

July 26, 2017

The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra kurla Complex
Bandra (East)
Mumbai – 400 051

The Bombay Stock Exchange Ltd.
Pheroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Dear Sirs,

Scrip Code: NSE: HINDDORROL ; BSE: 509627

Ref: **Audited Financial Results for the year ended 31st March, 2017**

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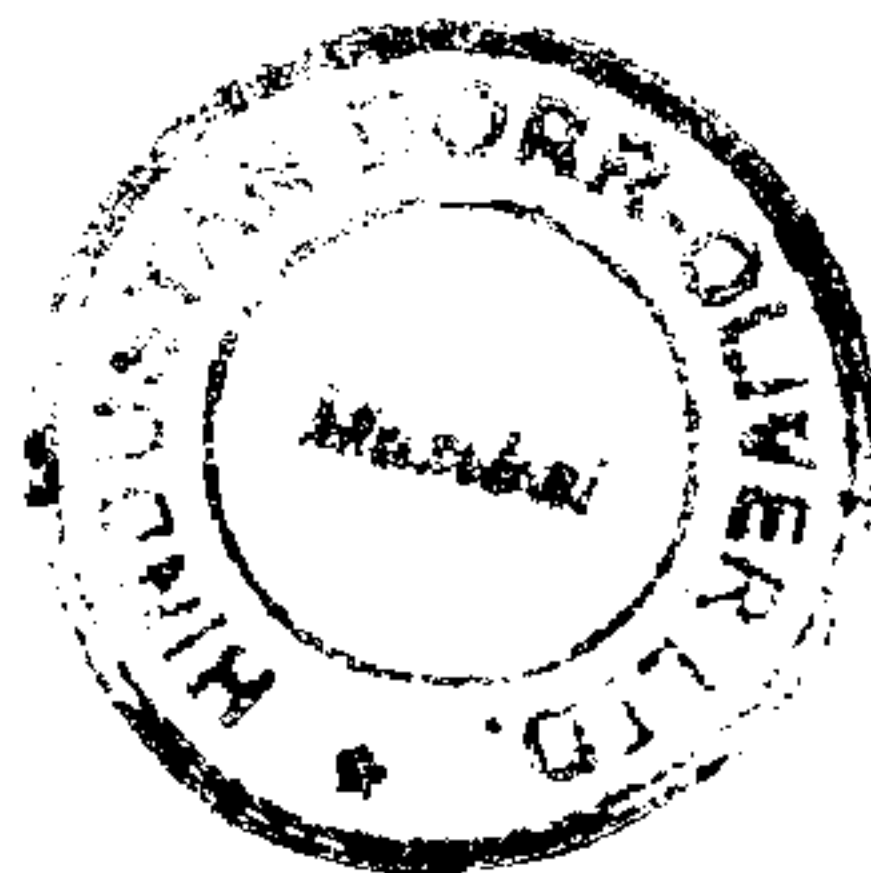
In compliance with Regulation 33 & 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing herewith statement containing the Audited Financial Results (both standalone and consolidated) for the 4th quarter and financial year ended 31st March, 2017 along with the Audit Report and its attachments.

Please take the same on record.

Thanking you,

Yours faithfully,
For Hindustan Dorr-Oliver Limited


(G Ramakrishna)
Company Secretary



Encl: As above

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

STATEMENTS OF AUDITED FINANCIAL RESULTS					
S.No.	Particulars (Refer notes below)	(₹ in Lakhs except otherwise stated)			
		Audited	Unaudited	Audited	Audited
		March 31, 2017 Refer note 2	Quarter ended December 31, 2016	March 31, 2016 Refer note 2	Year ended March 31, 2017 March 31, 2016
1	Revenue from Operations	2,015.84	2,120.05	6,931.96	8,705.66
2	Other Income	484.64	109.46	48.24	851.60
3	Total Income (1+2)	2,500.48	2,229.51	6,980.20	9,557.26
4	Expenses				
a	Cost of materials consumed/services	1,657.12	1,892.05	5,472.30	7,269.57
b	Purchase of Stock in Trade	-	-	-	12,126.30
c	Employee benefit expenses	337.41	367.43	370.64	6,039.20
d	Finance cost	7,759.27	5,364.14	6,736.32	1,520.65
e	Depreciation and amortization expenses	11.24	12.50	14.47	21,351.88
f	Other expenses	825.40	302.51	1,098.10	18,011.77
	Total Expenses (4)	10,590.52	7,938.63	13,691.83	40,162.51
5	Profit / (Loss) before exceptional items and tax (3-4)	(8,090.04)	(5,709.12)	(6,711.63)	(19,219.82)
6	Exceptional items (net)	24,631.72	-	-	24,631.72
7	Profit / (Loss) before tax	(32,721.76)	(5,709.12)	(6,711.63)	(47,232.41)
8	Tax Expenses				
a	Current tax	-	-	-	-
b	Deferred tax	7.44	-	134.87	7.44
9	Net profit / (loss) for the period from continuing operations (7-8)	(32,729.20)	(5,709.12)	(6,846.50)	(47,239.85)
10	Other comprehensive income				
a	i) Items that will not be reclassified to profit or loss	(48.77)	10.60	10.60	(16.96)
b	ii) Income tax relating to items that will not be classified to profit or loss	5.87	-	(14.68)	5.87
11	Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)	(32,772.10)	(5,698.52)	(6,850.58)	(47,250.94)
12	Earnings per equity share (of ₹ 2 each) (not annualised for quarterly results)				
	EPS (in ₹)				
	Basic & Diluted	(45.45)	(7.93)	(9.51)	(65.61)
	(See Accompanying notes (1-8))				

AUDITED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017					
Particulars	(₹ in Lakhs)				
	Quarter ended		Year ended		
	March 31, 2017 (Audited)	December 31, 2016 (Unaudited)	March 31, 2016 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
1	Segment Revenue				
i.	Erection procurement & construction	2,015.84	2,120.05	6,931.96	8,705.66
ii.	Finished goods	-	-	-	14,488.07
	Gross Turnover	2,015.84	2,120.05	6,931.96	8,705.66
	Less : Inter Segment Sale	-	-	-	6,050.12
	Net Turnover	2,015.84	2,120.05	6,931.96	20,538.19
2	Segment Results				
i.	Erection procurement & construction	(815.41)	(454.44)	(23.55)	(2,100.41)
ii.	Finished goods	-	-	-	10.90
	Total Segment Profit/(Loss) before Interest, Exceptional Items and Tax	(815.41)	(454.44)	(23.55)	(1,612.55)
a	Interest expenses	7,759.27	5,364.14	6,736.32	21,351.88
b	Other Unallocable income (net of expenditure)	(484.64)	(109.46)	(48.24)	(8,011.77)
c	Exceptional Items	24,631.72	-	-	(404.50)
	Profit before Tax	(32,721.76)	(5,709.12)	(6,711.63)	(47,232.41)
3	Segment Assets				
i.	Erection procurement & construction	24,363.03	51,692.78	58,965.02	24,363.03
ii.	Finished goods	-	2,969.00	2,869.00	58,965.02
iii.	Unallocated	16,329.27	15,758.81	15,910.42	16,329.27
	Total	40,692.30	70,420.59	77,844.44	77,844.44
4	Segment Liabilities				
i.	Erection procurement & construction	1,77,462.35	1,80,536.34	1,64,427.34	1,77,462.35
ii.	Finished goods	1,662.16	4,631.16	4,631.00	1,662.16
iii.	Unallocated	253.88	191.48	221.25	253.88
	Total	1,79,378.39	1,85,357.98	1,69,279.59	1,79,378.39

Mr. J.



