29th June, 2018

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

Fax No.022-26598237/38

To
The Bombay Stock Exchange Ltd.,
Pheroze Jeejeebhoy Towers,
Dalal Street,Mumbai – 400 023.

Fax No. 022- 22723121/3719

Dear Sir / Madam,

Re: Compliance with Regulation 33 & 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In compliance with the above Regulations we are herewith submitting audited Financial Results Standalone and Consolidated for the quarter and year ending 31st March 2018 duly approved by the Resolution professional on 29th June 2018. The Audit Reports and statement on Impact of Audit qualifications in respect of the audited Financial Results are also attached.

The same may please be taken on record.

Thanking you,

Truly yours
For IVRCL Limited

IVRCL LIMITED ★ HYDERABAD ★

B. Subrahmanyam
Company Secretary

Encl :a/a

IVRCL LIMITED

Regd. Office : M-22/3RT, Vijayanagar Colony, Hyderabad - 500 057, Telangana, India
Tel.: +91-40-3093 1999 (30 Lines), 2334 8467 / 3678 / 3550
Fax: +91-40-2334 5004 e-mail: info@ivrinfra.com, website: www.ivrcl.com
CIN: L45201AP1987PLC007959
Corporate Office : "MIHIR", 8-2-350/5/A/24/1B
Road # 2, Panchavati Colony, Banjara Hills, Hyderabad - 500 034, Telangana, India
Tel.: +91-40-3093 1111 / 1444 (60 Lines), 2335 6613 / 15 / 18 / 21 / 51-55, Fax: +91-40-3093 1122

An Integrated Management System (IMS) Certified Company

ISO 9001 International Standards Certifications ISO 9001:2008
ISO 14001 International Standards Certifications ISO 14001:2004
OHSAS 18001 International Standards Certifications OHSAS 18001:2007

IVRCL LIMITED

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

Website: www.ivrcl.com Email: info@ivrinfra.com

CIN: L45201AP1987PLC007959

Statement of Audited Standalone Financial Results for the Year ended March 31, 2018

(₹ in lakhs except share data)

Sl. No.	Particulars (Refer Notes below)	Quarter Ended			Year Ended	
		March 31, 2018	Dec 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		AUDITED (Refer Note 8)	UNAUDITED	AUDITED (Refer Note 8)	AUDITED	AUDITED
I.	Revenue from operations	17,175.70	31,934.34	66,787.29	1,41,346.69	2,01,525.96
II.	Other income	7,117.05	350.89	1,847.80	8,653.65	3,893.91
III.	Total income (I+II)	24,292.75	32,285.23	68,635.09	1,50,000.34	2,05,419.87
IV.	EXPENSES					
	a) Cost of Construction Material Consumed	4,509.58	4,856.65	6,921.11	22,238.40	27,021.93
	b) Sub-contracting expense	21,979.62	20,511.52	42,779.91	96,288.27	1,04,712.56
	c) Masonry, labour and other construction expense	13,979.77	10,854.87	10,739.27	47,237.29	47,587.27
	d) Employee benefits expense	1,808.57	2,516.58	2,888.48	10,126.13	13,242.55
	e) Finance costs	44,554.33	19,809.46	17,821.42	1,01,385.40	68,477.60
	f) Depreciation and amortisation expense	1,489.40	1,635.92	1,707.00	6,464.05	7,200.11
	g) Other expenses	3,776.50	3,772.05	18,912.36	18,251.47	46,200.87
	Total expenses (IV)	92,097.77	63,957.05	1,01,769.55	3,01,991.01	3,14,442.89
V.	Profit/(Loss) before exceptional items and tax (III-IV)	(67,805.02)	(31,671.82)	(33,134.46)	(1,51,990.67)	(1,09,023.02)
VI.	Exceptional items	47,539.52	-	-	47,539.52	-
VII.	Profit/ (Loss) before tax	(1,15,344.54)	(31,671.82)	(33,134.46)	(1,99,530.19)	(1,09,023.02)
VIII.	Tax expense:					
	a) Current Tax	-		-	-	-
	b) Deferred Tax	102.23	102.23	95,740.52	408.91	96,069.40
IX.	Net Profit / (Loss) for the period from continuing operation (VII-VIII)	(1,15,242.31)	(31,569.59)	62,606.06	(1,99,121.28)	(12,953.62)
X.	Other Comprehensive Income / (Loss)					
	a) Items that will not be reclassified to Profit or Loss					
	i) Remeasurements of the defined benefit Plans	190.32	(70.15)	4.99	(20.14)	(280.61)
	ii) Income Tax effect on above	(65.86)	24.28	8.86	6.97	97.11
	b) Item that may be reclassified to profit or loss					
	i) Exchange differences on translation of a foreign operation	33.83	(14.61)	-	25.15	-
	ii) Income Tax effect on above	-	-	-	-	-
XI.	Other Comprehensive Income / (Loss) for the year	158.29	(60.48)	13.85	11.98	(183.50)
XII.	Total comprehensive income for the year (comprising profit /(loss) and other comprehensive income for the year) (IX+XI)	(1,15,084.02)	(31,630.07)	62,619.91	(1,99,109.30)	(13,137.12)
XIII.	Earnings per equity share (of Rs. 2 each) (not annualised for quartely results)					
	EPS (in Rs.)					
	'Basic & Diluted	(14.72)	(4.03)	8.00	(25.43)	(1.65)
	(See Accompanying notes (1 - 8)					

CHATURVEDI & CO. New Delhi Chartered Accountants

IVRCL LIMITED HYDERABAD

Statement of Assets and Liabilities

(₹ in Lakhs)

	Particulars		As at March 31, 2018		Standalone As at March 31, 2017
I.	**ASSETS**				
1.	**Non-Current Assets**				
	(a) Property, Plant and Equipment		21,017.57		28,465.65
	(b) Investment Properties		2,461.91		2,999.47
	(c) Financial Asset				
	(i) Investments	1,83,194.12		1,29,989.32	
	(ii) Trade Receivable	29,435.14		34,085.47	
	(iii) Loans	5,376.04		6,247.80	
	(iv) Others	92,962.21		86,935.01	
	(d) Deferred Tax Asset (net)	97,650.41		97,234.53	
	(e) Non-current Tax assets (Net)	9,448.76		6,750.98	
	(f) Other Non - Current Assets	15,231.26		15,259.16	
			4,33,297.94		3,76,502.27
			4,56,777.42		4,07,967.39
2.	**Current Assets**				
	(a) Inventories		6,667.49		9,878.88
	(b) Financial Asset				
	(i) Investments	-		-	
	(ii) Trade Receivables	1,19,258.04		1,38,999.29	
	(iii) Cash and cash equivalent	15,723.04		7,932.92	
	(iv) Bank balances (other than iii above)	2,568.99		4,191.84	
	(v) Loans	55,757.31		36,637.47	
	(vi) Others	21,958.39	2,15,265.77	98,301.62	2,86,063.14
	(c) Other Current Assets		1,60,867.53		1,91,598.10
	TOTAL ASSETS		8,39,578.21		8,95,507.51
II	**Equity and Liabilities**				
1.	**Equity**				
	(a) Equity Share Capital	15,657.95		15,657.95	
	(b) Other Equity	(1,76,064.64)		23,044.67	
	Total Equity		(1,60,406.69)		38,702.62
2.	**Liabilities**				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	-		1,00,140.51	
	(b) Provisions	539.12		953.76	
			539.12		1,01,094.27
3.	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Short-Term Borrowings	6,21,789.48		2,57,777.50	
	(ii) Trade Payables	1,29,341.51		1,42,406.42	
	(iii) Other financial Liabilities (other than those specified in item c)	1,72,790.68		2,74,132.30	
			9,23,921.67		6,74,316.22
	(b) Other Current Liabilities		61,506.82		66,883.18
	(c) Provisions		14,017.29		14,511.22
	Total Equity and Liability		8,39,578.21		8,95,507.51

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IVRCL LIMITED HYDERABAD

	Note :
1.	As more fully described in note 2 below, 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 ongoing CIRP , powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Mr. Sutanu Sinha, as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from February 23, 2018. Accordingly, Financial results of the Company for the year ended March 31, 2018 were taken on record and authorized for issue by Resolution Professional (RP) on June 29, 2018.
2	The Lenders of the Company had in earlier year approved a Corporate Debt Restructuring Scheme (CDR) with certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest with certain conditions w.e.f. June 30, 2014. The efforts to raise additional funds, however, could not materialise and in the earlier year, the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held on November 26, 2015, involving conversion of part of their debt into equity share capital to facilitate majority shareholding (i.e more than 51%) by the Joint Lenders Forum (JLF). During the year, the stipulated time line has ended on May 25, 2017 and no investor has come forward with a binding offer to acquire the lenders stake. The company has been treated as a case of failed CDR and SDR and lenders have excercised rights available to them on such failure of CDR/SDR including withdrawal / reversals of waivours / realiefs earlier granted to them w.e.f November 30, 2013. During the year, a lender has filed a petition against the Company for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its order dated February 23, 2018 declaring moratorium *inter-alia* against any recovery proceedings/winding up proceedings against the Company. The order of moratorium shall have effect from February 23, 2018 in accordance with section 14 (1) of of the Insolvency and bankruptcy Code, 2016 ("the Code"). Further, pursuant to the order of NCLT, a public announcement of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on March 29, 2018 and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.
3	The operations of the Company consists of construction / project activities and there are no other reportable segments under Ind AS 108, "Operating Segments".
4	The Statutory Auditors have expressed a modified opinion for the Year ended March 31, 2018 in respect of the following matters:
a)	During the year, the Company has incurred a net loss of ₹ 1,99,109.30 lakhs resulting in to accumulated losses of ₹ 4,17,624.30 lakhs as at March 31, 2018 and erosion of its Net worth. The Company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non fund based exposure aggregating to ₹ 1,28,317.26 lakhs, subject to reconciliation/verification as stated in note 4(f) below, that have been demanded/recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2018. The Company's ability to continue as going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable revival plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, above results have been prepared on the basis that the Company is a Going Concern.
b)	The Company had recognized deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs (₹ 95,705.88 Lakhs as at March 31, 2017). Based on unexecuted orders on hand and expected future orders, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised.
c)	The Company has certain trade receivables, unbilled revenue, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantee encashed by the customers aggregating to ₹ 1,96,823.51 lakhs (₹ 1,86,821.30 lakhs as at March 31, 2017) which are subject matters of various disputes / arbitration proceedings / negotiations with the contractee/clients due to termination / fore closure of contracts and other disputes. The management of the Company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues.
d)	The Company has an investment of ₹ 1,20,632.88 lakhs (₹ 67,618.53 lakhs as at March 31, 2017) in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2018. 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. 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 ₹ 71,422.01 lakhs (₹ 43,223.28 lakhs as at March 31, 2017) 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. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.
f)	There are various claims, submitted by the financial creditors on behalf of subsidiary companies and claims towards penal interest), operational creditors, workmen or employees and authorized representative of workmen and employees of the Company and others to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016. The claims received from the parties are subject to further validation / verification by the RP.
g)	Confirmation of balances could not be obtained as at March 31, 2018 for banks balances aggregating to ₹ 248.43 lakhs, bank borrowings and for various trade receivables, trade payables, though, the management has requested for the confirmation of balances. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
h)	Physical verification for fixed assets aggregating to ₹ 1,691.23 lakhs (WDV as on March 31, 2018) and inventory aggregating to ₹ 412.27 lakhs could not be carried out at certain locations including project site that are terminated/ foreclosed/ having slow progress. 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.
i)	The company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc aggregating to ₹ 20,034.67 Lakhs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.
5	The Statutory Auditors have included an Emphasis of matter in their report for the Year ended March 31, 2018 in respect of the following matters:
a)	During the year, 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 due date in Central Government Account for 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, 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 aforesaid arrears. The Resolution Professional has communicated to the IT department about the ongoing CIRP and requested the IT department to withdraw the aforesaid notice and not to proceed with any further actions against the company in this regard.

