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Independent Auditor's Report on the Standalone Financial Results of IVRCL Limited for the quarter and nine months ended December 31, 2019 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Liquidator of IVRCL Limited

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") has passed its Order dated July 26, 2019 read with corrigendum order issued on July 31, 2019 for **Liquidation of M/s IVRCL Limited "as going concern"** and the Resolution professional (RP) for the Company has been appointed as the Liquidator. The Liquidator shall exercise the powers and duties as enumerated in sections 35 to 50, 52 to 54 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Subsequently, Pursuant to the appeal by the resolution applicant, the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") has passed its order dated September 06,2019 for admission of the case on 17th October 2019. Also orders that the Liquidator will ensure that the company remains a going concern and the liquidator will not sell or transfer or alienate movable or immovable property of the corporate debtor without prior approval of the Appellate Tribunal. Arguments concluded on January 20, 2020, and the judgement reserved.

2. As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial results of a company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. In view of the Liquidation Order passed by the NCLT, all the powers of the Board of Directors, and Key Managerial Personnel shall cease to have effect and shall be vested with Mr. Sutanu Sinha, the liquidator. Accordingly, financial results of the Company for the quarter ended December 31, 2019 were taken on record and authorized for issue to concerned authorities by the Liquidator.

3. We have reviewed the accompanying unaudited standalone financial results ("the Statement") of IVRCL Limited ("the Company") for the quarter and nine month ended December 31, 2019 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.

4. This statement, which is the responsibility of the Company's management and approved by Company Liquidator. The Statement has been prepared in accordance

with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review of such financial statements.

5. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement(s). A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

6. We refer to following notes to the accompanying Statement:

   a. Note 6(a)of the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the quarter, the Company has incurred a Net Loss of ₹42,800.49 lakhs resulting into accumulated losses of ₹ 6,92,409.06 lakhs and erosion of its Net worth as at December 31, 2019. The Company has obligations towards fund based borrowings (including interest) aggregating to ₹10,36,087.30 lakhs as per books of accounts and non-fund based exposure aggregating to ₹73,219.04 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 5(f) below, that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Liquidation process as going concern, obligations pertaining to operations including unpaid creditors and statutory dues as at December 31, 2019.The Company's ability to continue as going concern is depend upon many factors including continued support from the financial creditors, operational creditors and submission of viable revival plan by the prospective investor/bidder. As the Hon'ble National Company law Tribunal, Hyderabad ("NCLT") has passed the order for liquidation as a "going concern", in the opinion of the management, the company will continue its operations and the above results have been prepared on the basis that the Company is Going Concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying the Statement.

   b. Note 6(b)of the statement in respect of recognition of deferred tax asset on account of carry forward unused tax losses and other taxable temporary differences aggregating to Rs.95,705.88 lakhs. As the company is a going concern by virtue of NCLT order dated 26th July 2019 and based on unexecuted orders in hand, the management of the company is confident that sufficient future taxable income will be available against which such deferred tax asset will be realized.

However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12). Had the aforesaid deferred tax assets not been recognised, loss after tax for the quarter and nine months ended on December 31, 2019 would have been higher by ₹95,705.88 lakhs and other equity would have been lower by ₹95,705.88 lakhs.

c. Note 6(c)of the statement in connection with the existence of material uncertainties over the reliability of bank guarantees encashed by customers, certain trade receivables, unbilled revenue, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantees encashed by customers aggregating to ₹2,96,853.17Lakhs which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / fore closure of contracts and other disputes. The management of Company is confident of positive outcome of litigation/ resolution of dispute and recovering the aforesaid dues. Performance Bank Guarantee invoked during the quarter ended December 31, 2019 amounting to Rs. 1572.53 Lakhs have been provided for in the statement of profit and loss under the head "Exceptional Item". However, the management is in the process of initiating arbitration/other legal action for such invocations. Had the aforesaid assets been provided for impairment, loss after tax for the quarter and nine months ended on December 31, 2019 would have been higher by ₹ 2,95,280.64 Lakhs, other equity would have been lower by ₹2,95,280.64 Lakhs.

