

Dear Sir,

Re : Clarification on the financial Results submitted for the quarter ended June 2022.

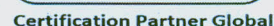
This is for your information and record.

**Borusu
Subrahma
nyam**

B. Subrahmanyam
Company Secretary

IVRCL LIMITED

**MIHIR" H.No.8-2-350/5/A/24/1B, Panchavati Colony, Road No # 2,
Banjara Hills, Hyderabad-500 034, Telangana State, India.
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6613 / 15 / 18 / 21 / 51-55. Fax:- +91-40-3093 1122
E-mail : info@ivrinfra.com Website: www.ivrcl.com
CIN:L45201AP1987PLC007959**



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ISO 14001
ISO 45001
Lic No: OAC, EMHS/R91/1297



Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2022

(Rs. ' In lakhs except share data)

Sl. No.	Particulars (Refer Notes below)	Standalone			
		Quarter Ended		Year Ended	
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
I.	Revenue from operations (Refer note 18)	896.38	12,793.97	5,240.90	28,651.91
II.	Other Income	181.39	525.94	259.56	1,157.94
III.	Total Income (I+II)	1,077.77	13,319.91	5,500.46	29,809.85
IV.	EXPENSES				
	a) Cost of construction materials consumed	22.90	57.46	51.05	176.22
	b) Sub-contracting expense	247.64	10,442.69	3,455.58	21,024.69
	c) Masonry, labour and other construction expense	401.62	1,966.40	1,663.94	5,438.69
	d) Employee benefits expense	783.68	699.37	913.96	3317.25
	e) Finance costs (Refer note 13)	52,664.31	49,848.99	44882.57	1,90,384.75
	f) Depreciation and amortisation expense	421.14	421.19	- 481.57	1,803.82
	g) Other expenses	391.99	1,693.36	322.50	2,774.07
	Total expenses (IV)	54,933.28	65,129.46	51,771.17	2,24,919.49
V.	Profit/(Loss) before exceptional items and tax (III-IV)	(53,855.51)	(51,809.55)	(46,270.71)	(1,95,109.64)
VI.	Exceptional Items	-	-	-	-
VII.	Profit/ (Loss) before tax (V-VI)	(53,855.51)	(51,809.55)	(46,270.71)	(1,95,109.64)
VIII.	Tax expense:				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	37.57	37.57	37.57	150.29
IX.	Profit / (Loss) for the period from continuing operation (VII-VIII)	(53,893.08)	(51,847.12)	(46,308.28)	(1,95,259.93)
X.	Other Comprehensive Income				
	a) Items that will not be reclassified to Profit or Loss				
	i) Remeasurements of the defined benefit Plans	41.29	543.66	(126.17)	165.14
	ii) Income Tax effect on above	(14.43)	(189.98)	44.09	(57.71)
	b) Item that may be reclassified to profit or loss				
	i) Exchange differences on translation of a foreign currency	-	-	-	-
	ii) Income Tax effect on above	-	-	-	-
	Total Comprehensive Income / (Loss) for the period (Total X)	26.86	353.68	(82.08)	107.43
XI.	Total comprehensive Income for the period (comprising profit / (loss) and Other Comprehensive Income for the period) (IX+X)	(53,866.22)	(51,493.44)	(46,390.36)	(1,95,152.50)
XII.	Paid up equity share capital (Face value of Rs. 2 each)	15,657.95	15,657.95	15,657.95	15,657.95
XIII.	Other equity (As per last Audited financial statements)	-	-	-	-
XIV.	Earnings per equity share (of Rs. 2 each) (not annualised for quarterly EPS (in Rs.)				
	Basic & Diluted	(6.88)	(6.58)	(5.93)	(24.93)
	(See Accompanying notes (1 - 20))				

Sukumar Senapati

Ref

Notes:

