

May 30, 2017

To

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

The Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai-400 001.

Dear Sir,

Sub: Audited Standalone Financial Results of the company for the quarter and year ended March 31, 2017

Pursuant to provisions of SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 we are herewith enclosing the Audited Standalone financial results of the Company for the quarter and year ended March 31, 2017 along with Audit Report and Statement on Impact of Audit Qualifications.

Kindly acknowledge the receipt of the same.

Thanking you,

For IVRCL Limited



B Subrahmanyam
Company Secretary



IVRCL LIMITED

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CIN: L45201AP1987PLC007959





Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2017

(Rs. in lakhs)

Sl. No.	Particulars (Refer Notes below)	Standalone				
		Quarter ended			Year ended	
		March 31, 2017 (refer note 2)	December 31, 2016	March 31, 2016 (refer note 2)	March 31, 2017	March 31, 2016
		AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
I.	Revenue from operations	66,787.29	39,788.22	65,225.80	2,01,525.96	2,36,167.77
II.	Other income	1,847.80	655.92	293.58	3,893.91	2,356.03
III.	Total income (I+II)	68,635.09	40,444.14	65,519.38	2,05,419.87	2,38,523.80
IV.	EXPENSES					
a)	Construction stores, spares and materials consumed	6,921.11	6,245.88	10,633.66	27,021.93	48,321.88
b)	Sub-contracting expense	42,779.91	19,785.66	45,335.03	1,04,712.56	1,21,568.44
c)	Masonry, labour and other construction expense	10,739.27	10,678.51	15,293.30	47,587.27	73,281.26
d)	Employee benefits expense	2,888.48	3,198.62	3,461.34	13,242.55	15,258.91
e)	Finance costs	17,821.42	17,544.39	18,652.04	68,477.60	67,760.04
f)	Depreciation and amortisation expense	1,707.00	1,790.56	2,025.36	7,200.11	8,019.70
g)	Other expenses	18,912.36	6,288.72	800.72	46,200.87	17,637.33
	Total expenses (IV)	1,01,769.55	65,532.34	96,201.45	3,14,442.89	3,51,847.56
V.	Profit/(Loss) before exceptional items and tax (III-IV)	(33,134.46)	(25,088.20)	(30,682.07)	(1,09,023.02)	(1,13,323.76)
VI.	Exceptional items	-	-	417.29	-	2,529.65
VII.	Profit/ (Loss) before tax	(33,134.46)	(25,088.20)	(30,264.78)	(1,09,023.02)	(1,10,794.11)
VIII.	Tax expense:					
a)	Current Tax	-	-	6,744.40	-	6,744.40
b)	Deferred Tax	95,740.52	161.38	(3,037.18)	96,069.40	(2,740.89)
IX.	Net Profit / (Loss) for the period from continuing operation (VII-VIII)	62,606.06	(24,926.82)	(26,557.56)	(12,953.62)	(1,06,790.60)
X.	Other Comprehensive Income					
a)	i) Items that will be reclassified to Profit or Loss	4.99	(0.21)	212.81	(280.61)	133.90
	ii) Income Tax relating to items that will be classified to profit or loss	8.86	0.07	(73.65)	97.11	(46.34)
XI.	Total comprehensive income for the year (comprising profit / (loss) and other comprehensive income for the year)	62,619.91	(24,926.96)	(26,418.41)	(13,137.12)	(1,06,703.04)
XIII.	Earnings per equity share (of Rs. 2 each) (not annualised for quarterly results)					
	EPS (in Rs.)					
	Basic & Diluted					
	- before exceptional item	8.00	(9.65)	(5.84)	(1.65)	(21.49)
	- after exceptional item	8.00	(9.65)	(5.05)	(1.65)	(20.30)
	(See Accompanying notes (1 - 7))					



Statement of Assets and Liabilities

(Rs. In Lakhs)