d. Note 6(d) of the statement in respect of investment of ₹ 1,20,632.88 lakhs in subsidiaries engaged in BOT and other projects as at December 31, 2019, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at December 31, 2019. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss-making subsidiary Companies. As the company is a going concern by virtue of NCLT order dated 26th July 2019, considering the long-term nature of investments and in view of ongoing discussion, no provision has been considered necessary by the management in respect of impairment in the value of investment. In absence of fair valuation of these Investments, we are unable to comment upon the carrying value of these investments and the consequential impact, if any, on the accompanying standalone financial results.

e. Note 6(e)of the statement in respect of loans and advances of ₹74,278.30 lakhs as at December 31, 2019 given to subsidiary companies, associate, net receivable against development rights, various sub-contractors, vendors and other parties that are outstanding for long period. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee /clients/ sub-contractors/vendors to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss-making subsidiary Companies. As the company is a going concern by virtue of NCLT order dated 26th July 2019 and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.

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Had the aforesaid assets been provided for impairment, loss after tax for the quarter and nine months ended on December 31, 2019 would have been higher by₹ 74,278.30 lakhs, other equity would have been lower by ₹74,278.30 lakhs.

f. Note 6(a) and 6(f)of the statement in respect commencement of), Liquidation process as going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 ,there are various claims submitted by the operational creditors, the financial creditors, employees, statutory authorities and other creditors against the Company including the claims on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in future. Hence there are differences between the liabilities admitted vis-a-vis balance as per books of account., that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims, we are unable to comment on the consequential impact, if any, on the accompanying statement;

g. Note 6(g)of the statement in respect of Confirmation of balances could not be obtained as at March 31, 2019 for banks balances, bank borrowings and for various trade receivables including retention, loans and advances, trade payables, though, the management has requested for the confirmation of balances and the status is still continued. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations, we unable to comment on the extent to which such balances are recoverable or payable.

h. Note 6(h) of the statement in respect of Physical verification for fixed assets aggregating to ₹15,182.72 lakhs (net block as on March 31, 2019) and inventory aggregating to ₹4,051.81 lakhs (as on March 31, 2019) could not be carried out at certain locations including project site that are terminated/ foreclosed/ having slow progress and the status is still continued. The Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

i. Note 6(i) of the statement in respect of various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to ₹19,803.90 Lakhs as at December 31, 2019. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities and the status is still continued. No adjustments have been made in the books of accounts in respect of such amounts, thus we are unable to comment whether any provision for impairment in the value of advances is required.

7. Based on our review conducted as stated above, except for the effects of the matters described under paragraph 6(b), 6(c) and 6(e) above and possible effects of the matters described under paragraph 6(a), 6(d), 6(f), 6(g), 6(h) and 6(i) nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, prepared in accordance with applicable accounting standard i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered

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Accountants of India and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended including the manner in which it is to be disclosed, or that contains any material misstatement.

8. We draw attention to the following matters:

   a. Note 7(a) of the statement in respect of notice received by the company U/s 276 (B) of the Income tax Act, 1961 and by certain banks and customers of the company U/s 226(3) of the Income Tax Act, 1961 regarding failure to deposit the tax deducted at source for the financial year 2016-17 and 2017-18 aggregating to ₹ 2,925.16 Lakhs.

      Pursuant to the application under Section 60(5) of the Insolvency and Bankruptcy Code 2016, the National Company Law Tribunal, Hyderabad vide its order dated 17th December 2019 directs the IT department to withdraw the garnishee notices issued to the Banks and also directed the Banks to release any amount due to corporate Debtor.

   b. Note 7(b)of the statement in respect of summon received by the company of levy of damages U/s 14 B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 aggregating to ₹612.63 Lakhs for the period from 10/1999 to 02/2009 and 07/2009 to 03/2015 and the matter is presently sub-judice.

      Our report is not qualified in respect of these matters.

9. The management has exercised necessary due diligence to prepare the statement of cash flow for the quarter and nine months ended December 31, 2019 and the figures have not been subjected to limited review.

For CHATURVEDI & CO.
Chartered Accountant
Firm Reg No. 302137E





PANKAJ CHATURVEDI
Partner
Membership No. 091239

Hyderabad
February 14, 2020

UDIN: 20091239AAAAAD4273