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 to 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.
2	The Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") vide its order dated October 17, 2019 ordered that the liquidator to ensure that the company remains as going concern and the liquidator would not sell or transfer or alienate movable or immovable property of corporate debtor without the prior approval of the Appellate Tribunal. The said order is vacated by the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") vide its order dated May 29, 2019 and upholds the order of NCLT, Hyderabad dated July 26, 2019 with corrigendum order dated July 31, 2019.
3	As part of the Liquidation process under the provisions of the Insolvency and Bankruptcy Code 2016, Third E-auction was held on 15th December 2021 for sale of M/s.IVRCL Limited as a Going Concern with a Reserved Price not less than INR.1200 Crores (Rupees One thousand two hundred crores).
4	Under third E-auction, the Liquidator was in receipt of EOJ of 23 no.s out of which only one of the prospective bidder Mr.Ponguleti Prasada Reddy consortium along with five other members forming SPV submitted EMD of Rs.50 crores in demand draft on 10th December 2021 and same has been encashed
5	The Qualified Bidder was automatically registered in the Third E-Auction held on 15th December 2021 at the minimum reserve price of Rs. 1200 crore as per the clause 10.3 of Third E-Auction Process Information Document.
6	Liquidator issued Demand notice to the successful bidder Mr. Ponguletti Prasad Reddy along with five other members forming SPV to pay the balance sale consideration under Third E-auction Process of IVRCL Limited under Liquidation as going concern to complete the sale process and the reminder letter issued by the Liquidator on 19th January 2022.
7	Hon'ble NCLT,Hyderabad bench vide order dated 15-06-2022 directed the successful bidder to pay the balance sale consideration of Rs.1,150 Crores(Rs.1200 Cr- Rs.50 Cr EMD already paid) with in a period of 12 months from the date of this order in SIX tranches with two months rest between each tranche. Five tranches of Rs.200 crores each falls on 14.08.2022, 14.10.2022, 14.12.2022, 14.02.2023, 14.04.2023 respectively and the final tranche of Rs.150 Crores shall payable on 14.06.2023. Any delay in adherence to the payment schedule will attract interest at 12% p.a for the delayed period.
8	Hon'ble NCLT, Hyderabad bench vide order dated 25-07-2022 directed to form a supervisory committee consisting of the successful bidder, Liquidator and other stakeholders who can meet as and when necessary to take stock of the situation with regard to the business of the company and also to protect the assets of the Company.
9	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 ceased to have effect and is vested with Mr. Sutanu Sinha, the Liquidator. Accordingly, financial results of the Company for the quarter - ended 30th June 2022 were taken on record and authorized for issue to concerned authorities by the Liquidator.
10	The operations of the Company consist of construction/project activities and there is no other reportable segment under Ind AS 108, "Operating Segments".
11	The Statutory Auditors have given disclaimer opinion for the quarter ended June 30, 2022 in respect of the following matters:
a)	During the quarter, the Company has incurred a Net Loss of Rs.53,866.22 lakhs resulting into accumulated losses of Rs. 13,00,380.29 lakhs and erosion of its Net worth as at June 30, 2022. This includes inter alia Rs. 52,664.31 lakhs towards Finance cost. The Company has obligations towards fund based borrowings (including interest) aggregating to Rs.14,94,095.63 lakhs as per books of accounts and non-fund based exposure aggregating to Rs.39,430.66 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 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 June 30, 2022. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and received the bid under Third E-auction process for sale of the company 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.
b)	The company recognized deferred tax asset on account of carry forward unused tax losses and other taxable temporary differences aggregating to Rs.95,705.88 lakhs generated as on 31st March 2017. Subsequently, there has not been recognised deferred tax on unused tax losses and other taxable temporary difference a raised except on Ind AS adjustment. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and received the bid under Third E-auction process for sale of the company as a going concern the management of the company is confident that sufficient future taxable income will be available against which such deferred tax asset will be realized.
c)	The Company has certain trade receivables, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantees encashed by customers aggregating to Rs. 1,63,773.60 Lakhs 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. However, the management is in the process of initiating arbitration/other legal action for such invocations.

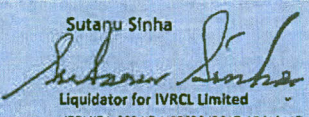
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Sutanu Sinha