STATEMENT OF ASSETS & LIABILITIES				(₹ in Lakhs)
				Standalone
Particulars		Year ended		
		March 31, 2017 (Audited)	March 31, 2016 (Audited)	
I	Assets			
1	Non Current Assets			
a	Property, plant and equipment	11,013.36		11,052.00
b	Intangible assets	11.79		15.90
c	Financial assets			
(i)	Investments	15,398.88	15,395.92	
(ii)	Trade receivable	-	738.60	
(iii)	Other Financial Assets	-	2,333.49	
d	Non Current tax assets (net)	199.34	514.50	
e	Other non current assets	19.65	15.80	18,998.31
		26,843.03		30,066.21
2	Current assets			
a	Financial asset			
(i)	Trade receivables	7,120.64	20,163.80	
(ii)	Cash and cash equivalent	73.56	206.00	
(iii)	Bank balance (Other than (i) above)	77.06	62.60	
(iv)	Other Financial Assets	102.58	111.07	20,543.47
b	Current tax assets (net)	-	-	-
c	Other current assets	-	-	27,234.76
	Total assets	40,692.30		77,844.44
II	Equity and Liabilities			
1	Equity			
a	Equity share capital	1,440.10	1,440.10	
b	Other equity	(1,40,125.18)	(92,875.25)	(91,435.15)
	Total Equity	(1,38,685.08)		
2	Liabilities			
a	Non-current liabilities			
(i)	Financial liabilities			
(ii)	Borrowings	168.99	122.00	
b	Provisions	35.99	41.85	
c	Deferred tax liabilities	-	-	163.85
		204.98		
3	Current Liabilities			
a	Financial liabilities			
(i)	Borrowings	58.64	4,114.11	
(ii)	Trade payables	22,167.95	35,735.81	
(iii)	Other financial liabilities	1,46,581.41	1,13,107.61	1,52,957.83
b	Other current liabilities	-	-	9,524.31
c	Provisions	5,537.20	4,828.20	6,633.90
	Total Equity and Liabilities	40,692.30		77,844.44

Notes

1. As more fully described in Note 4 below, the above audited financial results for the year ended March 31, 2017 were taken on record and have been approved by the Resolution Professional on July 26, 2017.

2. The Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is April 01, 2015. The results for the quarter and year ended March 31, 2017 are in compliance with the Ind AS and accordingly, the results for the quarter and previous year ended March 31, 2016 have been restated to comply with Ind AS to make them comparable. The figures for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the financial year.

3. Reconciliations of other equity, Statement of profit and loss and Other Comprehensive Income on account of transition from the previous Indian Generally Accepted Accounting Principles (Previous GAAP) to Ind AS are as under:

a) The reconciliation Statement of profit & loss and other comprehensive income

Particulars	Year ended March 31, 2016 (₹ in Lakhs)	Quarter ended March 31, 2016 (₹ in Lakhs)
Net loss reported for the Period ended (published as per previous Indian GAAP)	(16,326.16)	(3,827.14)
Actuarial loss/(Gain) on defined obligation recognised in other comprehensive expenses	(42.41)	(10.60)
Adjustment relating to Interest expense (Refer Note 6)	(2,988.81)	(3,010.03)
Measurement of investment in equity instruments other than subsidiaries at fair value	1.26	1.26
Net Loss recast to Ind AS for the quarter and year ended	(19,355.12)	(6,846.50)
Other Comprehensive income	42.41	10.60
Deferred Tax relating to above	(14.68)	(14.68)
Total Comprehensive Income (comprising loss for the period after tax and other comprehensive income)	(19,328.39)	(6,850.58)

b) Reconciliation of Other Equity as reported in Indian GAAP to Ind AS is as under:

Particulars	Year ended March 31, 2016 (₹ in Lakhs)
Opening balance as per Indian GAAP	(89,427.35)
Adjustment relating to Interest expense	(3,416.18)
Measurement of investment in equity instruments other than subsidiaries at fair value	10.13
Effect of change in other comprehensive income (net of deferred tax)	(41.85)
Other Equity as per Ind AS	(92,875.25)

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- 4 During the earlier year/s, creditors had initiated winding up petitions against the Company under the Companies Act 1956 in respect of their outstanding. In the year 2016, Bank of India and Andhra Bank had sent demand notice of initiating recovery proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Subsequent to the year end, a lender has filed insolvency and bankruptcy petition against the Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Mumbai ("NCLT") vide its order dated April 21, 2017 declaring moratorium against all such recovery proceedings/winding up petitions against the Company. The order of moratorium shall have effect from April 21, 2017 till the completion of the Corporate Insolvency Resolution Process (CIRP) or until the NCLT approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of the Company under section 33 of the Insolvency and Bankruptcy Code, 2016 ("the Code"), as the case may be. Further, as per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the pendency of Corporate Insolvency Resolution Process (CIRP), these powers are, in terms of the code, now vested with Mr. Amit Gupta as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from April 21, 2017. Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 05, 2017 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on June 01, 2017 and inter alia confirmed Interim Resolution Professional as Resolution Professional (RP) for the Company.
- 5 The Statutory Auditors have modified their opinion in respect of the following matters:
- The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 166,834.39 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. Further as set out in Note 4 above, pursuant to CIRP, a resolution plan needs to be prepared and approved by COC and NCLT to keep the Company as a going concern. Currently, Resolution plan is under formulation and yet to be presented for approval of COC. Above matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The standalone financial statement does not include any adjustment in this respect.
 - Resolution Professional has received various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation.
 - During the earlier year lenders of the Indian Subsidiary HDO Technologies Limited have invoked corporate guarantees and initiated recovery actions against the company in respect of such guarantees extended / executed in favour of the lenders of the subsidiary. As at March 31, 2017 total outstanding of such subsidiary against these lenders is ₹ 23,098.51 Lakhs including non-fund based uninvoked bank guarantees aggregating to ₹ 347.63 Lakhs. As set out in note 4 above, the Hon'ble NCLT has granted moratorium in respect such proceedings. No provision has been made in the accounts for such possible loss.
 - The Company has investment in its one of the Indian subsidiary (HDO Technologies Limited) having book value aggregating to ₹ 15,380.00 Lakhs as at March 31, 2017. The said subsidiary is incurring losses and its net worth has been eroded. Subsequent to the year end, a lender has filed insolvency and bankruptcy petition against the said subsidiary Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Mumbai ("NCLT") vide its order dated April 28, 2017. The Company is yet to assess the loss allowance/expected cash short fall and no provision has been made in books of account in respect such investment.
 - In respect of trade receivable aggregating to ₹ 2831.17 Lakhs (that are past due), the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. However, management is in continuous follow up with the respective contractee/clients for realization of aforesaid dues.
 - External confirmations of the balances are not available in respect of trade receivables (including retention money), trade payables, mobilization advances and certain bank balances aggregating to ₹ 19.85 Lakhs. Further, the company is yet to assess loss allowance/expected credit loss on such trade receivables and no provision has been made in respect of such assets.
 - The Company has extended corporate guarantee in favor of security trustee of the CDR Lenders of the Holding Company (IVRCL Limited) who is incurring losses and may be treated as a case of failed Corporate Debt Restructuring (CDR) and Strategic Debt Restructuring (SDR). The holding company has outstanding loans including fund based and non fund aggregating to ₹ 581,357.67 Lakhs. Further, the company has also issued corporate guarantees to certain contractee/clients for project works aggregating to ₹ 3,315.29 Lakhs. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these guarantees. The loss allowance in respect of these guarantees is presently indeterminable; accordingly, no provision has been made in books of account in respect of such guarantees.
 - The lenders, on behalf of the company, have extended certain financial guarantees aggregating to ₹ 25,934.60 Lakhs to contractee/clients of the Company for various projects. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees for the reasons stated in Note 4. The loss allowance in respect of these guarantees is presently indeterminable; accordingly, no provision has been made in books of account in respect of such guarantees.
 - The company has various input credits and balance with various statutory authorities pertaining to service tax, VAT, sales tax etc aggregating to ₹ 1,213.12 Lakhs. Recovery of these amounts is subject to reconciliation, filing of returns and admission by the respective statutory authorities. No adjustment has been made in the financial results in respect of such amounts.
 - During the year, the company has written back various liabilities such as trade payables, provisions and advance received from customers aggregating to ₹ 10,764.50 Lakhs which were outstanding for a long period of time. Management believes that such liabilities were pertaining to project work/others and there has not been any claim from such parties for long period of time. Management does not expect any tenable future claim in respect of such liabilities.
- 6 Finance cost for the quarter and year ended March 31, 2017 and March 31, 2016 includes additional interest of ₹ 2,943.61 Lakhs and ₹ 2,988.81 Lakhs respectively provided during the period/year.
- 7 Exceptional items amounting to ₹ 24,631.72 Lakhs includes write off of Trade receivables, Unbilled revenue and other advances of ₹ 35,396.22 Lakhs and write back of certain liabilities as given above in Note 5(i).
- 8 The Previous Quarter's/Year's figures have been regrouped/rearranged wherever necessary.