				Standalone	
Particulars		As at March 31, 2017		As at March 31, 2016	
I. ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment		28,465.65		36,223.92	
(b) Investment Properties		2,999.47		3,054.50	
(c) Financial Asset					
(i) Investments	1,29,989.32		1,32,480.60		
(ii) Trade Receivable	34,085.47		34,238.33		
(iii) Loans	6,247.80		6,463.92		
(iv) Others	86,445.04		74,612.82		
(d) Deferred Tax Asset (net)	97,234.53		1,068.02		
(e) Other Non - Current Assets	22,500.11	3,76,502.27	29,862.68	2,78,726.37	
		4,07,967.39		3,18,004.79	
2. Current Assets					
(a) Inventories		9,878.88		12,880.45	
(b) Financial Asset					
(i) Investments					
(ii) Trade Receivables	1,38,999.29		1,72,597.80		
(iii) Cash and cash equivalent	7,932.92		8,375.38		
(iv) Bank balances (other than iii above)	4,191.84		1,319.07		
(v) Loans	53,757.80		56,892.73		
(vi) Others	75,658.16	2,80,540.01	74,778.16	3,13,963.14	
(c) Other Current Assets		1,97,121.23		1,98,861.51	
		4,87,540.12		5,25,705.10	
TOTAL ASSETS		8,95,507.51		8,43,709.89	
II Equity and Liabilities					
1. Equity					
(a) Equity Share Capital	15,657.95		14,573.67		
(b) Other Equity	23,044.67		28,994.69		
Total Equity		38,702.62		43,568.36	
2. Liabilities					
Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	1,00,140.51		1,60,736.30		
(b) Provisions	953.76		1,074.26		
		1,01,094.27		1,61,810.56	
3. Current Liabilities					
(a) Financial Liabilities					
(i) Short-Term Borrowings	2,57,777.50		2,16,534.88		
(ii) Trade Payables	1,42,406.42		1,41,485.97		
(iii) Other financial Liabilities (other than those specified in item c)	2,73,956.48	6,74,140.40	1,82,052.77	5,40,073.62	
(b) Other Current Liabilities		67,059.00		87,111.69	
(c) Provisions		14,511.22		11,145.66	
		8,95,507.51		8,43,709.89	



Note :

1. The above audited financial results for the quarter and year ended March 31, 2017 were taken on record at the meeting of the Board of Directors held on May 30, 2017 after being reviewed and recommended by the Audit Committee.
2. The Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is April 01, 2015. The results for the quarter and previous year ended March 31, 2016 have been restated to comply with IND AS to make them comparable. The figures for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2017 and March 31, 2016 and the year to date figures upto the third quarter of the current financial year and previous financial year respectively which were subjected to limited review.
3. Reconciliations of other equity, Statement of profit and loss and Other Comprehensive Income on account of transition from the previous Indian Generally Accepted Accounting Principles (Previous IGAAP) to IND AS are as under:

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

	Year ended March 31, 2016 (₹ in Lakhs)	Quarter ended March 31, 2016 (₹ in Lakhs)
Particulars		
Net loss reported for the Year ended (published as per previous Indian GAAP)	(1,06,043.92)	(26,394.55)
(i) Acttural loss/(Gain) on defined obligation recognised in other comprehensive expenses	(133.90)	(212.81)
(ii) Impact of measurement of financial instruments at fair value	(937.07)	21.79
Net Loss recast to IndAS for the quarter and year ended	(1,07,114.89)	(26,585.57)
Deferred tax adjustment on fair value measurement of financial instruments	324.30	28.01
Other Comprehensive Income (after tax)	87.55	139.16
Total comprehensive income (comprising loss for the period after tax and other comprehensive income)	(1,06,703.04)	(26,418.40)

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

	Year ended March 31, 2016 (₹ in Lakhs)
Particulars	
Opening balance of P&L reported as per Indian GAAP	30,466.72
Adjustment in retained earning (net of deferred tax) on transition date as on April 01, 2015 on account of fair valuation of financial assets/ liabilities and others	415.04
effect of unwinding of financial assets/liabilities	(746.65)
foreign currency translation reserves and revaluation reserves adjusted on transition date	(108.30)
effect of change in other comprehensive income (net of deferred tax)	(1,032.12)
Other Equity (Shareholder's Funds) as per Ind AS	28,994.69

4. The operations of the Company consists of construction / project activities and there are no other reportable segments under Ind AS 108, "Operating Segments".
5. The Statutory Auditors have expressed qualified opinion in their report for the quarter and year ended March 31, 2017 in respect of the following matters:
 - a) During the year the Company has incurred a net loss of ₹ 13,137.12 lakhs resulting in to accumulated losses of ₹ 2,17,299.42 lakhs and substantial erosion of its Net worth. The Company has obligations towards borrowings aggregating to ₹ 5,34,742.57 lakhs including an amount of ₹ 1,76,824.56 lakhs falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2017. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. As more fully described in the note 5(b), the lenders may exercise certain rights available to them as per CDR/ SDR including withdrawal of concessions earlier granted by them. The management of the Company believes to complete the divestment plan and meeting its obligations in due course of time with the help of a new investor. Accordingly financial statements have been prepared on the basis that the Company is a Going Concern.
 - b) 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 CDR required certain sacrifices and additional funding in the form of priority lending from Lenders and commitments from the promoters in terms of infusion of additional funds, sale of certain land parcels and divestment of stake in certain subsidiaries undertaking BOT and other projects. The efforts to raise additional funds, however, could not materialize and in the previous year the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held in 26th November 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).