b)	During the year , the company has 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 Miscrellaneous Provisions Act, 1952 with Employees' Provident Fund Appellate Tribunal, Bangalore Bench regarding the damages amounting to ₹ 612.63 Lakhs and the matter is presently sub-judice.
6	Other expenses for the year ended on March 31, 2018 includes provision for doubtful trade receivables aggregating to ₹ 12,212.01 lakhs (for the year ended March 31, 2017 is ₹ 29,782.84 Lakhs).
7	Exceptional items represent recast of interest/penal interest charged and benefits withdrawn by the lenders upto March 31, 2017 that were extended pursuant to CDR/SDR scheme from the cut off date (i.e. November 30, 2013)
8	The Statement includes the results for the Quarter ended March 31, 2018 & March 31, 2017 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.

Sutanu Sinha

Resolution Professional
IBBI/IPA-003/IP-N00020/2017-18/10167

Place : Hyderabad
Date : June 29, 2018

IVRCL LIMITED * HYDERABAD *

CHATURVEDI & CO. * Chartered Accountants * New Delhi

ANNEXURE I
IVRCL Limited

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

I. **Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 {*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		1,50,000.34	1,50,000.34
2	Total Expenditure		3,49,530.53	6,17,776.05
3	Net Profit/(Loss)		(1,99,121.28)	(5,63,072.68)
4	Earnings Per Share (after exceptional item)		(25.43)	(71.92)
5	Total Assets		8,39,578.21	4,75,626.82
6	Total Liabilities (including Capital Reserve of ₹ 25,766.81 lakhs)		10,25,751.71	10,25,751.71
7	Net Worth		(1,86,173.49)	(5,50,124.89)
8	Any other financial item(s) (as felt appropriate by the management)			

II. Audit Qualifications

a. Details of audit qualification

S. No.	Particulars
1	Note 4(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein and expiry of timeline to complete the process of CDR/ SDR. During the year the Company has incurred a Net Loss of ₹ 1,99,109.30 lakhs resulting into accumulated losses of ₹ 4,17,624.30 lakhs and erosion of its Net worth as at March 31, 2018. The Company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non-fund based exposure aggregating to ₹ 1,28,317.26 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 4(f), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions 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 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 standalone financial results.
2	Note 4(b) to the statement in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. 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

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IVRCL LIMITED HYDERABAD

	after tax for the year ended on March 31, 2018 would have been higher by ₹ 95,705.88 lakhs and other equity would have been lower by ₹ 95,705.88 lakhs.
3	Note 4(c) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 1,96,823.51 Lakhs included in financial and other assets which are past due/subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 1,96,823.51 Lakhs, other equity would have been lower by ₹ 1,96,823.51 Lakhs.
4	Note 4(d) to the statement in respect of investment of ₹ 1,20,632.88 lakhs in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2018. 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.
5	Note 4(e) to the statement in respect of loans and advances of ₹ 71,422.01 lakhs given to subsidiary Companies, associate, net receivable against development rights, various sub-contractors, vendors and other parties. These advances, having regard to financial position of such subsidiary companies and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 71,422.01 Lakhs, other equity would have been lower by ₹ 71,422.01 Lakhs.
6	Note 4(a) and 4(f) to the statement in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , 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;
7	Note 4(g) of the statement in respect of non-availability of confirmations of bank balances aggregating to ₹ 248.43 Lakhs, trade receivables including retention, advances, trade payable. In absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.
8	Note 4(h) of the statement in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to ₹ 2,103.50 Lakhs as at March 31, 2018 and no provision for impairment has been made for the reasons stated therein. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.
9	Note 4(i) of the statement in respect of balances available with statutory authorities and input credits aggregating to ₹ 20,034.67 Lakhs that are subject to reconciliation, filing of return and admission by the respective statutory authorities and no provision has been made

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VRCL LIMITED HYDERABAD

	thus, we are unable to comment whether any provision for impairment in the value of advances is required.

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

c. **Frequency of qualification:** Point 1, 2, 3, 4 & 5 are Repetitive and Point 6, 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 2 above,** the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
2	**In respect of qualification 3 above,** the management of the Company is confident of positive outcome of ligations/ resolutions of disputes and recovering the aforesaid dues.
3	**In respect of qualification 5 above,** 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. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.

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 the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, the financial results have been prepared on the basis that the Company is a Going Concern.
2	**In respect of qualification 4 above,** 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. 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.
3	**In respect of qualification 6 above,** The claims received from all the parties are under further validation / verification by the RP.
4	**In respect of qualification 7 above,** The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5	**In respect of qualification 8 above,** 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.

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IVRCL LIMITED HYDERABAD

6	**In respect of qualification 9 above,** The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.

iii. Auditors comment on above: Nil

III. Signatories

	R. BALRAMI REDDY **CFO**	
	SUTANU SINHA Resolution Professional Registration No. IBBI/IPA-003/IP-N00020/2017-2018/10167	
	Statutory Auditor **For CHATURVEDI & CO.** Chartered Accountants Firm Registration No. 302137E **PANKAJ CHATURVEDI** Partner Membership No. 091239	
	Place: Hyderabad	
	Date: June 29, 2018	

CHATURVEDI & CO. New Delhi Chartered Accountants

IVRCL LIMITED HYDERABAD

CHATURVEDI & CO.

Chartered Accountants

203 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 Financial Results of IVRCL Limited for year ended on March 31, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional of IVRCL Limited

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against IVRCL Limited ("the Company") and appointed Mr. Sutanu Sinha to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

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 Secretory where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Mr. Sutanu Sinha in his capacity as the IRP from February 23, 2018 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on March 29, 2018 and *inter alia* confirmed Interim Resolution Professional as Resolution professional (RP) for the Company.

3. We have audited the accompanying statement of financial results ("the Statement") of IVRCL Limited ("the Company") for the year ended on March 31, 2018 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 and approved by 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(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein and expiry of timeline to complete the process of CDR/ SDR. During the year the Company has incurred a Net Loss of ₹ 1,99,109.30 lakhs resulting into accumulated losses of ₹ 4,17,624.30 lakhs and erosion of its Net worth as at March 31, 2018. The Company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non-fund based exposure aggregating to ₹ 1,28,317.26 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 4(f), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions 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 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 standalone financial results.

b. Note 4(b) to the statement in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. 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 year ended on March 31, 2018 would have been higher by ₹ 95,705.88 lakhs and other equity would have been lower by ₹ 95,705.88 lakhs.

c. Note 4(c) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 1,96,823.51 Lakhs included in financial and other assets which are past due/subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 1,96,823.51 Lakhs, other equity would have been lower by ₹ 1,96,823.51 Lakhs.

d. Note 4(d) to the statement in respect of investment of ₹ 1,20,632.88 lakhs in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2018. 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 4(e) to the statement in respect of loans and advances of ₹ 71,422.01 lakhs given to subsidiary Companies, associate, net receivable against development rights, various sub-contractors, vendors and other parties. These advances, having regard to financial position of such subsidiary companies and age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 71,422.01 Lakhs, other equity would have been lower by ₹ 71,422.01 Lakhs.

f. Note 4(a) and 4(f) to the statement in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , 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;

g. Note 4(g) of the statement in respect of non-availability of confirmations of bank balances aggregating to ₹ 248.43 Lakhs, trade receivables including retention, advances, trade payable. In absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.

h. Note 4(h) of the statement in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to ₹ 2,103.50 Lakhs as at March 31, 2018 and no provision for impairment has been made for the reasons stated therein. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.



i. Note 4(i) of the statement in respect of balances available with statutory authorities and input credits aggregating to ₹ 20,034.67 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.

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 / possible effects of matters described in paragraph 3; 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 profit, total comprehensive income and other financial information for the year ended on March 31, 2018 except for the effects of the matters described in para 5(b), 5(c), 5(e) and possible effects of matters described in para 5(a), 5(d), 5(f), 5(g), 5(h) & 5(i). Had our observation been considered the net loss for the period would have been ₹ 5,63,072.68 Lakhs, Net worth as at March 31, 2018 would have been ₹ (5,50,124.89) Lakhs and Earning per share for the period would have been ₹ (71.92).

6. We draw attention to the following matters:

a. Note 5(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.

b. Note 5(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.