Place: Mumbai
Date: July 26, 2017



For Hindustan Dorr Oliver Limited

(S C Sekaran)
Executive Director
DIN - 00334115

(Amit Gupta)
Resolution Professional



CHATURVEDI & PARTNERS

Chartered Accountants

212A, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019
Phone: 011-46654655 Fax: 011-46654655
Email: delhi@chaturvedica.com

Independent Auditor's Report on Standalone Financial Results of Hindustan Dorr Oliver Limited for year ended on March 31, 2017 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional of
Hindustan Dorr Oliver Limited

1. The Hon'ble Company Law Tribunal, Mumbai ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Hindustan Dorr Oliver Limited ("the Company") and appointed Mr. Amit Gupta as Interim Resolution Professional (IRP) in terms of the Insolvency and bankruptcy Code, 2016 (the Code") to carry out the functions of the Company as mentioned under the code.
2. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed in view of the pendency of Corporate Insolvency Resolution Process (CIRP), these powers are now vested with Mr. Amit Gupta in his capacity as the IRP from April 21, 2017 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 05, 2017 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on June 01, 2017 and *inter alia* confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
3. We have audited the accompanying standalone statement of financial results ("the Statement") of the Company for the year ended on March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This statement, which is the responsibility of the company's management/RP and duly approved by the Resolution Professional, has been prepared from the related financial statements which has been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such financial statements.
4. 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 qualified opinion.



5. We refer to following matters:

- a. Note 4 and note 5(a) to the accompanying statement in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 152,142.43 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;
- b. Note 5(b) to the accompanying statement in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
- c. Note 5(c) in respect of invocation of corporate guarantees aggregating to ₹ 23,098.51 Lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its one Indian subsidiary (HDO Technologiess Limited) in favour of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of such subsidiary company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
- d. Note 5(d) to the the accompanying statement regarding investments in one of the Indian subsidiary (HDO Technologiess Limited) that is incurring losses and its net worth is eroded, having book value aggregating to ₹ 15,380.00 Lakhs as at March 31, 2017 and subsequent to year end corporate insolvency resolution process has been initiated. In view of above, Company may not be able to realize such investment. Had the loss allowance in respect of such investment been recognized, the loss after tax would have been higher by ₹ 15,380.00 Lakhs and total assets and net worth would have been lower by ₹ 15,380.00 Lakhs respectively;
- e. Note 5(e) to the the accompanying statement in respect of overdue trade receivables aggregating to ₹ 2,831.17 Lakhs pertaining to certain projects wherein the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 2,831.17 Lakhs and total assets and net worth would have been lower by ₹ 2,831.17 Lakhs respectively;



- f. Note 5(f) to the accompanying statement wherein external confirmation are not available in respect of trade receivables including retention money, certain bank balances aggregating to ₹ 19.86 Lakhs and trade payables/ mobilization advances. The Company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;
 - g. Note 5(g) and Note 5(h) to the accompanying statement in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company, corporate guarantee and financial guarantees extended to contractee/clients by the company and by the lenders respectively. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;
 - h. Note 5(i) to the accompanying statement in respect balances available with statutory authorities and input credits aggregating to ₹ 1,213.12 Lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of advances is required;
 - i. Note 5(j) to the accompanying statement in respect of write back of various trade payable, provisions and advances from customers aggregating to ₹ 10,764.50 Lakhs for the reasons stated therein. Had the various trade payable, provisions and advances from customers not been written back, total liabilities and the loss after tax would have been higher by ₹ 10,764.50 Lakhs and net worth would have been lower by ₹ 10,764.50 Lakhs respectively.
 - j. Our independent auditor report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
6. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in this regard except for the effects of the matters described under paragraph 5(d), 5(e) and 5(i) above and possible effects of the matters described under paragraph 5(a), 5(b), 5(c), 5(f), 5(g) and 5(h) above; and
 - ii. give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information for the year ended on March 31, 2017 except for the effects of the matters described under paragraph 5(d), 5(e) and 5(i) above and possible effects of the matters described under paragraph 5(a), 5(b), 5(c), 5(f), 5(g) and 5(h) above.



7. The Statement includes the results for the Quarter ended March 31, 2017 and March 31, 2016 being the balancing figure between the audited figures in respect of the full financial year and previous financial year and the published figures upto the third quarter of the current financial year and previous financial year respectively, which were subject to limited review.

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

ANUJ MAHANSARIA

Partner

Membership No. 500819

Mumbai
July 26, 2017



ANNEXURE I
HINDUSTAN DORR-OLIVER LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Standalone Financial Results -

I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
{See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016}

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in lakhs
1	Turnover / Total income	9,557.26	9,557.26
2	Total Expenditure	56,797.11	85,772.78
3	Net Profit/(Loss)	(47,239.85)	(76,215.52)
4	Earnings Per Share (after exceptional item)	(65.61)	(105.85)
5	Total Assets	40,692.30	22,481.13
6	Total Liabilities	179,378.38	190,142.88
7	Net Worth	(138,686.08)	(167,661.75)
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualifications

a. Details of audit qualification

S. No.	Particulars
1	Note 4 and note 5(a) to the accompanying statement in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 152,142.43 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;



2	Note 5(b) to the accompanying statement in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
3	Note 5(c) in respect of invocation of corporate guarantees aggregating to ₹ 23,098.51 Lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its one Indian subsidiary (HDO Technologiess Limited) in favour of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of such subsidiary company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
4	Note 5(d) to the the accompanying statement regarding investments in one of the Indian subsidiary (HDO Technologiess Limited) that is incurring losses and its net worth is eroded, having book value aggregating to ₹ 15,380.00 Lakhs as at March 31, 2017 and subsequent to year end corporate insolvency resolution process has been initiated. In view of above, Company may not be able to realize such investment. Had the loss allowance in respect of such investment been recognized, the loss after tax would have been higher by ₹ 15,380.00 Lakhs and total assets and net worth would have been lower by ₹ 15,380.00 Lakhs respectively;
5	Note 5(e) to the the accompanying statement in respect of overdue trade receivables aggregating to ₹ 2,831.17 Lakhs pertaining to certain projects wherein the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 2,831.17 Lakhs and total assets and net worth would have been lower by ₹ 2,831.17 Lakhs respectively;
6	Note 5(f) to the accompanying statement wherein external confirmation are not available in respect of trade receivables including retention money, certain bank balances aggregating to ₹ 19.86 Lakhs and trade payables/ mobilization advances. The Company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;
7	Note 5(g) and Note 5(h) to the accompanying statement in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company, corporate guarantee and financial guarantees extended to contractee/clients by the company and by the lenders respectively. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;
8	Note 5(i) to the accompanying statement in respect balances available with statutory authorities and input credits aggregating to ₹ 1,213.12 Lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of advances is required;
9	Note 5(j) to the accompanying statement in respect of write back of various trade payable, provisions and advances from customers aggregating to ₹ 10,764.50 Lakhs

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	for the reasons stated therein. Had the various trade payable, provisions and advances from customers not been written back, total liabilities and the loss after tax would have been higher by ₹ 10,764.50 Lakhs and net worth would have been lower by ₹ 10,764.50 Lakhs respectively.
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- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** Qualification given in point 1,3,4,5 & 6 are repetitive and qualifications given in point 2, 7, 8 & 9 have come for the first time.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

S. No.	Particulars
1	In respect of qualification 4 above, In respect of the subsidiary company, currently resolution plan is under formulation and the Management of the Company is confident of positive outcome and revival of the company. Accordingly, no provision has been made.
2	In respect of qualification 5 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
3	In respect of qualification 9 above, the company has ongoing Corporate Insolvency Resolution Process (CIRP) and consequentially the impact of the same is presently undeterminable.

- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- i. **Management's estimation on the impact of audit qualification:** Indeterminable
- ii. **If management is unable to estimate the impact, reasons for the same:**

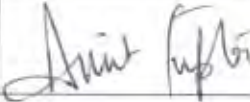
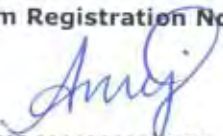
S. No.	Particulars
1	In respect of qualification 1 above, In respect of the company, currently resolution plan is under formulation and the Management of the Company is confident of positive outcome and revival of the company. Accordingly, the statement has been prepared on the basis that the Company is a Going Concern.
2	In respect of qualification 2, above, the Company is currently under process of reconciliation/admission of such claims and consequentially the impact of the same is presently undeterminable.
3	In respect of qualification 3 above, the Corporate Insolvency Resolution Process (CIRP) is ongoing in respect of such subsidiary company and the impact is presently indeterminable.
4	In respect of qualification 6 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
5	In respect of qualification 7 above, The Company is yet to assess the changes in risk / expected cash shortfall and thus, the loss allowance in respect of these guarantees are presently indeterminable.
6	In respect of qualification 8 above, the balances with statutory authorities are subject to reconciliation, filing of return and admission of respective statutory authorities thus, the impact of the same is presently undeterminable.

- iii. Auditors comment on above: Nil

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III. Signatories

1	Resolution Professional	 
2	Executive Director (DIN- 00334115)	
3	CFO	
4	Statutory Auditor	CHATURVEDI & PARTNERS Chartered Accountants Firm Registration No. 307068E  ANUJ MAHANSARIA Partner Membership No. 500819
	Place : Mumbai Date : July 26, 2017	

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2017

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS		₹ in Lakhs except otherwise stated	
S.No.	Particulars (Refer notes below)	Audited	
		Year ended	
		March 31, 2017	March 31, 2016
1	Revenue from Operations	10,768.48	25,483.26
2	Other Income	968.76	538.54
3	Total Income (1+2)	11,737.24	26,021.80
4	Expenditures		
a	Cost of materials consumed/services	8,909.46	12,813.50
b	Purchase of Stock in Trade	-	6,039.20
c	Changes in inventory of work in progress	(1,103.63)	2,027.17
d	Employee benefit expenses	2,228.39	2,515.67
e	Finance cost	24,970.63	21,030.39
f	Depreciation and amortization expenses	562.44	551.79
g	Excise Duty	310.08	666.71
h	Other expenses	2,910.22	3,483.22
	Total Expenditures (4)	38,787.59	49,127.85
5	Profit / (Loss) before exceptional items and tax (3-4)	(27,050.35)	(23,106.05)
6	Exceptional items (Net)	32,379.90	-
7	Profit / (Loss) before tax	(59,430.25)	(23,106.05)
8	Tax Expenses		
a	Current tax	7.44	136.30
b	Deferred tax	547.33	-
9	Net profit / (loss) for the period from continuing operations (7-8)	(59,985.02)	(23,242.35)
10	Other comprehensive income		
a	i) Items that will not be reclassified to profit or loss	(24.16)	39.61
	ii) Income tax relating to items that will not be classified to profit or loss	8.10	(13.81)
b	i) Items to be reclassified subsequently to profit or loss	-	-
	ii) Income tax relating to items that will be classified to profit or loss	-	-
11	Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)	(60,001.08)	(23,216.55)
12	Earnings per equity share (of Rs. 2 each)		
	EPS (in Rs.)		
	Basic & Diluted	(83.31)	(72.28)
	(See Accompanying notes (1-13))		

AUDITED SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2017		₹ in Lakhs	
Particulars		Year ended	
		March 31, 2017	
		(Audited)	(Audited)
1	Segment Revenue		
i.	Erection procurement & construction	8,705.66	14,488.09
ii.	Finished goods	-	6,050.11
iii.	Manufacturing & Others	3,124.30	6,264.86
	Gross Turnover	11,829.96	26,803.06
	Less : Inter Segment Sale	(1,061.48)	(1,319.80)
	Net Turnover	10,768.48	25,483.26
2	Segment Results		
i.	Erection procurement & construction	(2,100.39)	(1,623.26)
ii.	Finished goods	-	10.90
iii.	Manufacturing & Others	(948.11)	(1,001.84)
	Total Segment Profit/(Loss) before Interest, Exceptional Items and Tax	(3,048.50)	(2,614.20)
a	Interest expenses	(24,970.63)	(21,030.39)
b	Other Unallocable income (net of expenditure)	968.76	538.54
c	Exceptional Items	(32,379.90)	-
	Profit before Tax	(59,430.27)	(23,106.05)
3	Segment Assets		
i.	Erection procurement & construction	24,362.99	58,965.17
ii.	Finished goods	-	2,969.00
iii.	Manufacturing & Others	19,931.73	29,356.50
iv.	Unallocated	13,860.08	13,990.73
	Total	58,156.80	1,05,281.40
4	Segment Liabilities		
i.	Erection procurement & construction	1,75,322.51	1,62,590.96
ii.	Finished goods	1,662.16	4,631.08
iii.	Manufacturing & Others	28,643.02	25,575.93
iv.	Unallocated	354.05	307.31
	Total	2,05,981.74	1,93,105.28

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CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES		(₹ In Lakhs)	
Particulars		Year ended	
		March 31, 2017 (Audited)	March 31, 2016 (Audited)
I Assets			
1 Non Current Assets			
a Property, plant and equipment		22,271.35	22,819.88
b Capital Work-in-progress		601.59	601.59
c Other intangible assets		11.80	18.06
d Goodwill on Consolidation		12,900.00	12,900.00
e Financial assets			
i) Investments			
ii) Trade receivable	17.88		14.82
iii) Other Financial Assets			738.60
f Deferred Tax Assets (Net)	1.59		2,356.31
d Non Current tax assets (net)	409.51		546.69
e Other non current assets	41.15		529.15
		470.13	37.31
		36,254.87	40,562.41
2 Current assets			
a Inventories		5,469.90	4,948.87
b Financial asset			
i) Trade receivables	9,235.94		29,718.35
ii) Cash and cash equivalent	144.19		234.27
iii) Bank balance (Other than iii above)	77.72		63.16
iv) Other Financial Assets	102.59		
c Current tax assets (net)		9,560.44	111.09
d Other current assets		531.06	
		6,340.53	29,643.25
Total assets		58,156.80	1,05,281.40
II Equity and Liabilities			
1 Equity			
a Equity share capital	1,440.10		1,440.10
b Other equity	(1,49,265.04)		(89,263.98)
Total Equity		(1,47,824.94)	(87,823.88)
2 Liabilities			
Non-current liabilities			
a Financial liabilities			
i) Borrowings			
b Provisions	240.95		183.28
c Deferred tax liabilities	35.99		41.85
		276.94	225.13
3 Current Liabilities			
a Financial liabilities			
i) Borrowings	58.64		4269.25
ii) Trade payables	24,884.45		37,340.02
iii) Other financial liabilities	1,69,775.10	1,94,718.19	1,32,737.05
b Other current liabilities		6,130.19	11,875.15
c Provisions		4,856.42	6,658.68
Total Equity and Liabilities		58,156.80	1,05,281.40

