

CHATURVEDI & PARTNERS
Chartered Accountants
212A, Chiranjiv Tower
43, Nehru Place
New Delhi – 110 019

DELOITTE HASKINS & SELLS
Chartered Accountants
Gowra Grand
III Floor, 1-8-384 & 385
Sardar Patel Road, Begumpet
Secunderabad – 500 003

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IVRCL LIMITED**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **IVRCL LIMITED** ("the Company") for the quarter and six months period ended December 31, 2012 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. 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 misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to Note 3 forming part of the Statement regarding the status of trade receivables aggregating Rs. 19,850.88 lakhs as at December 31, 2012 and in respect of which no provision has been considered necessary for reasons explained therein. We are unable to comment on the recoverability of the same.*
4. Based on our review conducted as stated in paragraph 2 above and subject to the effect of adjustments that may be required in respect of the matter dealt with in paragraph 3 above, the effect of which we are not able to determine, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Registrars.

For **Chaturvedi & Partners**
Chartered Accountants
(Registration No. 307068E)

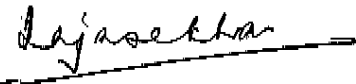


R. N. Chaturvedi
Partner
Membership No. 092087



Hyderabad, February 14, 2013

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)



K. Rajasekhar
Partner
Membership No. 23341



IVRCL LIMITED

Regd. Office : M-22/3RT, Vijaya Nagar Colony, Hyderabad-500 057

Unaudited Financial Results for the Quarter and Six months period ended December 31, 2012

PART I

Statement of Standalone Unaudited Results for the Quarter and Six months period ended December 31, 2012

(₹ in lakhs, except per share data)

Sl. No.	Particulars (Refer Notes below)	Quarter ended			6 Months period ended		9 Months period ended	15 Months period ended
		December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2011	June 30, 2012
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1.	Income from operations							
	a) Net income from operations (net of excise duty)	124,719.52	99,472.06	118,317.77	224,191.58	222,921.02	335,111.24	615,104.27
	b) Other operating income	2,291.13	-	1,936.07	2,291.13	1,944.48	2,180.20	2,691.63
	Total income from operations (net)	127,010.65	99,472.06	120,253.84	226,482.71	224,865.50	337,291.44	617,795.90
2.	Expenses							
	a) Construction stores, spares and materials consumed	33,523.50	33,146.47	41,550.22	66,669.97	79,164.69	120,504.19	205,503.05
	b) Purchases of stock-in-trade	58.25	-	1,671.72	58.25	1,671.72	1,863.82	2,056.57
	c) Sub-contracting expense	45,146.21	18,995.61	16,766.11	64,141.82	32,727.99	51,005.23	142,833.09
	d) Masonry, labour and other construction expense	32,022.39	31,137.21	41,627.91	63,159.60	72,961.91	107,584.78	164,114.37
	e) Employee benefits expense	5,997.83	6,102.60	6,235.31	12,100.43	12,702.52	19,511.64	32,327.61
	f) Depreciation and amortisation expense	2,178.41	2,044.35	2,286.32	4,222.76	4,783.34	7,060.21	11,894.08
	g) Other expense	3,458.49	3,030.96	2,949.98	6,509.45	6,767.13	9,386.67	20,890.11
	Total expenses	122,385.08	94,477.20	113,095.57	216,862.28	210,779.30	316,917.84	579,618.88
3.	Profit from operations before other income, finance costs and exceptional items	4,625.57	4,994.86	7,158.27	9,620.43	14,086.20	20,373.60	38,177.02
4.	Other income (net of expenses)	1,749.89	929.41	3,111.73	2,679.30	6,313.54	8,762.67	16,955.87
5.	Profit before finance costs and exceptional items	6,375.46	5,924.27	10,270.00	12,299.73	20,399.74	29,136.57	55,132.89
6.	Finance costs	11,355.77	10,162.45	9,584.95	21,918.22	18,826.79	27,075.84	50,509.22
7.	Exceptional items	-	-	-	-	-	-	-
8.	(Loss) / Profit from ordinary activities before tax	(4,980.31)	(4,238.18)	685.05	(9,218.49)	1,572.95	2,060.73	4,623.67
9.	Tax expense	1,833.35	(279.13)	6.49	1,854.22	80.60	146.99	2,815.78
10.	Net (Loss) / profit for the period	(6,813.66)	(3,959.05)	678.56	(10,772.71)	1,492.35	1,913.74	1,807.89
11.	Paid up equity share capital (Face Value of ₹ 2)	6,137.74	6,137.74	5,340.20	6,137.74	5,340.20	5,340.20	6,137.74
12.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting period	-	-	-	-	-	-	220,626.71
13.	Earnings per share (of ₹ 2 each) (not annualised)							
	a) Basic EPS (in ₹)	(2.22)	(1.29)	0.26	(3.51)	0.56	0.72	0.59
	b) Diluted EPS (in ₹)	(2.22)	(1.29)	0.26	(3.51)	0.56	0.72	0.59
14.	a) Debt Equity Ratio				1.30			1.16
	b) Debt Service Coverage Ratio *				(0.81)			0.23
	c) Interest Service Coverage Ratio **				0.51			1.10

* Debt Service Coverage Ratio : Profit before interest and tax / Interest and Principal Repayments on Long Term Debt