7. The Statement includes the results for the Quarter ended March 31, 2018 & March 31, 2017 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 & CO.
Chartered Accountant
Firm Registration No. 302137E

PANKAJ CHATURVEDI
Partner
Membership No. 091239

Hyderabad
June 29, 2018



IVRCL Limited

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

Website: www.ivrcl.com Email: info@ivrinfra.com

CIN: L45201AP1987PLC007959

Statement of Consolidated Financial Results for the Year ended March 31, 2018

(₹ in lakhs except share data)

Sl. No.	Particulars (Refer Notes Below)	Year ended 31st March 2018 AUDITED	Year ended 31st March 2017 AUDITED
I.	Revenue from operations	1,90,446.19	2,59,748.10
II.	Other income	13,841.59	6,978.70
III.	Total income (I+II)	**2,04,287.78**	**2,66,726.80**
IV.	**Expenses**		
	(a) Cost of materials consumed	25,267.79	37,920.80
	(b) Change in Inventories of Finished Goods, Stock in Trade and Work in Progress	318.33	(1,102.60)
	(c) Sub-contracting expense	93,430.91	1,06,447.56
	(d) Masonry, labour and other construction expense	64,027.98	66,317.90
	(e) Employee benefits expense	11,033.72	16,368.00
	(f) Finance Costs	1,32,495.52	1,19,399.20
	(g) Excise Duty	102.57	828.05
	(h) Depreciation and amortisation expense	28,366.44	18,325.30
	(i) Other expenses	20,306.32	49,798.00
	Total expenses (IV)	**3,75,349.58**	**4,14,302.21**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**	**(1,71,061.80)**	**(1,47,575.41)**
VI.	Exceptional items	47,539.52	32,379.90
VII.	**Profit/ (Loss) before tax**	**(2,18,601.32)**	**(1,79,955.31)**
VIII.	**Tax Expenses:**		
	a) Current Tax (including tax related to earlier year)	(4.07)	62.20
	b) Deferred Tax	(1,212.90)	(95,592.40)
	c) Minimum Alternate Tax	(43.08)	-
IX.	Tax expense	**(1,260.05)**	**(95,530.20)**
X.	**Net Profit / (Loss) for the period from continuing operation (VII-IX)**	**(2,19,861.37)**	**(84,425.11)**
	Shareholders of the Company	**(2,18,875.39)**	(57,688.52)
	Non-Controlling Interests	**(985.98)**	(26,736.60)
XI.	**Other Comprehensive Income/(loss)**		
	a) Items that will not be reclassified to profit or loss		
	i) Remeasurements of the defined benefit plans	(9.00)	(340.00)
	ii) Income Tax on above items	0.60	105.10
	b) Items that may be reclassified to profit or loss		
	i) Exchange differences on translation of a foreign operation	25.15	-
	ii) Income Tax effect on above	-	-
XII.	**Other Comprehensive income / (loss) for the year**	**16.75**	**(234.90)**
XIII.	**Total Comprehensive income for the year** (comprising profit /(loss) and other comprehensive income for the year) **(X+XII)**	**(2,19,844.62)**	**(84,660.01)**
	Attributable to		
	Shareholders of the Company	(2,18,858.74)	(57,916.02)
	Non-Controlling Interests	(985.88)	(26,744.00)
XIV.	Paid up equity share capital (Face Value of ₹ 2)	**15,658.00**	**15,658.00**
XV.	Earnings per share (of ₹ 2 each) (not annualised)		
	- Basic & Diluted EPS (in ₹) after	(27.96)	(7.37)

CHATURVEDI & CO. New Delhi Chartered Accountants

IVRCL LIMITED HYDERABAD

Note :

1. Consolidated Statement of Assets and Liabilities

(₹ in lakhs except share data)

	Particulars	As at 31st March	
		2018	2017
I	**Assets**		
1.	**Non-Current Assets**		
	Fixed Assets		
	(a) Property, Plant and Equipment	44,885.88	96,668.67
	(b) Capital Work-in-progress	972.62	1,581.00
	(c) Investment Properties	2,622.67	3,160.33
	(d) Goodwill	6,900.71	20,347.30
	(e) Other Intangible Assets	2,86,226.09	3,19,916.55
	(f) Other Intangible Assets under Development	54,224.67	2,56,106.40
	(g) Financial Asset		
	(i) Investments	46,927.00	4,721.58
	(ii) Trade Receivable	29,555.49	34,079.80
	(iii) Loans	-	-
	(iv) Others	94,994.07	95,586.00
	(h) Deferred Tax Asset (net)	97,668.91	97,236.23
	(i) Non - Current Tax Assets (Net)	10,120.86	7,820.50
	(j) Other Non - Current Assets	37,845.03	38,104.30
	Total Non Current Assets	**7,12,944.00**	**9,75,328.66**
2.	**Current Assets**		
	(a) Inventories	1,08,860.22	1,15,187.10
	(b) Financial Asset		
	(i) Investments	3,730.64	-
	(ii) Trade Receivables	1,28,526.80	1,56,146.30
	(iii) Cash and cash equivalent	21,907.77	15,161.70
	(iv) Bank balances (other than iii above)	3,013.25	5,356.30
	(v) Loans	-	-
	(vi) Other financial assets	14,828.75	18,777.95
	(c) Current Tax (net)	-	531.10
	(d) Other Current Assets	1,70,509.46	2,09,526.04
	Total Current Assets	**4,51,376.89**	**5,20,686.49**
	Total Assets	**11,64,320.89**	**14,96,015.15**
II	**Equity and Liabilities**		
1.	**Equity**		
	(a) Equity Share Capital	15,658.00	15,658.00
	(b) Other Equity	(1,82,297.18)	(94,676.70)
	Equity attributable to the shareholders of the Company	**(1,66,639.18)**	**(79,018.70)**
	Minority Interest	13,792.16	8,432.40
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,43,233.36	4,52,157.00
	(ii) Others	14,635.58	13,185.20
	(b) Provisions	10,272.89	8,255.10
	(c) Deferred Tax Liability (net)	32.09	1,592.06
	(d) Other - Non Current Liabilities	18,593.16	41,115.40
	Total Non-Current Liabilities	**1,86,767.08**	**5,16,304.76**
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	6,45,872.57	2,60,035.95
	(ii) Trade Payables	1,28,908.29	1,67,221.54
	(iii) Others Financial Liabilities	2,60,753.99	5,16,428.19
	(b) Other Current Liabilities	69,309.80	75,737.80
	(c) Provisions	25,417.92	30,768.62
	(d) Current Tax Liabilities (Net)	138.26	104.60
	Total Current Liabilities	**11,30,400.83**	**10,50,296.70**
	Total Equity and Liabilities	**11,64,320.89**	**14,96,015.16**

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Notes:

1	As more fully described in Note 2 below, 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 ongoing CIRP , powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Mr. Sutanu Sinha, as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from February 23, 2018. Accordingly, consolidated Financial statements of the Company for the year ended March 31, 2018 were taken on record and authorized for issue by Resolution Professional (RP) on June 29, 2018.
2	The Lenders of the Company had in earlier year approved a Corporate Debt Restructuring Scheme (CDR) with certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest with certain conditions w.e.f. June 20, 2014. The efforts to raise additional funds, however, could not materialise and in the earlier year, the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held on November 26, 2015, involving conversion of part of their debt into equity share capital to facilitate majority shareholding (i.e more than 51%) by the Joint Lenders Forum (JLF). During the year, the stipulated time line has ended on May 25, 2017 and no Investor has come forward with a binding offer to acquire the lenders stake. The company has been treated as a case of failed CDR and SDR and lenders have exercised rights available to them on such failure of CDR/SDR including withdrawal / reversals of waivers / reliefs earlier granted to them w.e.f November 30, 2013. During the year, a lender has filed a petition against the Company for initiation of CIRP that has been admitted by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") vide its order dated February 23, 2018 declaring moratorium inter-alia against any recovery proceedings/winding up proceedings against the Company. The order of moratorium shall have effect from February 23, 2018 in accordance with section 14 (1) of of the Insolvency and bankruptcy Code, 2016 ("the Code"). Further, pursuant to the order of NCLT, a public announcement of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on March 29, 2018 and inter alia confirmed Interim Resolution Professional as Resolution professional (RP) for the Company. Hence, term loan including Working Capital Term Loan, Funded Interest Term Loan, Priority Debts etc has been classified as current borrowings as repayable on demand.
3	The Group has considered "Engineering and Construction", "Real Estate and Others" and "Manufacturing" as business segment for disclosure in the context of Indian accounting Standard 108, "Operating Segment".

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		Year ended March 31, 2018	Year ended March 31, 2017
a.	**Segment Revenue**		
	Engineering & Construction	1,87,266.00	2,51,060.51
	Real estate & others	114.75	1,512.09
	Manufacturing	5,025.77	8,296.80
Less:	Inter-Segment revenue	(1,960.33)	(1,121.30)
	Total	**1,90,446.19**	**2,59,748.10**
b.	**Segment Loss before finance cost, exceptional items and tax**		
	Engineering & Construction	(38,448.08)	(19,924.77)
	Real estate & others	(335.09)	(417.10)
	Manufacturing	216.90	(855.77)
		(38,566.27)	**(21,197.64)**
c.	**Finance Cost (Allocable)**		
	Engineering & Construction	(1,31,661.04)	(1,15,050.40)
	Real estate & others	(825.27)	(726.90)
	Manufacturing	(9.21)	(3,621.90)
		(1,32,495.52)	**(1,19,399.20)**
d.	**Other income**		
	Engineering & Construction	13,800.15	6,835.70
	Real estate & others	15.52	107.06
	Manufacturing	25.92	35.90
		13,841.59	**6,978.66**
f.	**Exceptional items**		
	Engineering & Construction	(47,539.52)	(24,631.70)
	Manufacturing	-	(7,748.20)
		(47,539.52)	**(32,379.90)**
	Loss before tax	**(2,18,601.32)**	**(1,79,955.40)**
g.	**Segment Assets**		
	Engineering & Construction	10,47,211.93	13,26,983.00
	Real estate & others	1,05,602.43	1,19,861.13
	Manufacturing	4,605.82	24,102.02
		11,57,420.18	**14,70,946.15**
	Unallocated corporate assets	6,900.71	25,068.90
	Total Assets	**11,64,320.89**	**14,96,015.05**
h.	**Segment Liabilities**		
	Engineering & Construction	13,06,202.65	15,09,472.12
	Real estate & others	10,303.80	23,732.53
	Manufacturing	661.46	33,396.74
		13,17,167.91	**15,66,601.39**