d)	The Company has an investment of Rs. 1,83,439.00 lakhs in subsidiaries, associate and joint ventures engaged in BOT and other projects as at June 30, 2022 which are under disputes with the concessionaire/clients and have significant accumulated losses as at June 30, 2022. 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 order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and received the bid under Third E-auction process for sale of the company as a going concern 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.
e)	The Company has outstanding loans and advances of Rs.74,260.78 lakhs as at June 30, 2022 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 order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and received the bid under Third E-auction process for sale of the company as a going concern and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.
f)	Pursuant to the commencement of Liquidation process as a 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 the future. Hence there are differences between the liabilities admitted vis-a-vis balance as per books of account.
g)	Un-invoked Bank Guarantees of Rs. 39,430.66 lakhs as on June 30, 2022 are crystallized as debt and admitted under claims from the financial creditors as per the provisions of the IBC 2016 but not considered in the books of accounts
h)	Confirmation of balances could not be obtained as at March 31, 2022 for banks balances, bank borrowings and for various trade receivables including retention, loans and advances, and 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.
i)	i. Physical verification for fixed assets aggregating to Rs.11,611.06 lakhs (net block as on March 31, 2022) and Inventory aggregating to Rs. 5,131.61 lakhs (as on March 31, 2022) 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 believes 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.
j)	The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc. aggregating to Rs. 19,560.51 Lakhs as at June 30, 2022. 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.
12	The Statutory Auditors have included an Emphasis of matter in their report for the previous year ended March 31, 2022 and review report for the quarter ended on June 30, 2022 in respect of the following:
a)	During the financial year 2017-18, the company has received a Show Cause Notice U/s 279 (1) of the IT Act 1961 for initiation of prosecution proceedings U/s 276 (B) of the IT Act 1961 for failure to deposit the deducted Tax at Source within the due date in Central Government Account for the financial year 2016-17 & 2017-18 for the amount of Rs.1,033.95 Lakhs and 1,891.21 Lakhs respectively. In respect of the above, IT department has also sent notices U/s 226 (3) of the IT Act 1961 to certain banks and customers of the company demanding the recovery of the aforesaid arrears. 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)	During the financial year 2017-18, the company has received the order of the Regional Provident Fund Commissioner in the matter of levy of damages pertaining to the earlier years U/s 14 B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 aggregating to Rs.4.08 Lakhs for the period from 10/1999 to 02/2009 and Rs. 608.55 Lakhs for the period from 07/2009 to 03/2015. In respect of the above, The Employees' Provident Fund Organisation has also sent notice u/s 8 F of the Employees' Provident Fund and Miscellaneous Provisions of the Act, 1952 to a Bank demanding the recovery of Rs. 912.19 Lakhs (including interest of ₹ 299.56 Lakhs). The company has filed an appeal U/s 7-I of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with the Employees' Provident Fund Appellate Tribunal, Bangalore Bench regarding the damages amounting to Rs. 612.63 Lakhs and the matter is presently sub-judice.
13	Interest on borrowings of Rs. 52,664.31 lakhs for the quarter ending 30th June 2022 and Rs.4,95,844.57 lakhs from the date of commencement of Liquidation period i.e., 26th July 2019 to March 31, 2022 has been provided in the books of accounts as per the accounting standards but not required under the provisions of the IBC
14	Other expenses for the quarter ended March 31, 2022 include provisions for doubtful trade receivables aggregating to Rs. 1,203.96 lakhs and no such provision has been made during the quarter under review.
15	Provision for doubtful allowance on current trade receivables shall be considered at the end of the year as per the applicable accounting standards.

19/6/22

Sanjay Singh

16	The Company executing a Road project in Afghanistan and received USD 1,829,609.46 into IVRCL Limited Bank account maintained with Azizi Bank, Kabul, Afghanistan. The said amount could not be repatriated to India due to regulatory / political developments in Afghanistan and the same will be done in due course.
17	The company as a going concern achieved an Operating Profit of Rs. 224.22 lakhs for the quarter ending June 30, 2022 before considering Finance cost of Rs. 52,664.31 lakhs, Depreciation of Rs. 421.14 lakhs and Salaries/administrative cost of Rs. 1,175.67 lakhs which are to be treated as per relevant provisions of the IBC, 2016.
18	The company executed total of Rs. 2,073.02 lakhs of works for the quarter ended June 30, 2022 and an amount of Rs. 243 lakhs has been billed and certified during the quarter under review. The balance value of works of Rs. 1830 lakhs is yet to be billed and the same is not considered in the books of accounts for the quarter ending June 30, 2022 as per the policy adopted by the company.
19	The above audited financial results for the quarter ended June 30, 2022 have been reviewed by the Liquidator on 11th August 2022. The Statutory Auditors have reviewed these financial results pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
20	The Liquidator is signing these financial statements on the basis of representation by the key management personnel of the Company regarding the authenticity or veracity of the information provided herein.
Place: Hyderabad Date: 12-08-2022 Sutanu Sinha  Liquidator for IVRCL Limited IBBI/IPA-003/IP-N0020/2017-18/10167	

Ref

CHATURVEDI & CO.

Chartered Accountants

406 KUSAL BAZAR, 32-33 NEHRU PLACE, NEW DELHI-110019

Phone: 011-41048438

E-mail: delhi@chaturvedico.com * Website: www.chaturvedico.com

Independent Auditor's Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 a going concern" and the Resolution Professional (RP) for the Company has been appointed as the Liquidator. The Liquidator to 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.

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 that the liquidator would not sell or transfer or alienate the movable or immovable property of the corporate debtor without prior approval of the Appellate Tribunal. The said order is vacated by the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") vide its order dated 29th May 2020 and upholds the Order of NCLT, Hyderabad dated July 26th, 2019, with corrigendum order dated July 31, 2019.