The provisions of the SDR Scheme as introduced by the Reserve Bank of India (RBI) also require to transfer such shareholding with a minimum of 26% by banks to a new promoter within a stipulated time line of 18 months and taking over of the management control of the Company by such new promoter. Subsequent to the year-end, the stipulated timeline has ended on May 25, 2017 and no investor has come forward with a binding offer to acquire the lenders stake. The Company may be treated as a case of failed CDR and SDR and lenders may exercise certain rights available to them on such failure of CDR/ SDR including withdrawal/reversals of waivers/ reliefs earlier granted by them.

The management of the Company believes that the lenders have been approached by an investor with a non-binding offer to acquire the stake of the lenders. The management also believes to complete the divestment plan and meeting its obligations in due course of time with the help of such new investor. Accordingly financial statements have been prepared on the basis that the Company is a Going Concern.

c)	The Company has recognized 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 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.
d)	The Company, as at March 31, 2017, has certain trade receivables, unbilled revenue, security deposit, withheld and other deposits including bank guarantee encashed by the customers aggregating to ₹ 1,86,821.30 lakhs 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.
e)	The Company is party to financial guarantees aggregating to ₹ 1,30,428.81 lakhs, to the lenders of its two subsidiary Companies. The subsidiary Companies, Hindustan Dorr Oliver Limited and step down subsidiary HDO Technologies Limited have defaulted in their loan obligations and a lender has invoked corporate guarantees and initiated recovery actions against the Company for ₹ 79,568.00 lakhs in respect of guarantees extended / executed by the Company in favour of such lender. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. Subsequent to the year-end, a lender of these subsidiaries has initiated insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 (the Code) against these subsidiaries and as a result National Company Law Tribunal (NCLT) has passed an order dated April 21, 2017 and appointed an interim resolution professional to carry the functions under the Code. During the current quarter and year ended, the company has made a provision for diminution in value of investment and other recoverables & advances aggregating to ₹ 10,780.57 lakhs.
f)	The company had entered into definitive sale agreement with the strategic investor for disinvestment in BOT projects relating to Salem Tollways Limited, Kumarapalyam Tollways Limited and IVRCL Chengapalli Tollways Limited. The parties have in earlier year, agreed to extend and revise the key terms of the same. Up to March 31, 2017, the Company has received an amount of ₹ 8,500.00 lakhs (against furnishing of Bank Guarantee for equivalent amount) from strategic investor as part of advance towards the share purchase consideration, which is refundable if the sale agreement is not proceeded. All conditions precedent to revised definitive agreement has been substantially completed. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 33,877.58 lakhs as on March 31, 2017. No provision has been made in books of account in respect of such losses.
g)	The Company has an investment of ₹ 67,618.53 lakhs and outstanding loans and advances of ₹ 43,223.28 lakhs given to 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, 2017. 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 and loans and advances.
6	The Statutory Auditors have included an Emphasis of Matter in their report for the year ended March 31, 2017 in respect of the following matters:
a)	During the previous year, the Union Bank of India has initiated recovery proceedings against the Company in respect of outstanding borrowings of ₹ 13,083.00 lakhs, including interest under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002.
b)	The Company and the Corporate Debt Restructuring (CDR) lenders have executed a Master Restructuring Agreement (MRA) during an earlier year. The MRA gives a right to the lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposals. The recompense payable by the Company is contingent upon various factors including improved performance of the Company and many other conditions. As at March 31, 2017 the aggregate indicative recompense of the CDR lenders as per the MRA is ₹ 34,781.00 lakhs, payment of which is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.
c)	As at March 31, 2017 unbilled revenue amounting to ₹ 8,215.14 lakhs, are outstanding in respect of projects having slow progress/ no billing for a long period of time for want of requisite funds and various other reasons. The management is hopeful of generating requisite finances and to resolve all the pending issues with contractee/clients to revive and recover the dues. In view of the above, such unbilled revenue have been considered good and fully recoverable by the management.
d)	As at March 31, 2017 various advances, aggregating to ₹ 8,495.41 lakhs are outstanding for long period of time, which were given to various vendors/sub-contractors and other parties for various supplies/services to be made/provided. The management is confident that such advances are fully recoverable and no provision is considered necessary in respect of such advances.
e)	Certain creditors have filed winding up petitions against the Company under section 433,434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Telengana & Andhra Pradesh. The matter is presently subjudice and the company is taking appropriate steps to settle the matter.
f)	Confirmation of balances could not be obtained for various borrowings aggregating to ₹ 93,045.72 lakhs from lender banks and for banks balances aggregating to ₹ 29,782.84 lakhs 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)	Managerial remuneration paid to Directors in earlier year was in excess of the minimum remuneration allowable as per Companies Act, 2013, accordingly an amount of ₹ 68.80 lakhs, has been accounted as due from directors.
h)	During the previous year, an under construction structure of a project in progress was collapsed. The local police is investigating the matter involving this accident. The company is yet to complete assessment of damage and filing of insurance claim for such loss. Pending assessment of loss in damage, no provision has been made in the books of accounts.
7	Other Expenses during the current quarter and year ended on March 31, 2017 include provision for doubtful trade receivables aggregating to ₹ 7,346.96 lakhs and ₹ 3,432.00 Lakhs. Further other expenses for the quarter and year ended includes provision for foreseeable losses on long term contract aggregating to ₹ 3,432.00 Lakhs.