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4	**The Statutory auditors have expressed qualified opinion in their report for the year ended March 31, 2018 in respect of the following matters:**
4.1	**IVRCL Limited**
a.	During the year, the holding company has incurred a net loss of ₹ 1,99,109.30 lakhs resulting in to accumulated losses of ₹ 4,17,624.30 lakhs as at March 31, 2018 and erosion of its Net worth. The holding company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non fund based exposure aggregating to ₹ 1,28,317.26 lakhs, subject to reconciliation/verification as stated in Note 4.1(e) below, that have been demanded/recalled by the financial creditors pursuant to CIRP, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2018. The Company's ability to continue as going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable revival plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, above results have been prepared on the basis that the holding company is a Going Concern.
b.	The holding company had recognized deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹ 95,705.88 lakhs (₹ 95,705.88 lakhs as at March 31, 2017). Based on unexecuted orders on hand and expected future orders, the Management of the holding company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised.
c.	The holding company has certain trade receivables, unbilled revenue, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantee encashed by the customers aggregating to ₹ 1,96,823.51 Lakhs (₹ 1,86,821.30 lakhs as at March 31, 2017) which are subject matters of various disputes / arbitration proceedings / negotiations with the contractee/clients due to termination / fore closure of contracts and other disputes. The management of the holding company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues.
d.	The holding company has outstanding advances of ₹ 9,418.85 lakhs (₹ 43,223.28 lakhs as at March 31, 2017) given to associates, net receivable against development rights, various sub-contractors, vendors and other parties that are outstanding for long period. The management of the holding 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 holding company. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value of advances.
e.	There are various claims, submitted by the financial creditors on behalf of subsidiary companies and claims towards penal interest), operational creditors, workmen or employees and authorized representative of workmen and employees of the Company and others to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016. The claims received from the parties are subject to further validation / verification by the RP.
f.	Confirmation of balances could not be obtained as at March 31, 2018 for banks balances aggregating to ₹ 248.43 lakhs, bank borrowings and for various trade receivables, trade payables, though, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
g.	Physical verification for fixed assets aggregating to ₹ 1,691.23 lakhs (WDV as at March 31, 2018) and inventory aggregating to ₹ 412.27 lakhs could not be carried out at certain locations including project site that are terminated/ foreclosed/ having slow progress. 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.
h.	The holding company has various input credits and balances with various statutory authorities pertaining to service tax, VAT, sales tax etc aggregating to ₹ 20,034.67 lakhs. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.





	Specific notes related with Subsidiary Companies:
4.2	**SPB Developers Private Limited**
a.	25. During the earlier years, the company has sent notices for intention of termination and termination notice for the project work pursuant to clause 37.2.2 of concession agreement due to prolonged delays in curing the defaults and indecisiveness on compensation proposal by the Public Works Department of Government of Maharashtra (PWD) for violation of clause 10.3.2, 35.2 & 25.2.3 of the concession agreement.PWD has also issued a notice of intention of termination of the Project Work in terms of Clause 37.1.1 of the Concession Agreement. Subsequently, during the year, an arbitration process has been initiated between the Company (the Claimant) and PWD (the Respondent). Under the given circumstances, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. These facts along with other matters as stated in note 4.2(b) and 4.2(c) below indicate that there exists a material uncertainty that may cast significant doubt on the company's ability to continue as a Going Concern. However, the financial statements have been prepared by the Company on the going concern basis as the management is confident that the compensation claim will be awarded in favour of the Company in the ongoing arbitration process. Hence, the financial statement does not include any adjustment in this respect. The company is in process of submission of its claim before the arbitrators.
b.	The implementation of the project is being delayed due to failure of the PWD in handing over of land, Right of Way and utility shifting. Further, the Company is also facing liquidity challenges. This has resulted into realignment and rescheduling of work in earlier years. Further, the Company has initiated arbitration process against PWD and the management is confident that compensation claim will be awarded in its favour in the ongoing arbitration process. Hence, during the year, the management has capitalized interest expenses amounting to ` 2,737.13 lakhs (` 9,681.78 lakhs upto March 31, 2018) towards cost of the project.
c.	During the year, Andhra Bank ("the lender") has sent demand notice dated May 25, 2017 of initiating recovery proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. Subsequently, the lender has filed an application before Debt Recovery Tribunal (DRT) under Section 19 of the Recovery of Debt due to Banks and Financial Institutions Act 1993 dated August 18, 2017.
4.3	**IVRCL Chengapalli Tollways Limited**
	Interest on debentures amounting to ₹ 1,374.89 lakhs has not been accounted for in the books of accounts.The management believes that no material adjustments would be required in books of account for the same.
4.4	**IVRCL TLT Private Limited**
a.	External confirmations are not available in respect of trade receivables, advances recoverable and trade payables. However, the management does not expect any material adjustments in the books of account on receipt of such confirmations.
b.	"Other Current Assets" include a claim of Value Added Tax refund amounting to ₹ 329.83 lakhs pending for settlement by the concerned authority since long period. The management is hopeful of recovery of the same in near future and hence, no loss allowance is provided for the same.
c.	Inventories of the Company include non-moving trade stock of ₹ 182.08 lakhs being held by the Company since long time. Management is taking necessary steps for disposing off non-moving items in the market. In view of above, in the opinion of the management, no adjustment is required in financial statements in this respect.
d.	Trade Receivables include amount of ₹ 19.14 lakhs due from HDO Technologiess Limited (Fellow Subsidiary) respectively outstanding since long periods. The Management is hopeful of recovery of these outstanding and accordingly, considered these outstanding as good and recoverable.

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e.	The accumulated losses of the Company as at March 31, 2018 amounting to ₹ 1,793.75 lakhs have exceeded its net worth. Further, the Company's current liabilities exceed current assets. These facts along with other matters as stated in note 4.4(a),4.4(c),4.4(d) above and 4.4(f) below indicate that there exists a material uncertainty that may cast significant doubt on the company's ability to continue as a Going Concern. However, considering the present status of revenue being earned by the Company, the management is hopeful in future the Company will be able to discharge its liabilities in the normal course of business on regular basis. Hence, the financial statements have been prepared on going concern basis and do not include any adjustment in this respect.
f.	The Company has extended corporate guarantee as per Corporate Debt Restructuring (CDR) condition in favor of security trustee of the CDR lenders of the holding Company (IVRCL Limited) who is incurring losses and Corporate Debt Restructuring Empowered Group in its meeting dated August 31, 2017 had approved exit from CDR but the guarantee is still effective. Further, a lender of the Holding Company has filed insolvency and bankruptcy petition against the holding Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Hyderabad ("NCLT") vide its order dated February 23, 2018. 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.
4.5	**Kumarapalayam Tollways Limited**
a.	The vacancy of office of whole time Key Managerial Personnel is not filled by the Board at a meeting of Board of directors within 6 month from the date of vacancy as per sub section 4 of section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The management is taking necessary steps for appointment of the Key personnel.
b.	Company required to the renewal of wearing surface of the road pavement one in 5 year in terms of clause 2.6.1 of Schedule L of Concession Agreement in addition to regular maintenance of the road, for which company need to provide for in its accounts annually. The company had not provided the annual provision for year March 31, 2017 & March 31, 2018 total amounting of ₹ 2,075.00 lakhs as per estimation by management of overlaying for 40mm thickness. The resurfacing is due in Aug 2019. However, the company has requested to NHAI on 17.04.18 to permit laying of overlay limiting thickness to 25 mm as per Clause 209 of MORTH, 4th Revision. The estimated cost for overlaying for 25mm thickness will be Rs. 5.6 million per KM comes Approx. ₹ 2,716.00 lakhs. The company has already provided the liability of Resurfacing upto 31.03.2018 amounting of Rs. 5,514.00 lakhs which is already more than twice as required.
c.	Company required to the renewal of wearing surface of the road pavement one in 5 year in terms of clause 2.6.1 of Schedule L of Concession Agreement in addition to regular maintenance of the road. Resurfacing of road was due in Aug 2014 for first 5 years. However management was unable to start the resurfacing of road due to funding issue. NHAI had issued a penalty notice on October 30, 2017 on company for delay in laying of Overlay as per clause 18.13 of concession agreement amounting of ₹ 4,620.00 lakhs However the penalty liability till March 31, 2018 is ₹ 5,711.00 lakhs. The company had requested to NHAI to waive the penalty given the good pavement quality , good experience of user and funding issues faced by the company. The company is expecting the favourable decision on request and not provided the liability of ₹ 5,711.00 lakhs in books of Accounts ended March 31, 2018 and treated as Contingent liability. Penalty on delay in laying of Overlay as per clause 18.13 of concession agreement is of ₹ 5,711.00 lakhs (Previous year - ₹ NIL).
4.6	**Jalandhar Amritsar Tollways Limited**
a.	In respect of Jalandhar Amritsar Tollways Limited, Company required to the renewal of wearing surface of the road pavement one in 5 year in terms of clause 3.3.7 of Schedule L of Concession Agreement in addition to regular maintenance of the road, for which company need to provide for in its accounts annually. The company had not provided the annual provision for year March 31, 2017 & March 31, 2018 total amounting of Rs. 2,396.00 lakhs as per estimation by management of overlaying for 40mm thickness .The 2nd term of resurfacing is due in May 2020. The management believes that no material adjustments would be required in books of account for the same.
b.	In respect of Jalandhar Amritsar Tollways Limited, Company required to the renewal of wearing surface of the road pavement one in 5 year in terms of clause 3.3.7 of Schedule L of Concession Agreement in addition to regular maintenance of the road. Resurfacing of road was due in April 2015 for first 5 years. However, management was unable to start the resurfacing of road due to funding issue. NHAI had issued a penalty notices on company on different dates for delay in laying of Overlay as per clause 18.13 of concession agreement amounting of ₹ 4,688.00 lakhs. However the total liability comes ₹ 5,313.00 lakhs till March 31, 2018. The company has not provided the liability of ₹ 5,313.00 lakhs in books of Accounts ended March 31, 2018 and treated the demand as Contingent liability. Penalty on delay in laying of Overlay as per clause 18.13 of concession agreement is of ₹ 5,313.00 lakhs (Previous year - ₹ NIL). The management believes that no material adjustments would be required in books of account for the same.
4.7	**Absorption Aircon Engineers Private Limited**
	During the year, the Honourable National Company Law Tribunal (NCLT), Hyderabad branch admitted an Insolvency and Bankruptcy petition filed by a financial creditor against IVRCL Limited, (the ultimate holding company) and appointed a Resolution Professional in terms of Insolvency and Bankruptcy Code, 2016 to carry out the functions of the company.