Notes

- As more fully described in Note 4 below, the above audited consolidated financial results for the year ended March 31, 2017 were taken on record and have been approved by the Resolution Professional on July 26, 2017.
- The Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is April 01, 2015. The results for the year ended March 31, 2017 are in compliance with the Ind AS and accordingly, the results for the year ended March 31, 2016 have been restated to comply with Ind AS to make them comparable.
- Reconciliations of other equity, Statement of profit and loss and Other Comprehensive Income on account of transition from the previous Indian Generally Accepted Accounting Principles (Previous IGAAP) to Ind AS are as under:

a) The reconciliation Statement of profit & loss and other comprehensive income

Particulars	Year ended March 31, 2016 (₹ in Lakhs)
Net loss reported for the Year ended (published as per previous Indian GAAP)	(19,260.92)
Actuarial loss/(Gain) on defined obligation recognised in other comprehensive expenses	(39.61)
Measurement of equity instrument other than investment in subsidiary at fair value through Profit and Loss	1.30
Adjustment relating to Interest expense	(3,769.50)
Depreciation on Leasehold land	(49.32)
Difference between Audit and Unaudited Financial Statement of Subsidiary	(124.30)
Net Loss recast to Ind AS for the quarter and year ended	(23,242.35)
Other Comprehensive Income	39.61
Deferred tax relating to above	(13.81)
Total Comprehensive Income (comprising loss for the period after tax and other comprehensive income)	(23,216.55)

b) Reconciliation of Other Equity as reported in Indian GAAP to Ind AS is as under:

Particulars	Year ended March 31, 2016 (₹ in Lakhs)
Opening balance as per Indian GAAP	(84,760.80)
Adjustment relating to Interest expense	(4,298.70)
Depreciation on Leasehold land	(49.32)
Difference between Audit and Unaudited Financial Statement of Subsidiary	(124.30)
Measurement of equity instrument other than investment in subsidiary at fair value through Profit and Loss	10.13
Effect of change in other comprehensive income (net of deferred tax)	(40.99)
Other Equity as per Ind AS	(89,263.98)

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In respect of Hindustan Dorr-Oliver Limited (Holding Company)

- 4 During the earlier year/s, creditors had initiated winding up petitions against the Company under the Companies Act 1956 in respect of their outstanding. In the year 2016, Bank of India and Andhra Bank had sent demand notice of initiating recovery proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Subsequent to the year end, a lender has filed insolvency and bankruptcy petition against the Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Mumbai ("NCLT") vide its order dated April 21, 2017 declaring moratorium against all such recovery proceedings/winding up petitions against the Company. The order of moratorium shall have effect from April 21, 2017 till the completion of the Corporate Insolvency Resolution Process (CIRP) or until the NCLT approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of the Company under section 33 of the Insolvency and bankruptcy Code, 2016 ("the Code"), as the case may be. Further, as per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed, in view of the pendency of Corporate Insolvency Resolution Process (CIRP), these powers are, in terms of the code, now vested with Mr. Amit Gupta as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from April 21, 2017. Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 05, 2017 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on June 01, 2017 and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
- 5 The Statutory Auditors have modified their opinion on financial results of Hindustan Dorr-Oliver Limited (Holding Company) in respect of the following matters:
- The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 152,142.43 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. Further as set out in Note 4 above, pursuant to CIRP, a resolution plan needs to be prepared and approved by COC and NCLT to keep the Company as a going concern. Currently, Resolution plan is under formulation and yet to be presented for approval of COC. Above matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The standalone financial statement does not include any adjustment in this respect.
 - Resolution Professional has received various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation.
 - During the earlier year lenders of the Indian Subsidiary HDO Technologies Limited have invoked corporate guarantees and initiated recovery actions against the company in respect of such guarantees extended / executed in favour of the lenders of the subsidiary. As at March 31, 2017 total outstanding of such subsidiary against these lenders is ₹ 23,098.51 Lakhs including non-fund based uninvoked bank guarantees aggregating to ₹ 347.63 Lakhs. As set out in note 4 above, the Hon'ble NCLT has granted moratorium in respect such proceedings. No provision has been made in the accounts for such possible loss.
 - In respect of trade receivable aggregating to ₹ 2831.17 Lakhs that are past due, the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. However, management is in continuous follow up with the respective contractee/clients for realization of aforesaid dues.
 - External confirmations of the balances are not available in respect of trade receivables (including retention money), trade payables, mobilization advances and certain bank balances aggregating to ₹ 19.86 Lakhs. Further, the company is yet to assess loss allowance/expected credit loss on such trade receivables and no provision has been made in respect of such assets.
 - The Company has extended corporate guarantee in favor of security trustee of the CDR lenders of the Holding Company (IVRCL Limited) who is incurring losses and may be treated as a case of failed Corporate Debt Restructuring (CDR) and Strategic Debt Restructuring (SDR). The holding company has outstanding loans including fund based and non fund aggregating to ₹ 581,357.67 Lakhs. Further, the company has also issued corporate guarantees to certain contractee/clients for project works aggregating to ₹ 3,315.29 Lakhs. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these guarantees. The loss allowance in respect of these guarantees is presently indeterminable; accordingly, no provision has been made in books of account in respect of such guarantees.
 - The lenders, on behalf of the company, have extended certain financial guarantees aggregating to ₹ 25,934.60 Lakhs to contractee/clients of the Company for various projects. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees for the reasons stated in Note 4. The loss allowance in respect of these guarantees is presently indeterminable; accordingly, no provision has been made in books of account in respect of such guarantees.
 - The company has various input credits and balance with various statutory authorities pertaining to service tax, VAT, sales tax etc aggregating to ₹ 1,213.12 Lakhs. Recovery of these amounts is subject to reconciliation, filing of returns and admission by the respective statutory authorities. No adjustment has been made in the financial results in respect of such amounts.
 - During the year, the company has written back various liabilities such as trade payables, provisions and advance received from customers aggregating to ₹ 10,764.50 Lakhs which were outstanding for a long period of time. Management believes that such liabilities were pertaining to project work/others and there has not been any claim from such parties for long period of time. Management does not expect any tenable future claim in respect of such liabilities.
- 6 Exceptional items amounting to ₹ 24,631.72 Lakhs includes write off of Trade receivables, Unbilled revenue and other advances of ₹ 35,396.22 Lakhs and write back of certain liabilities as given above in Note 5(i).