Place : Hyderabad
Date : May 30, 2017



R. Balarami Reddy
R. Balarami Reddy
Joint Managing Director & CFO
DIN No.00022176

CHATURVEDI & PARTNERS

Chartered Accountants

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

To the Board of Directors of IVRCL Limited

1. We have audited the accompanying statement of financial results ("the Statement") of IVRCL Limited ("the Company") for the year ended on March 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This statement, which is the responsibility of the company's management and approved by the Board of Directors 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.
2. 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.
3. We refer to following matters:
 - a. Note 5(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 13,137.12 lakhs resulting into accumulated losses of Rs. 2,17,299.42 lakhs and substantial erosion of its Net worth as at March 31, 2017. The company's current liabilities exceed current assets. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other dues as at March 31, 2017. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. These conditions along with other matters as set forth in note 5 (b), 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 5(c) to the statement with regard to 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, 2017 would have been higher by Rs 95,705.88 lakhs and other equity would have been lower by Rs 95,705.88 lakhs.

- c. Note 5(d) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables, retentions and withheld amount aggregating to Rs. 1,86,821.30 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. In absence of the reasonable and supportable rebuttable information to corroborate management's assertion of recoverability, we are unable to comment on the extent to which these financial assets are recoverable and the consequential impact, if any, on the accompanying standalone financial results.
 - d. Note 5(e) to the statement in respect of financial guarantees aggregating to Rs. 1,30,428.81 lakhs, to the lenders of its two subsidiary Companies who have defaulted in their loan obligations and a lender has invoked corporate guarantees and initiated recovery actions against the Company for Rs 79,568.00 lakhs in respect of guarantees extended / executed by the Company in favour of such lender. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these corporate guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
 - e. Note 5(f) to the statement in respect of MOU/definitive agreement entered in to by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to Rs 33,877.58 lakhs as on March 31, 2017. Had the provision for the loss on sale of investments been made by the Company, loss for the year would have been higher and other equity would have been lower by Rs 33,877.58 lakhs.
 - f. Note 5(g) to the statement in respect of investment of Rs 67,618.53 lakhs and loans and advances of Rs 43,223.28 lakhs given to 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, 2017. In absence of fair valuation of these Investments, we are unable to comment upon the carrying value of these investments, recoverability of aforesaid loans and advances and the consequential impact, if any, on the accompanying standalone financial results.
4. 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. 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 / possible effects of matters described in paragraph 3.
5. We draw attention to the following matters:
- a. Note 6(a) to the statement wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to Rs.13,083.00 lakhs. Pending the ultimate outcome of the matter, which is presently not ascertainable, no adjustment has been made in the accompanying financial results.
 - b. Note 6(b) to the statement in respect of the indicative recompense of Rs 34,781.00 lakhs, payment of which is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.
 - c. Note 6(c) to the statement in respect of certain projects wherein the Management of the Company has considered unbilled revenue amounting to Rs 8,215.14 lakhs, as good and fully recoverable for the reasons stated therein.
 - d. Note 6(d) to the statement in respect of advances to various parties aggregating to Rs 8,495.41 lakhs which are outstanding for long period of time and considered good by the management.
 - e. Note 6(e) to the statement in respect of pending winding up petitions against the company and the matters being subjudice, the company is taking necessary steps for settlement.
 - f. Note 6(f) to the statement regarding pending confirmation of balances for various borrowings aggregating to Rs 93,045.72 lakhs from the lender banks and pending confirmation of banks balances aggregating to Rs 92.92 lakhs.
 - g. Note 6(g) to the statement in respect of managerial remuneration where the Company is awaiting Central Government approval and/or in the process of making application to the Central Government.
 - h. Note 6(h) to the standalone financial statements in respect of collapse of an under construction structure at project site and pending assessment of damages/loss and related insurance claim for such loss. Pending outcome of the matter, which is presently not ascertainable, no adjustment has been made in the accompanying financial statements

Our report is not qualified in respect of these matters.