4.8	**IVR Prime Developers (Amalapuram) Private Limited**
	Though the networth of the company has already been eroded, the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
4.9	**Bibinagar Developers Private Limited**
	Though the net worth of the company has already been eroded, the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
4.10	**IVR Prime Developers (Guntur) Private Limited**
	Though the net worth of the company has already been eroded, the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
4.11	**Samatteri Developers Private Limited**
	Though the net worth of the company has already been eroded, the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
5	**The Statutory Auditors have included an Emphasis of matter in their report for the Year ended March 31, 2018 in respect of the following matters:**
5.1	**IVRCL Limited**
a.	During the year, the holding 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 due date in Central Government Account for 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, 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 aforesaid arrears. The Resolution Professional has communicated to the IT department about the ongoing CIRP and requested the IT department to withdraw the aforesaid notice and not to proceed with any further actions against the company in this regard.
b.	During the year , the holding company has 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 8f of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to a bank demanding the recovery of the aforesaid arrears. The holding company has filed an appeal U/s 7-I of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with Employees' Provident Fund Appellate Tribunal, Bangalore Bench regarding the damages amounting to ` 612.63 lakhs and the matter is presently sub-juice.
5.2	**IVRCL Chengapalli Toll ways Limited**
a.	The Company had entered into one-time settlement (OTS) with IFCI Limited vide letter dated 22/03/2017 for settlement of entire dues by 31st March 2017. However, Company could not settle dues pertaining to debentures till date.
b.	The company has taken term loans from consortium of banks. Company borrowings has been classified as Non-performing assets by the lenders due to defaults in payment of related dues. Since Company becomes non- perfuming asset (NPA), all the term loan may be recalled at anytime by lenders.
5.3	**IVRCL Chandarpur Toll ways Limited**
a.	TCS Receivable against royalty of ₹ 0.20 lakhs is not accounted in the books of account.
b.	AMC Charges of Commission Pvt Ltd ₹ 26.53 lakhs pertains to previous financial year 2016-17 is accounted and paid in the Current year FY 2017-18.
c.	Since term loans are declared as NPA by lenders, it is classified as current liability in the balance sheet.





5.4	**IVR Hotels and Resorts Limited**
a.	The whole amount of Current Maturities of long term borrowings consists continuing defaults as at 31.03.2018. Such secured Term loan was obtained from Central Bank of India secured by exclusive charge on underlying project property (Land & Structure) and exclusive charge on all present and future receivable of underlying project, carries variable interest rate of bank's base rate + 3.5% and is repayable in 12 quarterly instalments after a principal moratorium period of 4 years from the date of first disbursement viz . September 26, 2012. The bank has inititated recovery proceedings under Securitisation And Reconstruction of Financial Assets and Enforsement of Security Interest act,2002 in respect of outstanding loan as at end of the year plus interest and costs thereafter.
b.	The Company's accumulated losses stands as at end of the current year ₹ 4,236.90 lakhs. The Company has obligations towards borrowings aggregating to ₹ 6,699.08 lakhs as at March 31, 2018. The management of the Company confident of improvement in its business operations.
5.5	**Alkor Petroo Limited**
a.	The Corporate Guarantee furnished by IVRCL on behalf of the Company (on the basis of Counter Guarantee the BG has been issued by ICICI Bank) has been encashed by the Client during the year 2014-15 and the contract has been terminated. Hence, the company has reclassified the CWIP to Capital Work-in-progress (under claim).
b.	Cash and cash equivalents includes the balance available in the Tamilnad Mercantile Bank as on 31/03/2018 of ₹ 1.99 lakhs subject to confirmation and the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5.6	**IVR Enviro Projects Private Limited**
	The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.69 lakhs subject to confirmation and the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5.7	**IVR Prime Developers (Palakkad) Private Limited**
	The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.06 lakhs subject to confirmation and the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5.8	**IVR Prime Developers (Guindy) Private Limited**
	The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.06 lakhs subject to confirmation and the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5.9	**IVRCL Patalganga Truck Terminals Private Limited**
	The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.08 lakhs subject to confirmation and the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
5.10	**IVRCL PSC Pipes Private Limited**
	The legal proceedings initiated by a creditor, Radiant Engineers, against the company for recovery of outstanding dues of ₹ 3.49 lakhs. The status of the legal proceedings at the time of audit was not known.
6	**Other Matters**
i.	Other expenses for the year ended+B246 on March 31, 2018 includes provision for doubtful trade receivables aggregating to ₹ 12,212.01 lakhs (for the year ended March 31, 2017 is ₹ 29,782.84 lakhs) related to the holding company.
ii.	Exceptional items represent interest/penal interest charged and benefits withdrawn by the lenders upto March 31, 2017 that were extended pursuant to CDR/SDR scheme from the cut off date (i.e. November 30, 2013).

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SUTANU SINHA
Resolution Professional
IP Registration No. IBBI/IPA-003/IP-N000020/
2017-18/10167

29/6/2018

ANNEXURE I
IVRCL Limited

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

I. **Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 {*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		2,04,287.78	2,04,287.78
2	Total Expenditure		4,22,889.09	6,56,214.17
3	Net Profit/(Loss)		(2,18,875.39)	(5,47,906.35)
4	Earnings Per Share (after exceptional item)		(27.96)	(70.30)
5	Total Assets		11,64,320.89	8,52,159.82
6	Total Liabilities (Including capital reserve & business restructuring Reserve of ₹ 25,778.19 Lakhs & 2,713.50 Lakhs respectively)		13,59,451.81	13,76,321.70
7	Net Worth		(1,95,130.92)	(5,24,161.88)
8	Any other financial item(s) (as felt appropriate by the management)			

II. Audit Qualifications

a. Details of audit qualification

S. No.	Particulars
	In respect of IVRCL Limited ("The Holding Company")
1	Note 4.1(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein and expiry of timeline to complete the process of CDR/ SDR. During the year the Company has incurred a Net Loss of Rs 1,99,109.30 lakhs resulting into accumulated losses of ₹ 4,17,624.30 lakhs and erosion of its Net worth as at March 31, 2018. The Company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non-fund based exposure aggregating to ₹ 1,28,317.26 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note 4(f), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions 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 ultimate outcome of these matters is at present not ascertainable.

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	Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial results.
2	Note 4.1(b) to the statement in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs 95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. 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 year ended on March 31, 2018 would have been higher by Rs 95,705.88 lakhs and other equity would have been lower by Rs 95,705.88 lakhs.
3	Note 4.1(c) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 1,96,823.51 Lakhs included in financial and other assets which are past due/subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 1,96,823.51 Lakhs, other equity would have been lower by ₹ 1,96,823.51 Lakhs.
4	Note 4.1(d) to the consolidated financial results, in respect of advances of Rs 9,418.85 Lakhs given to associate, net receivable against development rights, various sub-contractors, vendors and other parties. These advances, having regard to age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such advances. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 9,418.85 Lakhs, other equity would have been lower by ₹ 9,418.85 Lakhs.
5	Note 2 and Note 4.1(e) to the statement in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of other parties) , 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;
6	Note 4.1(f) of the statement in respect of non-availability of confirmations of bank balances aggregating to ₹ 248.43 Lakhs, trade receivables including retention, advances, trade payable. In absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.
7	Note 4.1(g) of the statement in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to Rs 2,103.50 Lakhs as at March 31, 2018 and no provision for impairment has been made for the reasons stated therein. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

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8	Note 4.1(h) of the statement in respect of balances available with statutory authorities and input credits aggregating to ₹ 20,034.67 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.
	In respect of SPB Developers Private Limited ("The Subsidiary Company") (Refer Note 4.2 (a) to 4.2 (b)) to the Consolidated financial results
9	In respect of preparation of financial results of the Company on going concern basis for the reasons stated therein. Further, the Company's current liabilities exceed its current assets. The facts/ matters as stated in Note 4.2 (b) indicate that a material uncertainty exist that may cast significant doubt on the company's ability to continue as a Going Concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. In the given circumstances, we are unable to comment on the consequential impact, if any, on the financial statements.
10	In respect of financial results of the Company regarding capitalization of borrowing cost during the year amounting to ₹ 2,737.13 Lakhs and accumulated ₹ 9,681.78 Lakhs as at March 31, 2018 towards cost of the project for the reasons stated therein. In view of insignificant construction activities during the year, in our opinion, the capitalization of borrowing cost and recognition of revenue is not consistent with the Indian Accounting Standard-23, Borrowing Costs and Indian Accounting Standard-11, Construction Contracts respectively. Had the observation under this paragraph would have been considered, the intangible assets under development and Net worth during the year would have been lower by ₹ 9,681.78 Lakhs respectively.
	In respect of IVRCL Chengapalli Tollways Private Limited ("The Subsidiary Company")
11	In Note 4.3 to the consolidated financial results regarding non-accounting of Interest on debentures amounting to ₹ 1,374.89 Lakhs has resulted in understatement of loss for the year and understatement of current financial liabilities by the same amount.
	In respect of IVRCL TLT Private Limited ("The Subsidiary Company") (Refer Note 4.4 (a) to 4.4 (f)) to the Consolidated financial results
12	In respect of non-availability of external confirmations in respect of trade receivables, advances recoverable and trade payables and no provision by the management for loss allowance/expected credit loss in this regard for the reason stated therein. We are unable to quantify the impact, if any, arising on receipt of the confirmations;
13	In respect of non-provision for loss allowance in respect of claim of Value Added Tax Refund amounting to ₹ 329.83 Lakhs pending for settlement since long period by the management for the reason stated therein. Had the loss allowance in respect of such claim been recognized, the profit after tax would have been lower by ₹ 329.83 Lakhs and total assets and net worth would have been lower by ₹ 329.83 Lakhs respectively.
14	In respect of no adjustment in respect of non-moving trade stock of ₹ 182.08 lakhs held since long for the reason stated therein by the management. Had the loss allowance in respect of such stock been recognized, the profit after tax would have been lower by ₹ 182.08 lakhs and total assets and net worth would have been lower by ₹ 182.08 lakhs each.