As part of the Liquidation process under the provisions of the Insolvency and Bankruptcy Code 2016, Third E-auction was held on 15th December 2021 for sale of M/S.IVRCL Limited as a Going Concern with a Reserved Price not less than INR.1200 Crores (Rupees One thousand two hundred crores).

Under third E-auction, the Liquidator was in receipt of EOI of 23 Nos, out of which only one of the prospective bidders Mr.Ponguleti Prasada Reddy consortium along with five other members forming SPV submitted EMD of Rs.50 crores in demand draft on 10th December 2021 and same has been encashed.

The Qualified Bidder has automatically registered in the Third E-Auction held on 15th December 2021 at the minimum reserve price of Rs. 1200 crore as per clause 10.3 of the Third E-Auction Process Information Document.

The Liquidator issued a Demand Notice to the successful bidder Mr. Ponguletti Prasad Reddy along with five other members forming SPV to pay the balance sale consideration under the Third E-auction Process of IVRCL Limited under Liquidation as a going concern to complete the sale process and the reminder letter issued by the Liquidator on 19th January 2022.



Other Offices: * Kolkata * Mumbai * Chennai * Kanpur * Lucknow

Hon'ble NCLT, Hyderabad bench vide order dated 15-06-2022 directed the successful bidder to pay the balance sale consideration of Rs.1,150 Crores (Rs.1200 Cr- Rs.50 Cr EMD already paid) with in a period of 12 months from the date of this order in SIX tranches with two months rest between each tranche. . Five tranches of Rs.200 crores each falls on 14.08.2022, 14.10.2022, 14.12.2022, 14.02.2023, 14.04.2023 respectively and the final trench of Rs.150 Crores shall payable on 14.06.2023. Any delay in adherence to the payment schedule will attract interest at 12% p.a for the delayed period.

Hon'ble NCLT, Hyderabad bench vide order dated 25-07-2022 directed to form a supervisory committee consisting of the successful bidder, Liquidator and other stakeholders who can meet as and when necessary to take stock of the situation with regard to the business of the company and also to protect the assets of the Company.

On 10th January 2022, the Liquidator received an application filed by Vishnuvallah Infra Private Limited challenging the Third E-Auction Process Limited of the IVRCL Limited on various grounds including non-extension of time for submitting the EMD.

Hon'ble NCLT vide order dated 06th May 2022, disposed of the application filed by Vishnuvallah Infra Private Limited.

2. As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the 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 an effect and shall be vested with Mr. Sutanu Sinha, the liquidator. Accordingly, the financial results of the Company for the quarter ended June 30, 2022, were taken on record and authorized for issue to concerned authorities by the Liquidator.
3. We have reviewed the accompanying statement of quarterly financial results of IVRCL Limited (the "Company") for the quarter ended June 30, 2022 ("Statement"), 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 (the "Listing Regulations").
4. This statement, which is the responsibility of the Company's Management and has been approved by the Company Liquidator has been prepared in accordance with the recognition and measurement principle laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India Our responsibility is to issue a report on these financial statements 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 (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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

- a. Note 11(a) of the statement, in respect of the preparation of financial statements of the Company has incurred a Net Loss of ₹. 53,866.22 lakhs for the quarter ended June 30, 2022, resulting in accumulated losses of ₹. 13,00,380.29 lakhs and erosion of its Net worth as of June 30, 2022. This includes inter alia ₹. 52,664.31 lakhs towards Finance Cost. The Company has obligations towards fund-based borrowings (including interest) aggregating to ₹. 14,94,095.63 lakhs as per books of accounts and non-fund-based exposure aggregating to ₹. 39,430.66 lakhs, operational creditors, and statutory dues, subject to reconciliation/verification as stated in the note below, that have been demanded/recalled by the financial/operating creditors pursuant to the ongoing Liquidation process as a going concern, obligations pertaining to operations including unpaid creditors and statutory dues as at June 30, 2022. The Company's ability to continue as a going concern depends upon many factors including continued support from the financial creditors, operational creditors, and execution of a viable revival plan by the prospective investor/bidder. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019, and received the bid under the Third E-auction process for the sale of the company 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 a Going Concern and however, 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 Statement.
- b. Note 11(b) of the statement in respect of recognition of deferred tax asset on account of carrying forward unused tax losses and other taxable temporary differences aggregating to ₹95,705.88 lakhs generated as on 31st March 2017. Subsequently, there has not been recognised deferred tax on unused tax losses and other taxable temporary difference a raised except on Ind AS adjustment. As the company is a going concern by the Order of NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019, and received the bid under the Third E-auction process for the sale of the company as a going concern, 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 recognized, loss after tax for the quarter ended June 30, 2022 would have been higher by ₹95,705.88 lakhs and other equity would have been lower by ₹95,705.88 lakhs.
- c. Note 11(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 ₹ 1,63,773.60 Lakhs which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination/foreclosure of contracts and other disputes. The management of the Company is confident of a positive outcome of litigation/ resolution of the dispute and recovering the aforesaid dues. Had the aforesaid assets been provided for impairment, loss after tax for the quarter ended June 30, 2022 would have been higher by ₹ 1,63,773.60 Lakhs, and other equity would have been lower by ₹ 1,63,773.60 Lakhs.
- d. Note 11(d) of the statement in respect of investment of ₹ 1,83,439.22 lakhs in subsidiaries engaged in BOT and other projects as of June 30, 2022, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at June



