dispute and as a principal of conservatism it is considered appropriate not to account them in the books.
11. Noted
12. Noted for corrective action.
13. Noted. for compliance.
14. Noted.
15. Noted.

ANNEXURE-1 REFERRED TO PARA 2 OF OUR AUDIT REPORT OF EVEN DATE

- i) a) Noted for compliance.
b) No comments.
c) No comments.
- ii) a) No comments.
b) Noted.
c) No comments.
- iii) a) No comments.
b) No comments.
- iv) No comments.
- v) No comments.
- vi) No comments.
- vii) No comments.
- viii) No comments.
- ix) a) Rs.25 Crores deposited in 2011-12. Efforts are made to clear the liabilities.
b) No comments.
- x) No comments.
- xi) No comments.
- xii) No comments.
- xiii) No comments.
- xiv) No comments.
- xv) No comments.
- xvi) No comments.
- xvii) No comments.
- xviii) No comments.
- xix) No comments.
- xx) No comments.
- xxi) No comments.