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15	In respect of non-provision of loss allowance in respect of trade receivable aggregating to ₹ 19.14 lakhs due from HDO Technologies Limited (Related Party) outstanding since long for the reason stated therein by the management. Had the loss allowance in respect of such receivables been recognized, the profit after tax would have been lower by ₹ 19.14 lakhs and total assets and net worth would have been lower by ₹ 19.14 lakhs each.
16	In respect of preparation of financial results of the Company on going concern basis for the reasons stated therein, the accumulated losses of the Company as at March 31, 2018 amounting to ₹ 1,793.75 lakhs have exceeded its net worth and the Company's current liabilities exceed current assets. These facts along with other matters set forth in Notes 5 (iv) (a), 5 (iv) (b), 5 (iv) (c), 5 (iv) (d) & 5 (iv) (f) to the consolidated financial results indicate that a material uncertainty exist that may cast significant doubt on the company's ability to continue as a Going Concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. In the given circumstances, we are unable to comment on the consequential impact, if any, on the consolidated financial results.
17	In respect of corporate guarantee extended by the company in favor of security trustee of the CDR Lenders of the holding company. A lender of the Holding Company has filed insolvency and bankruptcy petition against the holding Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Hyderabad ("NCLT") vide its order dated February 23, 2018. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance to be recognized in respect of this financial guarantee. Hence, the loss allowance in respect of this guarantee is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the consolidated financial results.
	In respect of Kumarapalyam Tollways Limited ("The Subsidiary Company") (Refer Note 4.5 (a) to 4.5 (c)) to the Consolidated financial results
18	The vacancy of office of whole time Key Managerial Personnel is not filled by the Board at a meeting of Board of directors within 6 month from the date of vacancy as per sub section 4 of section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
19	The company had not provided the annual provision for year March 31, 2017 & March 31, 2018 total amounting of ₹ 2,075.00 Lakhs as per estimation by management. Due to this, the loss & current liability of the company is understated to the amount of ₹ 2,075.00 Lakhs.
20	The company had not provided the penalty amounting of ₹ 5,711.00 Lakhs for delay in laying of overlay as per clause 18.13 of concession agreement. Due to this the loss & current liability of the company is understated to the amount of ₹ 5,711.00 Lakhs.
	In respect of Jalandhar Amritsar Tollways Limited ("The Subsidiary Company") (Refer Note 4.6 (a) to 4.6 (b)) to the Consolidated financial results
21	The Company had not provided the annual provision for year 31 March 2017 & 31 March 2018 total amounting of ₹ 2,396.00 lakhs as per estimation by management. Due to this the loss & current liability of the company is understated to the amount of ₹ 2,396.00 Lakhs.
22	The Company had not provided the penalty amounting to ₹ 5,313.00 Lakhs for delay in laying of overlay as per clause 18.13 of concession agreement. Due to this the loss & current liability of the company is understated to the amount of ₹ 5,313.00 Lakhs.
	In respect of Absorption Aircon Engineers Private Limited ("The Step Down Subsidiary Company")
23	In Note 4.7 to the consolidated financial results regarding preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's

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	assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.
	In respect of IVR Prime Developers (Amalapuram) Private Limited ("The Step Down Subsidiary Company")
24	In Note 4.8 to the consolidated financial results regarding preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.
	In respect of Bibinagar Developers Private Limited ("The Step Down Subsidiary Company")
25	In Note 4.9 to the consolidated financial results regarding preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.
	In respect of IVR Prime Developers (Guntur) Private Limited ("The Step Down Subsidiary Company")
26	In Note 4.10 to the consolidated financial results regarding preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.
	In respect of Samatteri Developers Private Limited ("The Step Down Subsidiary Company")
27	In Note 4.11 to the consolidated financial results regarding preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.
	Others
28	Consolidation of financial statements / financial information of 30 subsidiaries whose financial results / financial information are not audited by their respective auditors and reflect net liabilities of ₹ 56,927.87 lakhs as at March 31, 2018, total revenues of ₹ 20,841.60 lakhs and net cash flows amounting to ₹ 42.15 lakhs for the year ended on that date, as considered in the consolidated financial results. These financial results/financials information for the current financial year ended March 31, 2018, including the comparative figures and reconciliation of total equity, total comprehensive income, balance sheet, and profit & loss for the corresponding financial year ended on March 31, 2017 under IND AS, as reported in these consolidated financial results have been presented solely based on the information compiled by the management. In our opinion and according to the information and explanations given to us by the Management, these financial results /financials information, in aggregate, are material to the Group and have not been subjected to audit hence we are

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	unable to comment on the consequential impact, if any, on the consolidated financial results.

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

c. **Frequency of qualification:** Point 1, 2, 3, 4, 9, 10 & 28 are Repetitive and Point 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 & 27 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 2 above,** the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
2	**In respect of qualification 3 above,** the management of the Company is confident of positive outcome of ligations/ resolutions of disputes and recovering the aforesaid dues.
3	**In respect of qualification 4 above,** 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. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.
4	**In respect of qualification 10 above,** The implementation of the project was delayed due to delay in handing over of land, handing over Right of Way and delay in utility shifting which was beyond the control of the company. Further, the Company has also faced liquidity challenges during the year. This has resulted into realignment and rescheduling of work in earlier years. The management is confident of obtaining necessary land, ROW etc. Hence, the management has capitalized interest expenses.
5	**In respect of qualification 11 above,** The management believes that no material adjustments would be required in books of account for the same.
6	**In respect of qualification 13 above,** The management is hopeful of recovery of the same and hence, no loss allowance is provided for the same.
7	**In respect of qualification 14 above,** Management is taking necessary steps for disposing off non-moving items in the market. In view of above, in the opinion of the management, no adjustment is required in financial results in this respect.
8	**In respect of qualification 15 above,** The Management is hopeful of recovery of these outstanding and accordingly, considered these outstanding as good and recoverable.
9	**In respect of qualification 19 above,** the company has requested to NHAI on 17.04.18 to permit laying of overlay limiting thickness to 25 mm as per Clause 209 of MORTH, 4th Revision. The estimated cost for overlaying for 25mm thickness will be ₹ 56.00 lakhs per KM comes Approx. ₹ 2,716.00 lakhs. The company has already provided the liability of Resurfacing upto 31.03.2018 amounting of ₹ 5,514.00 lakhs which is already more than twice as required.
10	**In respect of qualification 20 above,** The company had requested to NHAI to waive the penalty given the good pavement quality, good experience of user and funding issues faced by the company. The company is expecting the favourable decision on request and not provided the liability of ₹ 5,711.10 lakhs in books of Accounts ended

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	March 31, 2018 and treated as Contingent liability.
11	**In respect of qualification 21 above,** The management believes that no material adjustments would be required in books of account for the same.
12	**In respect of qualification 22 above,** The company has not provided the liability of ₹ 5,313.30 lakhs in books of Accounts ended March 31, 2018 and treated the demand as Contingent liability. The management believes that no material adjustments would be required in books of account for the same.

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 the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, the financial results have been prepared on the basis that the Company is a Going Concern.
2	**In respect of qualification 5 above,** The claims received from all the parties are under further validation / verification by the RP.
3	**In respect of qualification 6 above,** The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
4	**In respect of qualification 7 above,** 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.
5	**In respect of qualification 8 above,** The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities. No adjustments has been made in the books of accounts in respect of such amounts.
6	**In respect of qualification 9 above,** the management is confident that the compensation claim will be awarded in favour of the Company in the ongoing arbitration process. The company is in process of submission of its claim before the arbitrators. Hence, the consolidated financial results does not include any adjustment in this respect.
7	**In respect of qualification 12 above,** The management does not expect any material adjustment on receipt of such confirmation.
8	**In respect of qualification 16 above,** Considering the present status of revenue being earned by the Company, the management is hopeful in future the Company will be able to discharge its liabilities in the normal course of business on regular basis. Hence, the consolidated financial results have been prepared on going concern basis and do not include any adjustment in this respect.
9	**In respect of qualification 17 above,** 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.
10	**In respect of qualification 18 above,** The management is taking necessary steps for appointment of the Key personnel.
11	**In respect of qualification 23 above,** the management of the company is confident of

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	revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
12	**In respect of qualification 24 above,** the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
13	**In respect of qualification 25 above,** the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
14	**In respect of qualification 26 above,** the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.
15	**In respect of qualification 27 above,** the management of the company is confident of revival of the ultimate holding company is possible in the foreseeable future under the Corporate Insolvency Resolution Process (CIRP). And the company's promoter (substantial shareholders) has confirmed its intention to provide adequate financial support to the company to continue its operations for the foreseeable future. Accordingly, the financial statements of the company are prepared on the going concern.

iii. Auditors comment on above: Nil

III. Signatories

R. BALRAMI REDDY CFO	
SUTANU SINHA Resolution Professional Registration No. IBBI/IPA-003/IP-N00020/2017-2018/10167	
Statutory Auditor **For CHATURVEDI & CO.** Chartered Accountants Firm Registration No. 302137E **PANKAJ CHATURVEDI** Partner Membership No. 091239	
Place: Hyderabad	
Date: June 29, 2018	

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IVRCL LIMITED HYDERABAD

CHATURVEDI & CO.

Chartered Accountants

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Independent Auditor's Report on Consolidated Financial Results of IVRCL Limited for the year ended on March 31, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Resolution Professional of IVRCL Limited

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against IVRCL Limited ("the Holding Company") and appointed Mr. Sutanu Sinha to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

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 Secretory where they are appointed. In view of the ongoing Corporate Insolvency Resolution Process (CIRP), powers of the Board of Directors have been suspended and these powers are now vested with Mr. Sutanu Sinha in his capacity as the IRP from February 23, 2018 as per the provisions of the Code. Further, pursuant to the order of NCLT, a public announcement about initiation of CIRP was made on March 03, 2018 and a Committee of Creditors (COC) was formed pursuant to the provisions of the code and COC held their first meeting on March 29, 2018 and *inter alia* confirmed Interim Resolution Professional as Resolution professional (RP) for the Holding Company.