** Interest Service Coverage Ratio : Profit before interest and tax / Interest Expense

PART II

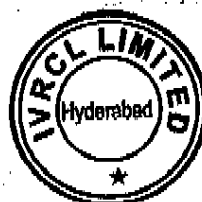
Select Information for the Quarter and Six months ended December 31, 2012

A. PARTICULARS OF SHAREHOLDING

1.	Public Shareholding							
	Number of shares	264,854,482	264,854,482	237,158,280	264,854,482	237,158,280	237,158,280	237,081,920
	Percentage of shareholding	86.30%	86.30%	88.82%	86.30%	88.82%	88.82%	88.79%
2.	Promoters and Promoter Group Shareholding							
	(a) Pledged / Encumbered							
	Number of shares	-	-	-	-	-	-	-
	Percentage of shares	-	-	-	-	-	-	-
	(as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
	Percentage of shares	-	-	-	-	-	-	-
	(as a % of the total share capital of the Company)	-	-	-	-	-	-	-
	(b) Non - encumbered							
	Number of shares	42,032,166	42,032,166	29,851,578	42,032,166	29,851,578	29,851,578	29,927,938
	Percentage of shares	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	(as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
	Percentage of shares	13.70%	13.70%	11.18%	13.70%	11.18%	11.18%	11.21%
	(as a % of the total share capital of the Company)	-	-	-	-	-	-	-

B. INVESTOR COMPLAINTS

Particulars	Quarter ended December 31, 2012
Pending at the beginning of the quarter	NIL
Received during the quarter	12
Disposed off during the quarter	12
Remaining unresolved at the end of the quarter	NIL



Note :

1. Statement of Assets and Liabilities

Particulars	As at December 31, 2012	As at June 30, 2012
Equity and Liabilities		
Shareholders' Funds		
a) Capital	6,137.74	5,340.20
b) Share Capital Suspense	-	797.54
c) Reserves and Surplus	209,851.33	220,910.40
	215,989.07	227,048.14
Non-Current Liabilities		
a) Long-Term Borrowings	17,975.42	37,526.10
b) Long-Term Provisions	764.70	741.87
	18,740.12	38,267.97
Current Liabilities		
a) Short-Term Borrowings	226,553.12	209,468.93
b) Trade Payables	160,357.13	159,411.69
c) Other Current Liabilities	190,128.56	152,040.44
d) Short-Term Provisions	2,012.60	2,095.38
	579,051.37	523,016.44
	813,780.56	788,332.55
Total Equity and Liabilities		
Assets		
Non-Current Assets		
a) Fixed Assets	66,606.70	69,142.29
b) Non-Current Investments	164,313.68	150,429.37
c) Deferred Tax Asset (Net)	2,712.26	3,886.00
d) Long-Term Loans and Advances	85,619.58	71,674.51
e) Other Non-Current Assets	51,324.88	53,800.73
	370,577.10	356,932.90
Current Assets		
a) Inventories	29,186.70	27,232.96
b) Trade Receivables	169,553.82	192,594.35
c) Cash and Bank balances	8,830.09	8,847.26
d) Short-Term Loans and Advances	68,277.41	70,875.37
e) Other Current Assets	167,655.44	131,849.71
	443,203.46	431,399.65
	813,780.56	788,332.55
Total Assets		

2. The above Unaudited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on February 14, 2013 and subjected to Limited Review by the Statutory Auditors as per Clause 41 of the Listing Agreement.

3. Trade Receivables as at December 31, 2012 include amounts aggregating to:

- ₹ 3,470.66 lakhs relating to claims receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and
- ₹ 16,380.22 lakhs (including ₹ 2,034.90 lakhs which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the customers for realisation of dues.

The Board of Directors is of the view that the receivables covered by (a) and (b) above are good and fully recoverable.

The Statutory Auditors have qualified the above receivables in their limited review report.

4. The Hon'ble High Court of Andhra Pradesh, vide its order dated July 2, 2012 sanctioned the Composite Scheme of Arrangement ("Scheme") to demerge the Real Estate Undertaking from IVRCL Assets & Holdings Limited, merge the remaining undertaking pertaining to Infrastructure Business with IVRCL Limited ("the Company") and demerge the Tower Manufacturing Undertaking of the Company with effect from April 1, 2011. The Scheme was given effect to in the Company's financial statements for the 15 months financial period ended June 30, 2012.

- The figures in the column headed "Quarter ended December 31, 2011", "6 months period ended December 31, 2011" and "9 months period ended December 31, 2011", do not include the figures in respect of the infrastructure business of IVRCL Assets & Holdings Limited.
- For reasons stated above, the results for the "quarter ended December 31, 2012" and "6 months period ended December 31, 2012" are not comparable with the results of the corresponding quarter and 6 months period ended of the previous period i.e. "quarter ended December 31, 2011" and "6 months period ended December 31, 2011".
- Figures for the 6 months period ended December 31, 2011 is the balancing figure between the published results for the 9 months period ended December 31, 2011 and quarter ended June 30, 2011.

6. Search and Seizure operation under section 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities at various locations of the Company including the Corporate Office on July 21, 2011. The matter is under consideration by the Income Tax Authorities.

7. The Company is engaged in one business segment, namely 'Engineering & Construction' only. No separate geographical segment disclosure is considered necessary as the Company is engaged primarily in the business within India where uniform business conditions of significant nature prevail.

8. Previous periods figures have been regrouped, wherever considered necessary.

By order of the Board

E. Sudhir Reddy

E. Sudhir Reddy
Chairman & Managing Director

Place: Hyderabad
Date: February 14, 2013