In respect of HDO Technologiss Limited (subsidiary) of the Company

- 7 During the earlier year/s, creditors had initiated winding up petitions against the Company under the Companies Act 1956 in respect of their outstanding. In the year 2016, Bank of India and Andhra Bank had sent demand notice of initiating recovery proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Subsequent to the year end, a lender has filed insolvency and bankruptcy petition against the Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Mumbai ("NCLT") vide its order dated April 28, 2017 declaring moratorium against all such recovery proceedings/winding up petitions against the Company. The order of moratorium shall have effect from April 28, 2017 till the completion of the Corporate Insolvency Resolution Process (CIRP) or until the NCLT approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of the Company under section 33 of the Insolvency and bankruptcy Code, 2016 ("the Code"), as the case may be. Further, as per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed, in view of the pendency of Corporate Insolvency Resolution Process (CIRP), these powers are, in terms of the code, now vested with Mr. Amit Gupta as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from April 28, 2017. Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 05, 2017 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on June 01, 2017 and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
- 8 The Statutory Auditors have modified their opinion on financial statement of HDO Technologiss Limited (Subsidiary Company) in respect of the following matters:
- The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 22,105.09 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 23,098.51 Lakhs which include working capital loan and outstanding letters of credit/bill discounting from banks. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. Further as set out in note 34 above, pursuant to CIRP, a resolution plan needs to be prepared and approved by COC and NCLT to keep the Company as a going concern. Currently Resolution plan is under formulation and yet to be presented for approval of COC. Above matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statement does not include any adjustment in this respect.
 - Resolution Professional has received various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation.
 - During the earlier year, lenders of the Holding Company (i.e. Hindustan Dorr Oliver Limited) have invoked corporate guarantees and initiated recovery actions against the company in respect of such guarantees extended / executed in favour of the lenders of Holding Company. As at March 31, 2017 total outstanding of such subsidiary against these lenders is ₹ 141,717.00 Lakhs including non-fund based uninvoked bank guarantees aggregating to ₹ 25,934.60 Lakhs. As set out in note 7 above, the Hon'ble NCLT has granted moratorium in respect such proceedings. No provision has been made in the accounts for such possible loss.
 - In respect of trade receivable aggregating to ₹ 766.53 Lakhs that are past due, the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. However, management is in continuous follow up with the respective contractee/clients for realization of aforesaid dues.
 - External confirmation are not available in respect of trade receivables including retention money and trade payables/ mobilization advances. The management does not expect any material adjustment on receipt of such confirmation.
 - The Company has extended corporate guarantee in favor of lenders of the ultimate holding Company (IVRCL Limited) who is incurring losses and may be treated as a case of failed Corporate Debt Restructuring (CDR) and Strategic Debt Restructuring (SDR). The parent company has outstanding loans including fund based and non-fund aggregating to ₹ 581,357.67 Lakhs. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these guarantees. The loss allowance in respect of these guarantees is presently indeterminable, accordingly, no provision has been made in books of account in respect of such guarantees.
 - The lenders, on behalf of the company, have extended certain financial guarantees aggregating to ₹ 347.63 Lakhs to contractee/clients of the Company for various projects. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees for the reasons stated in Note 7. The loss allowance in respect of these guarantees is presently indeterminable, accordingly, no provision has been made in books of account in respect of such guarantees.
 - In respect of Capital Work In Progress (CWIP) aggregating to ₹ 601.59 Lakhs, work execution is on hold for long period due to financial stress of the Company. Though at present management does not have any comprehensive plan for completion of the same in foreseeable future, CWIP has not been subjected to impairment testing under IND AS 36, Impairment of Assets.
 - Non-moving work in progress (WIP) aggregating to ₹ 577.71 Lakhs is lying for long period due to order cancellation/hold by the customer, delay in execution etc. Management is taking necessary steps for realization of the cost incurred including engagement/negotiation with original customers and disposing off the inventory in the market as such or on completion. In view of above, in the opinion of the management, no adjustment is required in financial statements in this respect.
 - Past due trade receivable aggregating to ₹ 2,139.82 Lakhs due from Hindustan Dorr-Oliver Limited (the holding company) have been considered as a good and recoverable by the management. However, this amount does not have any impact being an inter-company balances.
 - Certain receivables aggregating to ₹ 133.48 Lakhs pertaining to Excise duty/service tax credit have been reversed by the Excise Authority and which are subject to litigation and no provision has been made. The management is hopeful of positive outcome of the litigation and hence no loss allowance has been provided in the books.
 - Exceptional item represents write off of various trade receivable/advances aggregating to ₹ 7800.88 Lakhs that were outstanding for long period of time and write back of various old liabilities no longer required aggregating to ₹ 52.70 Lakhs.

Other Notes

- 10 Consolidated financial results include financial statements of HDO Technologiss Limited, a subsidiary company. As more fully explained in Note 4 and Note 7, subsequent to the year-end, the corporate insolvency resolution process (CIRP) has been initiated against the Holding Company and the Subsidiary Company. Pursuant to commencement of CIRP, as per the provisions of section 17 of The Insolvency and Bankruptcy Code, 2016 ("the Code"), the management of the affairs of the Company is vested in the resolution professional (RP), and the powers of the board of directors stand suspended and be exercised by the resolution professional. In the opinion of RP such suspension of powers of the Board of Directors is temporary in nature and Currently Resolution plan is under formulation. The management is hopeful of positive outcome of resolution plan. Accordingly, consolidated financial statements have been prepared by including the financial statement of aforesaid subsidiary company.
- 11 Goodwill on consolidation aggregating to ₹ 12,900.00 Lakhs has been recognized on consolidation of the Indian Subsidiary (HDO Technologiss Limited), whose net worth is eroded and continues to incur losses as at March 31, 2017. Further subsequent to year-end, CIRP has been initiated against such company by one of the lenders. Management is hopeful of positive outcome of CIRP proceedings and no provision for impairment of goodwill has been made in the consolidated financial statements.
- 12 The consolidated financial results for all presented financial years does not include financial statements of two foreign subsidiaries namely HDO (UK) Limited and HDO Zambia Limited due to non-availability of financial statement of respective years as latest financial statement is available for financial year ended March 31, 2015 reflecting net liabilities of ₹ 12,162.61 Lakhs (net of total assets of ₹ 1,710.84 Lakhs) and includes unaudited financial statements of one Indian Subsidiary reflecting total assets of ₹ 1 lakhs as at March 31, 2017 total revenue of NIL, net loss of ₹ 0.05 Lakhs and cash outflow is Nil for the period then ended.
- 13 The Previous Year's figures have been regrouped/rearranged wherever necessary.

Place: Mumbai
Date: July 26, 2017



For Hindustan Dorr Oliver Limited

(S C Sekaran)
Executive Director
DIN - 00334115

(Amit Gupta)
Resolution Professional



CHATURVEDI & PARTNERS

Chartered Accountants

212A, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019
Phone: 011-46654665 Fax: 011-46654655
Email: delhi@chaturvedica.com

Independent Auditor's Report on Consolidated Financial Results of Hindustan Dorr Oliver Limited for year ended on March 31, 2017 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To
The Resolution Professional of
Hindustan Dorr Oliver Limited**

1. The Hon'ble Company Law Tribunal, Mumbai ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Hindustan Dorr Oliver Limited ("the Company") and appointed Mr. Amit Gupta as Interim Resolution Professional (IRP) in terms of the Insolvency and bankruptcy Code, 2016 (the Code) to carry out the functions of the Company as mentioned under the code.
2. As per section 134 of the Companies Act, 2013, the consolidated financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed in view of the pendency of Corporate Insolvency Resolution Process (CIRP), these powers are now vested with Mr. Amit Gupta in his capacity as the IRP from April 21, 2017 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 05, 2017 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on June 01, 2017 and *inter alia* confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
3. We have audited the accompanying statement of consolidated financial results ("the Statement") of the Company for the year ended on March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This statement, which is the responsibility of the company's management/RP and duly approved by the Resolution Professional, has been prepared from the related financial statements which has been prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such financial statements.
4. 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 qualified opinion.



5. Basis of qualified opinion

1. Attention is invited to Note 4 and Note 5(a) to 5(i) to the accompanying statement in respect of Holding Company - Hindustan Dorr-Oliver Limited:
 - a. Note 4 and note 5(a) to the accompanying statement in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 152,142.43 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;
 - b. Note 5(b) to the accompanying statement in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/ reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
 - c. Note 5(c) in respect of invocation of corporate guarantees aggregating to ₹ 23,098.51 Lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its one Indian subsidiary (HDO Technologiss Limited) in favour of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of such subsidiary company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
 - d. Note 5(d) to the the accompanying statement in respect of overdue trade receivables aggregating to ₹ 2,831.17 Lakhs pertaining to certain projects wherein the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 2,831.17 Lakhs and total assets and net worth would have been lower by ₹ 2,831.17 Lakhs respectively;
 - e. Note 5(e) to the accompanying statement wherein external confirmation are not available in respect of trade receivables including retention money, certain bank balances aggregating to ₹ 19.86 Lakhs and trade payables/ mobilization advances. The Company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;
 - f. Note 5(f) and Note 5(g) to the accompanying statement in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company, corporate guarantee and financial guarantees extended to contractee/clients by the company and by the lenders respectively. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;



- g. Note 5(h) to the accompanying statement in respect balances available with statutory authorities and input credits aggregating to ₹ 1,213.12 Lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of advances is required;
 - h. Note 5(i) to the accompanying statement in respect of write back of various trade payable, provisions and advances from customers aggregating to ₹ 10,764.50 Lakhs for the reasons stated therein. Had the various trade payable, provisions and advances from customers not been written back, total liabilities and the loss after tax would have been higher by ₹ 10,764.50 Lakhs and net worth would have been lower by ₹ 10,764.50 Lakhs respectively.
- II. Attention is invited to Note 7 and Note 8(a) to 8(k) to the accompanying statement in respect its subsidiary- HDO Technologless Limited :
- a. Note 7 and Note 8(a) in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 22,105.09 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 23,098.51 Lakhs which include working capital loan and outstanding bank guarantee from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;
 - b. Note 8(b) in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Interim Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016 that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
 - c. Note 8(c) in respect of invocation of corporate guarantees aggregating to ₹ 141,717.00 lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its Holding Company in favor of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of Holding Company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
 - d. Note 8(d) regarding the status of overdue trade receivable aggregating to ₹ 766.53 Lakhs, the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 766.53 Lakhs and total assets and net worth would have been lower by ₹ 766.53 Lakhs respectively;
 - e. Note 8(e) in respect of trade receivables, mobilization advances, retention money and trade payables, external confirmations of the balances are not available and company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;