3. We have audited the accompanying consolidated financial results ("the Statement") of IVRCL Limited ("the Holding Company") and its subsidiaries (the holding Company and its subsidiaries together referred to as "the group") its associates and joint arrangements for the year ended on March 31, 2018 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 Holding Company's management and approved by the Resolution Process (RP) 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 consolidated 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 consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated 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. **As stated;**

   (i) In notes to the consolidated financial results in respect of IVRCL Limited (Holding Company):

   a. Note 4.1(a) to the statement, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein and expiry of timeline to complete the process of CDR/ SDR. During the year the Company has incurred a Net Loss of ₹1,99,109.30 lakhs resulting into accumulated losses of ₹ 4,17,624.30 lakhs and erosion of its Net worth as at March 31, 2018. The Company has obligations towards fund based borrowings aggregating to ₹ 7,75,772.77 lakhs and non-fund based exposure aggregating to ₹ 1,28,317.26 lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note

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4(f), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Corporate Insolvency Resolution Process (CIRP). These conditions 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 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 consolidated financial results.

b. Note 4.1(b) to the statement in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to ₹95,705.88 lakhs. Based on unexecuted orders on hand, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. 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 year ended on March 31, 2018 would have been higher by ₹ 95,705.88 lakhs and other equity would have been lower by ₹ 95,705.88 lakhs.

c. Note 4.1(c) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 1,96,823.51 Lakhs included in financial and other assets which are past due/subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such assets. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 1,96,823.51 Lakhs, other equity would have been lower by ₹ 1,96,823.51 Lakhs.

d. Note 4.1(d) to the consolidated financial results, in respect of advances of ₹ 9,418.85 Lakhs given to associate, net receivable against development rights, various sub-contractors, vendors and other parties. These advances, having regard to age of such advances, in our opinion, are doubtful of recovery. The management is yet to assess the change in risk of default and resultant expected credit loss allowance on such advances. Had the aforesaid assets been provided for impairment, loss after tax for the year ended on March 31, 2018 would have been higher by ₹ 9,418.85 Lakhs, other equity would have been lower by ₹ 9,418.85 Lakhs.

e. Note 2 and Note 4.1(e) to the statement in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of other parties) , 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;

f. Note 4.1(f) of the statement in respect of non-availability of confirmations of bank balances aggregating to ₹ 248.43 Lakhs, trade receivables including retention, advances, trade payable. In absence of alternative corroborative evidence, we unable to comment on the extent to which such balances are recoverable.

g. Note 4.1(g) of the statement in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to ₹ 2,103.50 Lakhs as at March 31, 2018 and no provision for impairment has been made for the reasons stated therein. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

h. Note 4.1(h) of the statement in respect of balances available with statutory authorities and input credits aggregating to ₹ 20,034.67 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.



(ii) In Note 4.2 (a) to 4.2 (b) to the consolidated financial results in respect of SPB Developers Private Limited (a subsidiary company) wherein the other auditors had stated in their report:

a. In respect of preparation of financial statements of the Company on Going Concern basis for the reasons stated therein. Further, the Company's current liabilities exceed its current assets. The facts/ matters as stated in Note 4.2(b) indicate that there exists material uncertainty that may cast significant doubt on the company's ability to continue as a Going Concern and therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. In the given circumstances, we are unable to comment on the consequential impact, if any, on the consolidated financial results.

b. In respect of capitalization of borrowing cost during the year amounting to ₹ 2,737.13 Lakhs and accumulated ₹ 9,681.78 Lakhs as at March 31, 2018 towards cost of the project for the reasons stated therein. There being no construction activities during the year, in our opinion, the capitalization of borrowing cost is not consistent with the Indian Accounting Standard-23, Borrowing Costs. Had the borrowing cost been accounted for pursuant to Indian Accounting Standard-23, Borrowing Costs, the intangible assets under development and Net worth during the year would have been lower by ₹ 9,681.78 Lakhs each and loss for the year would have been higher to that extent.

(iii) In Note 4.3 to the consolidated financial results in respect of IVRCL Chengapalli Tollways Limited, (a Subsidiary Company) wherein the other auditors had stated in their report for the financial year ended March 31, 2018, Non-Accounting of Interest on debentures amounting to ₹ 1,374.89 Lakhs has resulted in understatement of loss for the year and understatement of current financial liabilities by the same amount.

(iv) In Note 4.4 (a) to 4.4 (f) to the consolidated financial results in respect of IVRCL TLT Private Limited, (a Subsidiary Company) wherein the other auditors had stated in their report:

a. In respect of non-availability of external confirmations in respect of trade receivables, advances recoverable and trade payables and no provision by the management for loss allowance/expected credit loss in this regard for the reason stated therein. We are unable to quantify the impact, if any, arising on receipt of the confirmations;

b. In respect of non-provision by the management for loss allowance in respect of claim of Value Added Tax Refund amounting to ₹ 329.83 Lakhs pending for settlement since long for the reason stated therein. Had the loss allowance in respect of such claim been recognized, the profit after tax would have been lower by ₹ 329.83 Lakhs and total assets and net worth would have been lower by ₹ 329.83 Lakhs respectively.

c. In respect of no adjustment in respect of non-moving trade stock of ₹ 182.08 lakhs held since long for the reason stated therein by the management. Had the loss allowance in respect of such stock been recognized, the profit after tax would have been lower by ₹ 182.08 lakhs and total assets and net worth would have been lower by ₹ 182.08 lakhs each.

d. In respect of regarding non- provision of loss allowance by the management in respect of trade receivable aggregating to ₹ 19.14 lakhs due from HDO Technologiess Limited (Fellow Subsidiary) respectively outstanding since long for the reason stated therein. Had the loss allowance in respect of such receivables been recognized, the profit after tax would have been lower by ₹ 19.14 lakhs and total assets and net worth would have been lower by ₹ 19.14 lakhs each.

e. In respect of 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, 2018 amounting to ₹ 1,793.75 lakhs have exceeded its net worth and the Company's current liabilities exceed current assets. These facts along with other matters set forth in Notes 5 (iv) (a), 5 (iv) (b), 5 (iv) (c), 5 (iv) (d) & 5 (iv) (f) indicate that there exist material uncertainty that may cast significant doubt on the company's ability to continue as a Going Concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. In the given circumstances, we are unable to comment on the consequential impact, if any, on the consolidated financial results.



f. In respect of corporate guarantee extended by the company in favor of security trustee of the CDR Lenders of the holding company. A lender of the Holding Company has filed insolvency and bankruptcy petition against the holding Company for initiation of insolvency resolution process that has been admitted by the Hon'ble Company Law Tribunal, Hyderabad ("NCLT") vide its order dated February 23, 2018. At present, the loss allowance in respect of this guarantee is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the consolidated financial results.

(v) In Note 4.5 (a) to 4.5 (c) to the financial results in respect of Kumarapalayam Tollways Limited, (a Subsidiary Company) wherein the other auditors had stated in their report:

a. The vacancy of office of whole time Key Managerial Personnel is not filled by the Board at a meeting of Board of directors within 6 month from the date of vacancy as per sub section 4 of section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

b. The company had not provided the annual provision for year March 31, 2017 & March 31, 2018 total amounting of ₹ 2,075.00 Lakhs as per estimation by management. Due to this, the loss & current liability of the company is understated to the amount of ₹ 2,075.00 Lakhs.

c. The company had not provided the penalty amounting of ₹ 5,711.00 Lakhs for delay in laying of overlay as per clause 18.13 of concession agreement. Due to this the loss & current liability of the company is understated to the amount of ₹ 5,711.00 Lakhs.

(vi) We refer to Note 4.6 (a) & (b) to the consolidated financial results in respect of Jalandhar Amritsar Tollways Limited, (a Subsidiary Company) wherein the other auditors had stated in their report:

a. The Company had not provided the annual provision for year 31 March 2017 & 31 March 2018 total amounting of ₹ 2,396.00 lakhs as per estimation by management. Due to this the loss & current liability of the company is understated to the amount of ₹ 2,396.00 Lakhs.

b. The Company had not provided the penalty amounting to ₹ 5,313.00 Lakhs for delay in laying of overlay as per clause 18.13 of concession agreement. Due to this the loss & current liability of the company is understated to the amount of ₹ 5,313.00 Lakhs.

(vii) In Note 4.7 to the consolidated financial results in respect of Absorption Aircon Engineers Private Limited, (a step down Subsidiary Company) wherein the other auditors had stated in their report with respect to preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

(viii) In Note 4.8 to the consolidated financial results in respect of IVR Prime Developers (Amalapuram) Private Limited, (a step down Subsidiary Company) wherein the other auditors had stated in their report with respect to preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

(ix) In Note 4.9 to the consolidated financial results in respect of Bibinagar Developers Private Limited, (a step down Subsidiary Company) wherein the other auditors had stated in their report with respect to preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.



(x) In Note 4.10 to the consolidated financial results in respect of IVR Prime Developers (Guntur) Private Limited, (a step down Subsidiary Company) wherein the other auditors had stated in their report with respect to preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

(xi) In Note 4.11 to the consolidated financial results in respect of Samatteri Developers Private Limited, (a step down Subsidiary Company) wherein the other auditors had stated in their report with respect to preparation of financial results of the company on going concern basis for the reasons stated therein, where the management's assessment and assumption of revival of the ultimate holding company in the foreseeable future under the Corporate Insolvency Resolution Process, and to get financial support to the Company to continue its operations indicates, the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

(xii) Consolidation of financial statements / financial information of 30 subsidiaries whose financial results / financial information are not audited by their respective auditors and reflect net liabilities of ₹ 56,927.87 lakhs as at March 31, 2018, total revenues of ₹ 20,841.60 lakhs and net cash flows amounting to ₹ 42.15 lakhs for the year ended on that date, as considered in the consolidated financial results. These financial results/financials information for the current financial year ended March 31, 2018, including the comparative figures and reconciliation of total equity, total comprehensive income, balance sheet, and profit & loss for the corresponding financial year ended on March 31, 2017 under IND AS, as reported in these consolidated financial results have been presented solely based on the information compiled by the management. In our opinion and according to the information and explanations given to us by the Management, these financial results /financials information, in aggregate, are material to the Group and have not been subjected to audit hence we are unable to comment on the consequential impact, if any, on the consolidated financial results. **(Refer Appendix-1(b))**

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors as separate financial results and on other financial information of the subsidiaries, associates and joint ventures, the consolidated financial results:-

(i) Include the financial results for year ended 31 March, 2018, of the following entities refer **Appendix-'1'.**

(ii) Are 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 matters described in paragraph 5(i)(b), 5(i)(c), 5(i)(d), 5(ii)(b), 5(iv)(b), 5(iv)(c), 5(iv)(d), 5(v)(b), 5(v)(c), 5(vi)(a) & 5(vi)(b) and possible effects of matters described in paragraph 5(i)(a), 5(i)(e), 5(i)(f), 5(i)(g), 5(i)(h), 5(ii)(a), 5(iii), 5(iv)(a), 5(iv)(e), 5(iv)(f), 5(v)(a), 5(vii), 5(viii), 5(ix), 5(x), 5(xi) & 5(xii); and

(iii) gives 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 matters described in paragraph 5(i)(b), 5(i)(c), 5(i)(d), 5(ii)(b), 5(iv)(b), 5(iv)(c), 5(iv)(d), 5(v)(b), 5(v)(c), 5(vi)(a) & 5(vi)(b) and possible effects of matters described in paragraph 5(i)(a), 5(i)(e), 5(i)(f), 5(i)(g), 5(i)(h), 5(ii)(a), 5(iii), 5(iv)(a), 5(iv)(e), 5(iv)(f), 5(v)(a), 5(vii), 5(viii), 5(ix), 5(x), 5(xi) & 5(xii).