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



7. We did not audit the separate financial results of 32 joint ventures included in standalone financial results, whose financial results reflects company's share in net loss of joint venture aggregating to Rs 130.50 lakhs for the year ended March 31, 2017. These financial statements have been audited by other auditor in accordance with generally accepted auditing principles in India. Our opinion so far as it relates to the amounts and disclosure in respect of these joint ventures is solely based on reports of the other auditor. Our opinion is not qualified in respect of this matter.

For CHATURVEDI & PARTNERS.

Chartered Accountants

Firm Registration No. 307068E



RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087



Hyderabad
May 30, 2017

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, 2017
{See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016}

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in lakhs
1	Turnover / Total income	2,05,419.88	2,05,419.88
2	Total Expenditure	3,14,442.89	4,44,026.37
3	Net Profit/(Loss)	(12,953.62)	(14,2537.10)
4	Earnings Per Share (after exceptional item)	(1.65)	(18.21)
5	Total Assets	8,95,507.50	799801.62
6	Total Liabilities	8,95,507.50	799801.62
7	Net Worth	12,936	(1,16,648)
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualifications

a. Details of audit qualification

S. No.	Particulars
1	Note 5(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 13,137.12 lakhs resulting into accumulated losses of Rs. 21,72,99.42 lakhs and substantial erosion of its Net worth as at March 31, 2017. The company's current liabilities exceed current assets. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other dues as at March 31, 2017. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. These conditions along with other matters as set forth in note 5(b), 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 5(c) to the statement with regard to 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, 2017 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 5(d) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables retention and withheld amount aggregating to Rs. 1,86,821.30 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. In absence of the reasonable and supportable rebuttable information to corroborate management's assertion of recoverability, we are unable to comment on the extent to which these financial assets are recoverable and the consequential impact, if any, on the accompanying standalone financial results.
4	Note 5(e) to the statement in respect of financial guarantees aggregating to Rs1,30,428.81 lakhs, to the lenders of its two subsidiary Companies who have defaulted in their loan obligations and a lender has invoked corporate guarantees and initiated recovery actions against the Company for Rs 7,9568.00 lakhs in respect of guarantees extended / executed by the Company in favour of such lender. The Company is yet to assess the changes in risk / expected cash shortfall to determine expected credit loss allowance/ impairment to be recognized in respect of these financial guarantees. The loss allowance in respect of these corporate guarantees is indeterminable; accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statements.
5	Note 5(f) to the statement in respect of MOU/definitive agreement entered in to by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to Rs 33,877.58 lakhs as on March 31, 2017. Had the provision for the loss on sale of investment s been made by the Company, loss for the year would have been higher and other equity would have been lower by Rs 33,877.58 lakhs.
6	Note 5(g) to the statement in respect of investment of Rs 67,618.53 lakhs and loans and advances of Rs 43,223.28 lakhs given to 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, 2017. In absence of fair valuation of these Investments, we are unable to comment upon the carrying value these investments, recoverability of aforesaid loans and advances and the consequential impact, if any, on the accompanying standalone financial results.

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** Repetitive
- 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 5 above, it shall be accounted on conclusion of the transaction.

- 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, The management of the Company believes to complete the divestment plan and meeting its obligations in due course of time with the help of new investor. Accordingly, financial statements have been prepared on the basis that the Company is a Going Concern.
2	In respect of qualification 3, above, the management of the Company is confident of positive outcome of litigations/ resolutions of disputes and recovering the aforesaid dues.
3	In respect of qualification 4 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 financial guarantees, carrying value of investment and loans and advances.
4	In respect of qualification 6 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 and loans and advances

- iii. **Auditors comment on above:** Nil

III. Signatories

	R. Balram Reddy Joint Managing Director & CFO		
	P. R. Tripathi Audit Committee Chairman		
	Statutory Auditor RAVINDRA NATH CHATURVEDI Partner Membership No. 052087 CHATURVEDI & PARTNERS Chartered Accountants FIRN 307068E		
	Place: Hyderabad		
	Date: May 30, 2017		