

Query from Shri Abhijeet Deshmukh through email dated 1st September, 2015

Installed Capacity - Construction Industry

“How should installed capacity be defined for cost audit report purpose in case of construction industry involved in residential and commercial construction activities? Please consider aspect that these companies can scale-up/ scale-down resources in different years depending upon number of projects in hand and their completion stage. Also consider aspect that reporting of installed capacity and per unit (unit of measure - sq.ft.) of cost are to be reported mandatorily in XBRL.

We simply cannot report "Not Applicable" in case of installed capacity, as some numerical number is expected for the concerned field in XBRL; otherwise it will throw validation error.”

Clarification:

Installed capacity in terms of units for construction industry cannot be defined due to its peculiar nature where companies can scale up scale down resources in different years depending upon number of projects in hand and their completion stage. The adopting of per unit measure of sq. ft. of area may be appropriate due to different specification of each project and unit. However, some other appropriate unit of measurement can be taken by construction industry for the purpose of XBRL, such as number of projects/Number of Residential or Commercial units, as the case may be.