7. **We draw attention to;**

i. The following emphasis of matter included in the audit report issued by us on consolidated financial statement which are relevant to our opinion on the consolidated financial results of the group and reproduced by us as auditor;

a. Note 5.1(a) of the statement in respect of notice received by the holding 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.



b. Note 5.1(b) of the statement in respect of summon received by the holding 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.

ii. Note 5.2 (a) & (b) to the consolidated financial results in respect of IVRCL Chengapalli Tollways Limited, (a Subsidiary Company) wherein the other auditors had stated in their report:

a. The Company had entered into one-time settlement (OTS) with IFCI Limited vide letter dated 22/03/2017 for settlement of entire dues by 31st March 2017. However, Company could not settle dues pertaining to debentures till date.

b. The Company has taken term loans from consortium of banks. Company borrowings has been classified as Non-performing assets by the lenders due to default in payment of related dues.

iii. Note 5.3(a) to 5.3(c) to the consolidated financial results in respect of IVRCL Chandarpur Tollways Limited, (a Subsidiary Company) wherein the other auditors had stated in their report:

a. Significant accounting policies & notes to financial statements regarding non-accounting of Tax Collected at Source (TCS) amount.

b. Significant accounting policies & notes to financial statements regarding prior period expenses of ₹ 26.53 Lakhs resulted into overstatement of loss by the same amount.

c. The company has taken term loans from consortium of banks and a financial institution. Company's borrowings has been classified as Non-performing assets (NPA) by the lenders due to defaults in payment of related dues.

iv. Note 5.4(a) & (b) to the Consolidated Financial results of IVR Hotels and Resorts Limited, a subsidiary of the Company, whereby the other auditor has stated;

a. In respect of secured loan due, the lender bank has initiated recovery proceedings against the Company under Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest act, 2002 in respect of outstanding loan as at the end of the year plus interest and costs thereafter.

b. In respect of accumulated losses and obligation towards borrowings, the management of the company is confident of improvement in its business operations.

v. Note 5.5(a) to 5.5(b) to the Consolidated Financial results of Alkor Petroo Limited, a subsidiary of the Company, whereby the other auditor has stated;

a. In respect of the Corporate Guarantee on behalf of the Company (on the basis of Counter Guarantee by IVRCL Limited, Bank guarantee was issued by ICICI Bank) has been encashed by its partner, Gujarat State Petroleum Corporation Limited in the year 2014-15, as the Company could not pay the expenses incurred as per the Concession agreement. Hence, the company has reclassified the Capital Work-in-progress to Capital Work-in-progress (under claim) as a civil suit filed by the Company is still pending. The status of the claim process is not known.

b. In respect of wherein Cash and cash equivalents are stated. The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 1.99 Lakhs. However, the same could not be verified as neither bank statements nor balance confirmation letter from bank were available.

vi. Note 5.6 to the Consolidated Financial results of IVR Enviro Projects Private Limited, a subsidiary of the Company, whereby the other auditor has stated in respect of wherein Cash and cash equivalents are stated. The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.69 Lakhs. However, the same could not be verified as neither bank statements nor balance confirmation letter from bank were available.



vii. Note 5.7 to the Consolidated Financial results of IVR Prime Developers (Palakkad) Private Limited, a step down subsidiary of the Company, whereby the other auditor has stated in respect of wherein Cash and cash equivalents are stated. The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.06 Lakhs. However, the same could not be verified as neither bank statements nor balance confirmation letter from bank were available.

viii. Note 5.8 to the Consolidated Financial results of IVR Prime Developers (Guindy) Private Limited, a step down subsidiary of the Company, whereby the other auditor has stated in respect of wherein Cash and cash equivalents are stated. The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.06 Lakhs. However, the same could not be verified as neither bank statements nor balance confirmation letter from bank were available.

ix. Note 5.9 to the Consolidated Financial results of IVRCL Patalganga Truck Terminals Private Limited, a subsidiary of the Company, whereby the other auditor has stated in respect of wherein Cash and cash equivalents are stated. The balance available in the Tamilnad Mercantile Bank as on 31/03/2018 as per books of account was ₹ 0.08 Lakhs. However, the same could not be verified as neither bank statements nor balance confirmation letter from bank were available.

x. **Refer Appendix - 2** given below in respect of non-consolidation of certain subsidiary companies on account of non-availability of financial information.

Our opinion is not qualified in respect of these matters.

8. **Other Matters**

a) We did not audit the financial results / financial information of 33 subsidiaries whose financial results / financial information reflect net assets of ₹ 1,32,565.78 lakhs as at March 31, 2018, total revenues of ₹ 38,580.43 lakhs and net cash outflows amounting to ₹ 397.97 lakhs for the year ended on that date. This financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. **(Refer Appendix-1(a))**

b) Non-availability of the financial statement of three associates as at March 31, 2018. The investment of associates at ₹ 44,518.80 lakhs in the Consolidated Financial Results have not been adjusted in the consolidated financial Results in absence of their financial statement as at March 31, 2018 that may have been required had the financial statements were available.

c) We did not audit the separate financial results of 28 joint ventures included in consolidated financial results, whose financial result reflects holding company's share in net profit of joint venture aggregating to ₹ 205.89 lakhs for the year ended March 31, 2018. Out of the 28 joint ventures, financial information/results of 5 joint ventures, have been presented solely based on the information compiled by the management. In our opinion and according to the information and explanations given to us by the Management, these financial results /financials information, in aggregate, are not material to the Company and have not been subjected to audit hence, we are unable to comment on the consequential impact, if any, on the accompanying results.

d) We did not audit the financial results/information of a branch at Kingdom of Saudi Arabia included in the Consolidated financial results of the company whose financial results/financial information reflects total assets of ₹ 0.10 lakhs as at March 31, 2018 and total revenue is NIL for the year ended on that date as considered in consolidated financial results.



e) In respect of Note 5.10 of the Consolidated financial results of IVRCL PSC Pipes Private Limited a subsidiary of the Company, whereby the other auditor has stated regarding the legal proceedings initiated by a creditor, Radiant Engineers, against the company for recovery of outstanding dues of ₹ 3.49 lakhs. The status of the legal proceedings at the time of audit was not known.

Our opinion on the consolidated financial results is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial results.

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

PANKAJ CHATURVEDI
Partner
Membership No. 091239

Hyderabad
June 29, 2018

CHATURVEDI & CO. * Chartered Accountants * New Delhi

Appendix- 1: Details of the subsidiary companies that have been consolidated

(a) Subsidiary companies consolidated based on audited accounts

S. No	Particulars
1	IVRCL PSC Pipes Private Limited
2	IVR Enviro Projects Private Limited
3	Kumarapalyam Tollways Limited
4	IVRCL Steel Construction & Services Limited
5	IVRCL Chengapalli Tollways Limited
6	Alkor Petroo Limited
7	IVRCL Building Products Limited
8	RIHIM Developers Private Limited
9	IVRCL Raipur Bilaspur Tollways Limited
10	IVR Hotels and Resorts Limited
11	SPB Developers Private Limited
12	IVR Prime Developers (Tambaram) Private Limited
13	IVR Prime Developers (Palakkad) Private Limited
14	IVR Prime Developers (Guindy) Private Limited
15	IVRCL Chandrapur Tollways Limited
16	Jalandhar Amritsar Tollways Limited
17	Salem Tollways Limited
18	IVRCL TLT Private Limited
19	IVRCL Patalanga Truck Terminals Private Limited
20	Kunnam Developers Private Limited
21	Tirumani Developers Private Limited
22	Samatteri Developers Private Limited
23	IVR Prime Developers (Amalapuram) Private Limited
24	IVR Prime Developers (Guntur) Private Limited
25	Absorption Aircon Engineer Private Limited
26	Bibinagar Developers Private Limited
27	Annupampattu Developers Private Limited
28	Iiavampedu Developers Private Limited
29	Chodavaram Developers Private Limited
30	IVR Prime Developers (Adayar) Private Limited
31	IVR Prime Developers (Egmore) Private Limited
32	IVR Vanaprastha Private Developers Pvt Ltd
33	IVR PUDL Resorts & Club Pvt Ltd

(b) Subsidiary companies consolidated based on unaudited accounts

S. No.	Name of the Subsidiary Company
1	First STP Private Limited
2	IVRCL Lanka Private Limited
3	IVRCL Patiala Bhatinda Tollways Limited
4	IVRCL Gundugolanu Rajamundry Tollways Limited
5	IVRCL Narnaul Bhiwani Tollways Limited
6	IVRCL Caedagua Hogenakkal Water Treatment Co. Private Limited



7	Chenai Water Desalination Limited
8	IVRCL Megamalls Limited
9	Agaram Developers Private Limited
10	Simhachalam Prime Developers Private Limited
11	IVR Prime Developers (Red Hills) Private Limited
12	IVR Prime Developers (Tuni) Private Limited
13	IVR Prime Developrs (Bobbili) Private Limited
14	IVR Prime Developers (Bhimavaram) Private Limited
15	Mummidi Developers Private Limited
16	IVRCL Solar Energy Private Limited
17	Siripuram Developers Private Limited
18	IVR Prime Developers (Erode) Private Limited
19	IVR Prime Developers (Araku) Private Limited
20	Gajuwaka Developers Private Limited
21	Sapthashva Solar Limited
22	Duvvda Developers Private Limited
23	Kasibugga Developers Private Limited
24	Vedurwada Developers Private Limited
25	Eluru Developers Private Limited
26	Theata Developers Private Limited
27	Vijaywada Developers Private Limited
28	Rudravaram Developers Private Limited
29	Geo IVRCL Engineering Limited
30	Geo Prime Developers Private Limited

Appendix-2: Subsidiary companies not included in consolidation

S. No	Name of the Company
1	Hindustan Dorr-Oliver Limited
2	HDO Technologiess Limited
3	Davymarkham (India) Private Limited
4	HDO (UK) Limited
5	HDO Zambia Limited
6	IVRCL EPC Limited
7	Chengapally Road Infra Private Limited

CHATURVEDI & CO. * Chartered Accountants * New Delhi