- f. Note 8(f) & (g) in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company and financial guarantees extended to contractee/clients by the lenders. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;
 - g. Note 8(h) work execution remains on hold in respect of Capital Work In Progress (CWIP) aggregating to ₹ 601.59 Lakhs for long period and management does not have any comprehensive plan for completion of the same in foreseeable future. CWIP has not been subjected to impairment testing under IND AS 36, Impairment of Assets. Accordingly, we are not able to comment on the recoverability of the same;
 - h. Note 8(i) in respect of non-moving work in progress (WIP) aggregating to ₹ 577.71 Lakhs which are lying for long period due to order cancellation/hold by the customer, delay in execution etc. In absence of evaluation of obsolescence/realisable value, we are unable to comment on the extent to which such work-in-progress is realisable;
 - i. Note 8(j) regarding the status of overdue trade receivable aggregating to ₹ 2,139.82 Lakhs due from Hindustan Dorr-Oliver Limited (the holding company) which has been classified as a good and in respect of which no allowance has been considered necessary for the reason explained therein. However, this amount does not have any impact being an inter-company balances;
 - j. Note 8(k) in respect of receivables aggregating to ₹ 133.48 Lakhs pertaining to Excise duty/service tax credit reversed by the Excise Authority and which are subject to litigation and no provision has been made. Had the loss allowance in respect of such receivables been recognized, the loss after tax would have been higher by ₹ 133.48 Lakhs and total assets and net worth would have been lower by ₹ 133.48 Lakhs respectively.
6. We refer to Note 11 of the accompanying statement, in respect of Goodwill on consolidation, of the Indian Subsidiary, aggregating to ₹ 12,900.00 Lakhs, whose net worth is eroded and continues to incur losses as at March 31, 2017. Further subsequent to year-end, CIRP has been initiated against such company by one of the lenders. However, no provision for impairment of goodwill has been made in the statement. Has our observation been considered, the loss after tax would have been higher by ₹ 1,2900.00 Lakhs and total consolidated asset and consolidated net worth of the group would have been lower by ₹ 12,900.00 Lakhs.
 7. Our report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Holding Company's and Subsidiary Company's internal financial control over financial reporting.
 8. We refer to Note 12 of the accompanying statement, wherein, the consolidated financial results for all presented financial years does not include financial statements of two foreign subsidiaries namely HDO (UK) Limited and HDO Zambia Limited due to non-availability of financial statement of respective years as latest financial statement is available for financial year ended March 31, 2015 reflecting net liabilities of ₹ 12,162.61 Lakhs (net of total assets of ₹ 1,710.84 Lakhs) and includes unaudited financial statements of one Indian Subsidiary reflecting total assets of ₹ 1 lakhs as at March 31, 2017 total revenue of NIL, net loss of ₹ 0.05 Lakhs and cash outflow is Nil for the period then ended.



9. In our opinion and to the best of our information and according to the explanations given to us, the Statement;

- i. include the financial results for the year ended March 31, 2017 of the following entities:

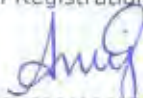
S. No.	Name of the companies
1	HDO Technologiess Limited
2	Davymarkham India Private Limited

- ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. in this regard except for the effects described under paragraph 5(I)(d), 5(I)(h), 5(II)(d), 5(II)(j) & paragraph 6 above and possible effects of matters described under paragraph 5(I)(a), 5(I)(b), 5(I)(c), 5(I)(e), 5(I)(f), 5(I)(g), 5(II)(a), 5(II)(b), 5(II)(c), 5(II)(e), 5(II)(f), 5(II)(g), 5(II)(h), 5(II)(i) & paragraph 8 above; and
- iii. give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net loss, total comprehensive income and other financial information for the year ended on March 31, 2017 except for the effects described under paragraph 5(I)(d), 5(I)(h), 5(II)(d), 5(II)(j) & paragraph 6 above and possible effects of matters described under paragraph 5(I)(a), 5(I)(b), 5(I)(c), 5(I)(e), 5(I)(f), 5(I)(g), 5(II)(a), 5(II)(b), 5(II)(c), 5(II)(e), 5(II)(f), 5(II)(g), 5(II)(h), 5(II)(i) & paragraph 8 above.
10. Attention is invited to Note 10 of the accompanying statement regarding consolidation of Indian Subsidiary (HDO Technologiess Limited) for the reasons stated therein. Our opinion is not qualified in respect of this matter.

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E



ANUJ MAHANSARIA

Partner

Membership No. 500819

Mumbai
July 26, 2017



ANNEXURE I
HINDUSTAN DORR-OLIVER LIMITED

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Consolidated Financial Results -

I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
{See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016}

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) ₹ in Lakhs
1	Turnover / Total income	11,737.24	11,737.24
2	Total Expenditure	71,722.26	99,117.94
3	Net Profit/(Loss)	(59,985.03)	(87,380.71)
4	Earnings Per Share (after exceptional item)	(83.31)	(121.35)
5	Total Assets	58,156.80	41,525.62
6	Total Liabilities	205,981.72	216,746.22
7	Net Worth	(147,824.94)	(175,220.62)
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualifications

a. Details of audit qualification

S. No.	Particulars
	In respect of Hindustan Dorr-Oliver Limited ('The Holding Company')
1	Note 4 and note 5(a) to the accompanying statement in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2017 amounting to ₹ 152,142.43 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 166,834.39 Lakhs which include working capital loan and outstanding bank guarantees from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;
2	Note 5(b) to the accompanying statement in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution



	Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
3	Note 5(c) in respect of invocation of corporate guarantees aggregating to ₹ 23,098.51 Lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its one Indian subsidiary (HDO Technologiess Limited) in favour of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of such subsidiary company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
4	Note 5(d) to the the accompanying statement in respect of overdue trade receivables aggregating to ₹ 2,831.17 Lakhs pertaining to certain projects wherein the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 2,831.17 Lakhs and total assets and net worth would have been lower by ₹ 2,831.17 Lakhs respectively;
5	Note 5(e) to the accompanying statement wherein external confirmation are not available in respect of trade receivables including retention money, certain bank balances aggregating to ₹ 19.86 Lakhs and trade payables/ mobilization advances. The Company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;
6	Note 5(f) and Note 5(g) to the accompanying statement in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company, corporate guarantee and financial guarantees extended to contractee/clients by the company and by the lenders respectively. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;
7	Note 5(h) to the accompanying statement in respect balances available with statutory authorities and input credits aggregating to ₹ 1,213.12 Lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made thus, we are unable to comment whether any provision for impairment in the value of advances is required;
8	Note 5(i) to the accompanying statement in respect of write back of various trade payable, provisions and advances from customers aggregating to ₹ 10,764.50 Lakhs for the reasons stated therein. Had the various trade payable, provisions and advances from customers not been written back, total liabilities and the loss after tax would have been higher by ₹ 10,764.50 Lakhs and net worth would have been lower by ₹ 10,764.50 Lakhs respectively.
	In respect of HDO Technologiess Limited ('The subsidiary')
9	Note 7 and Note 8(a) in respect of initiation of Corporate Insolvency Resolution Process (CIRP) and preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the