30, 2022. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractees/clients of such subsidiaries engaged in BOT and other projects to recover the dues and costs incurred by the Company and taking necessary steps to turn around the loss-making subsidiary Companies. As the company is a going concern by the order of NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and received the bid under Third E-auction process for sale of the company as a going concern and in view of ongoing discussion, no provision has been considered necessary by the management in respect of impairment in the value of the investment. In absence of a 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 11(e) of the statement in respect of loans and advances of ₹ 74,260.78 lakhs as of June 30, 2022, given to subsidiary companies, associates, 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 contractees/clients/ sub-contractors/vendors to recover the dues and costs incurred by the Company and taking necessary steps to turn around the loss-making subsidiary Companies. As the company is a going concern by Order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019, and received the bid under Third E-auction process for the sale of the company as a going concern and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for the quarter ended June 2022 would have been higher by ₹ 74,260.78 lakhs, other equity would have been lower by ₹ 74,260.78 lakhs.
- f. Note 11(a) and 11(e) 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 the 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 11(h) of the statement in respect of Confirmation of balances could not be obtained as of March 31, 2022, for banks balances, bank borrowings, trade receivables including retention, loans and advances, and 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 are unable to comment on the extent to which such balances are recoverable or payable.
- h. Note 11(i) of the statement in respect of Physical verification for fixed assets aggregating to ₹11,611.06 lakhs (net block as on March 31, 2022) and inventory aggregating to ₹5,131.61 lakhs (as on March 31, 2022) could not be carried out at all locations including project site that are terminated/ foreclosed/ having slow progress and the status is still continued. The Management believes that no item of fixed assets and inventory has a net realizable value in the ordinary course of business that 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 11(j) 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 ₹19,560.51 Lakhs as of June 30, 2022. 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 on 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 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 prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Listing Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement
8. We draw attention to the following matters:
- a. Note 12(a) of the statement in respect of a Show Cause Notice U/s 279 (1) of the IT Act 1961 for initiation of prosecution proceedings U/s 276 (B) of the IT Act 1961 for failure to deposit the deducted Tax at Source within the due date in Central Government Account for the financial year 2016-17 & 2017-18 for the amount of ₹ 1,033.95 Lakhs and ₹ 1,891.21 Lakhs respectively.
- In respect of the above, the IT department has also sent notices U/s 226 (3) of the IT Act 1961 to certain banks and customers of the company demanding the recovery of the aforesaid arrears.
- 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 12(b) of the statement in respect of received order of the Regional Provident Fund Commissioner in the matter of levy of damages pertaining to the earlier years' U/s 14 B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 aggregating to ₹ 4.08 Lakhs for the period from 10/1999 to 02/2009 and ₹ 608.55 Lakhs for the period from 07/2009 to 03/2015.
- In respect of the above, The Employees' Provident Fund Organisation has also sent notice u/s 8 F of the Employees' Provident Fund and Miscellaneous Provisions of the Act, 1952 to a Bank demanding the recovery of ₹ 912.19 Lakhs (including interest of ₹ 299.56 Lakhs).
- The company has filed an appeal U/s 7-I of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with the Employees' Provident Fund Appellate Tribunal, Bangalore Bench regarding the damages amounting to ₹ 612.63 Lakhs and the matter is presently sub-judice.

Our report is not qualified in respect of these matters.



9. The Statement includes the results for the quarter ended March 31, 2022, being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the previous financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



Delhi
August 12, 2022

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

Rajeev

Ranjan

Kumar

RAJEEV RANJAN KUMAR

Partner

Membership No. 513678

UDIN 22513678AOWQAV2076

Digitally signed
by Rajeev
Ranjan Kumar
Date: 2022.08.12
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