	Company as at March 31, 2017 amounting to ₹ 22,105.09 Lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. The Company has obligations towards borrowings aggregating to ₹ 23,098.51 Lakhs which include working capital loan and outstanding bank guarantee from banks. The Company has also obligations pertaining to operations including unpaid creditors and statutory dues. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The accompanying statement does not include any adjustment in this respect;
10	Note 8(b) in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Interim Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
11	Note 8(c) in respect of invocation of corporate guarantees aggregating to ₹ 141,717.00 lakhs and initiation of recovery actions against the company in earlier year in respect of such guarantees extended / executed for its Holding Company in favor of the lenders. In view of the ongoing Corporate Insolvency Resolution Process (CIRP) in respect of Holding Company, we are unable to determine the impact on the accompanying statement pending conclusion of CIRP;
12	Note 8(d) regarding the status of overdue trade receivable aggregating to ₹ 766.53 Lakhs, the Management of the Company is yet to assess loss allowance/expected credit loss on such trade receivables. Had the loss allowance in respect of such trade receivables been recognized, the loss after tax would have been higher by ₹ 766.53 Lakhs and total assets and net worth would have been lower by ₹ 766.53 Lakhs respectively;
13	Note 8(e) in respect of trade receivables, mobilization advances, retention money and trade payables, external confirmations of the balances are not available and company is yet to assess loss allowance/expected credit loss on such trade receivables. Accordingly, we are unable to quantify the impact, if any, arising from the confirmation of balances/ loss assessment;
14	Note 8(f) & (g) in respect of corporate guarantee extended by the company, in earlier year and disclosed during the year, in favor of security trustee of the CDR Lenders of the holding company and financial guarantees extended to contractee/clients by the lenders. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying statement;
15	Note 8(h) work execution remains on hold in respect of Capital Work In Progress (CWIP) aggregating to ₹ 601.59 Lakhs for long period and management does not have any comprehensive plan for completion of the same in foreseeable future. CWIP has not been subjected to impairment testing under IND AS 36, Impairment

M. S. S.



	of Assets. Accordingly, we are not able to comment on the recoverability of the same;
16	Note 8(i) in respect of non-moving work in progress (WIP) aggregating to ₹ 577.71 Lakhs which are lying for long period due to order cancellation/hold by the customer, delay in execution etc. In absence of evaluation of obsolescence/realisable value, we are unable to comment on the extent to which such work-in-progress is realisable;
17	Note 8(j) regarding the status of overdue trade receivable aggregating to ₹ 2,139.82 Lakhs due from Hindustan Dorr-Oliver Limited (the holding company) which has been classified as a good and in respect of which no allowance has been considered necessary for the reason explained therein. However, this amount does not have any impact being an inter-company balances;
18	Note 8(k) in respect of receivables aggregating to ₹ 133.48 Lakhs pertaining to Excise duty/service tax credit reversed by the Excise Authority and which are subject to litigation and no provision has been made. Had the loss allowance in respect of such receivables been recognized, the loss after tax would have been higher by ₹ 133.48 Lakhs and total assets and net worth would have been lower by ₹ 133.48 Lakhs respectively.
	Others
19	We refer to Note 11 of the accompanying statement, in respect of Goodwill on consolidation, of the Indian Subsidiary, aggregating to ₹ 12,900.00 Lakhs, whose net worth is eroded and continues to incur losses as at March 31, 2017. Further subsequent to year-end, CIRP has been initiated against such company by one of the lenders. However, no provision for impairment of goodwill has been made in the statement. Has our observation been considered, the loss after tax would have been higher by ₹ 1,2900.00 Lakhs and total consolidated asset and consolidated net worth of the group would have been lower by ₹ 12,900.00 Lakhs.
20	We refer to Note 12 of the accompanying statement, wherein, the consolidated financial results for all presented financial years does not include financial statements of two foreign subsidiaries namely HDO (UK) Limited and HDO Zambia Limited due to non-availability of financial statement of respective years as latest financial statement is available for financial year ended March 31, 2015 reflecting net liabilities of ₹ 12,162.61 Lakhs (net of total assets of ₹ 1,710.84 Lakhs) and includes unaudited financial statements of one Indian Subsidiary reflecting total assets of ₹ 1 lakhs as at March 31, 2017 total revenue of NIL, net loss of ₹ 0.05 Lakhs and cash outflow is Nil for the period then ended.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of qualification:** Qualification given in point 1, 3, 4, 5, 9, 11, 12, 13, 19 & 20 are repetitive and qualifications given in point 2, 6, 7, 8, 10, 14, 15, 16, 17 & 18 have come for the first time.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

S. No.	Particulars
1	In respect of qualification 4 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.



2	In respect of qualification 8 above, the company has ongoing Corporate Insolvency Resolution Process (CIRP) and consequentially the impact of the same is presently undeterminable.
3	In respect of qualification 12 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
4	In respect of qualification 18 above, the provisions related to receivables pertaining to excise duty/service tax credit reversed by the excise authority have not been made and thus, the impact of the same is presently undeterminable.
5	In respect of qualification 19 above, In respect of the company, currently resolution plan is under formulation and the Management of the Company is confident of positive outcome and revival of the company. Accordingly, no provision for impairment of goodwill has been made in the consolidated financial results.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

- i. **Management's estimation on the impact of audit qualification:** indeterminate
- ii. **If management is unable to estimate the impact, reasons for the same:**

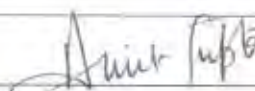
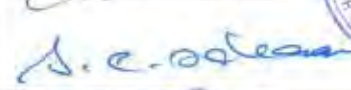
S. No.	Particulars
1	In respect of qualification 1 above, In respect of the company, currently resolution plan is under formulation and the Management of the Company is confident of positive outcome and revival of the company. Accordingly, financial statements have been prepared on the basis that the Company is a Going Concern.
2	In respect of qualification 2, above, the Company is currently under process of reconciliation/admission of such claims and consequentially the impact of the same is presently undeterminable.
3	In respect of qualification 3 above, the Corporate Insolvency Resolution Process (CIRP) is ongoing in respect of such subsidiary company and the impact is presently undeterminable.
4	In respect of qualification 18 above, the provisions related to receivables pertaining to Excise duty/ service tax credit reversed by the excise authority have not been made and thus, the impact of the same is presently undeterminable.
5	In respect of qualification 5 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
6	In respect of qualification 6 above, The Company is yet to assess the changes in risk / expected cash shortfall and thus, the loss allowance in respect of these guarantees are presently undeterminable.
7	In respect of qualification 7 above, the balances with statutory authorities are subject to reconciliation, filing of return and admission of respective statutory authorities thus, the impact of the same is presently undeterminable.
8	In respect of qualification 9 above, In respect of the company, currently resolution plan is under formulation and the Management of the Company is confident of positive outcome and revival of the company. Accordingly, financial statements have been prepared on the basis that the Company is a Going Concern.
9	In respect of qualification 10 above, the Company is currently under process of reconciliation/admission of such claims and consequentially the impact of the same is presently undeterminable.



10	In respect of qualification 11 above, the Corporate Insolvency Resolution Process (CIRP) is ongoing in respect of such holding company and the impact is presently indeterminable.
11	In respect of qualification 13 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
12	In respect of qualification 14 above, The Company is yet to assess the changes in risk / expected cash shortfall and thus, the loss allowance in respect of these guarantees are presently indeterminable.
13	In respect of qualification 15 above, The company is yet to subject CWIP to impairment testing under IND AS 36.
14	In respect of qualification 16 above, The company is yet to assess the costs of completion of such WIP and thus, the net realizable value is presently indeterminable.
15	In respect of qualification 17 above, The Company is yet to assess loss allowance/ expected credit loss to be recognized in respect of such trade receivables.
16	In respect of qualification 20 above, the consolidated financial results does not include financial statements of two foreign subsidiaries.

iii. Auditors comment on above: Nil

III. Signatories

1	Resolution Professional		
2	Executive Director DIN - 00334115		
3	CFO		
4	Statutory Auditor	CHATURVEDI & PARTNERS Chartered Accountants Firm Registration No. 307068E  ANUJ MAHANSARIA Partner Membership No. 500819	
	Place : Mumbai Date : July 26, 2017		