

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

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

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **IVRCL LIMITED** ("the Company") for the Quarter Ended June 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to Note 2 of the Statement wherein the Management of the Company has considered Trade Receivables amounting to Rs. 21,964.89 lakhs as good and fully recoverable. In the absence of external balance confirmations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.
4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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5. Attention is invited to Note 4 forming part of the Statement regarding managerial remuneration for which the Central Government's approval is awaited. Our report is not qualified in respect of this matter.
  
6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended June 30, 2013 of the Statement, from the details furnished by the Registrars.

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

R. N. Chaturvedi  
Partner  
(Membership No. 092087)

Hyderabad, August 13, 2013



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

Ganesh Balakrishnan  
Partner  
(Membership No. 201193)





**PART I**

**Statement of Unaudited Results for the Quarter ended June 30, 2013**

(₹ in lakhs, except share data)

Sl. No.	Particulars (Refer Notes below)	Quarter ended			9 Months period ended
		June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013
		UNAUDITED	AUDITED (Refer Note 6 below)	UNAUDITED	AUDITED
1.	<b>Income from operations</b>				
	a) Net income from operations	100,478.88	149,209.40	119,153.94	373,400.98
	b) Other operating income	203.98	216.74	1,552.57	2,507.87
	<b>Total income from operations (net)</b>	<b>100,682.86</b>	<b>149,426.14</b>	<b>120,706.51</b>	<b>375,908.85</b>
2.	<b>Expenses</b>				
	a) Construction stores, spares and materials consumed	28,267.61	38,602.23	35,052.71	105,272.20
	b) Purchases of stock-in-trade	-	-	-	58.25
	c) Sub-contracting expense	29,891.90	48,428.19	55,397.59	112,570.01
	d) Masonry, labour and other construction expense	27,618.53	39,593.80	7,794.19	102,753.40
	e) Employee benefits expense	5,901.08	5,641.68	6,342.06	17,742.11
	f) Depreciation and amortisation expense	2,256.67	2,173.98	2,144.19	6,396.74
	g) Other expense	4,378.66	4,066.21	4,068.57	11,126.04
	<b>Total expenses</b>	<b>98,314.45</b>	<b>138,506.09</b>	<b>110,799.31</b>	<b>355,918.75</b>
3.	<b>Profit from operations before other income, finance costs and exceptional items</b>	<b>2,368.41</b>	<b>10,920.05</b>	<b>9,907.20</b>	<b>19,990.10</b>
4.	Other income	770.64	4,656.87	4,877.99	7,886.55
5.	<b>Profit before finance costs and exceptional items</b>	<b>3,139.05</b>	<b>15,576.92</b>	<b>14,785.19</b>	<b>27,876.65</b>
6.	Finance costs	12,792.44	13,270.56	13,763.79	34,788.78
7.	Exceptional items	-	-	-	-
8.	<b>Profit / (Loss) from ordinary activities before tax</b>	<b>(9,653.39)</b>	<b>2,306.36</b>	<b>1,021.40</b>	<b>(6,912.13)</b>
9.	Tax (credit) /expense	(805.48)	1,699.77	1,621.58	3,253.99
10.	<b>Net (Loss) / Profit for the period</b>	<b>(8,847.91)</b>	<b>606.59</b>	<b>(600.18)</b>	<b>(10,166.12)</b>
11.	Paid up equity share capital (Face Value of ₹ 2)	6,137.74	6,137.74	6,137.74	6,137.74
12.	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting period	-	-	-	210,496.40
13.	Earnings per share (of ₹ 2 each) (not annualised)				
	- Basic & Diluted EPS (in ₹)	(2.88)	0.20	(0.31)	(3.31)

**PART II**

**Select Information for the Quarter ended June 30, 2013**

**A. PARTICULARS OF SHAREHOLDING**

	Particulars	Quarter ended			9 Months period ended
		June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013
1.	<b>Public Shareholding</b>				
	Number of shares	264,854,482	264,854,482	237,081,920	264,854,482
	Percentage of shareholding	86.30%	86.30%	88.79%	86.30%
2.	<b>Promoters and Promoter Group Shareholding</b>				
	(a) Pledged / Encumbered				
	Number of shares	-	-	-	-
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	Percentage of shareholding (as a % of the total share capital of the Company)	-	-	-	-
	(b) Non - encumbered				
	Number of shares	42,032,166	42,032,166	29,927,938	42,032,166
	Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	Percentage of shareholding (as a % of the total share capital of the Company)	13.70%	13.70%	11.21%	13.70%

**B. INVESTOR COMPLAINTS**

Particulars	Quarter ended June 30, 2013
Pending at the beginning of the quarter	Nil
Received during the quarter	7
Disposed off during the quarter	7
Remaining unresolved at the end of the quarter	Nil



1. The statement of unaudited financial results of the Company for the quarter ended June 30, 2013 has been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on August 13, 2013.
2. Trade Receivables as at June 30, 2013 include amounts aggregating to:
  - a) ₹ 3,470.66 lakhs relating to claims receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and
  - b) ₹ 18,494.23 lakhs (including ₹ 7,175.77 lakhs which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the customers for realization of dues.  
The Statutory Auditors have qualified the above receivables in their independent auditor's report. The Board of Directors is of the view that the receivables covered by (a) and (b) above are good and fully recoverable.
3. The Hon'ble High Court of Andhra Pradesh, vide its order dated July 2, 2012 sanctioned the Composite Scheme of Arrangement ("Scheme") to demerge the Real Estate Undertaking from IVRCL Assets & Holdings Limited, merge the remaining undertaking pertaining to Infrastructure Business with IVRCL Limited ("the Company") and demerge the Tower Manufacturing Undertaking of the Company with effect from April 1, 2011. The Scheme was given effect to in the Company's financial statements for the 15 months financial period ended June 30, 2012 and hence the figures for the quarter ended June 30, 2012 include the figures in respect of the infrastructure business of IVRCL Assets & Holdings Limited for the period of 15 months.  
For reasons stated above, the results for the "Quarter ended June 30, 2013" are not comparable with the results of the corresponding Quarter ended of the previous period i.e. "Quarter ended June 30, 2012".
4. Due to inadequate profits, managerial remuneration paid to the executive directors during the quarter aggregating to ₹ 57.30 lakhs is in excess of the prescribed limits specified under Schedule XIII of the Companies Act, 1956, and is subject to the Central Government approval. Pending approval from the Central Government, the excess amount of ₹ 298.35 lakhs (including ₹ 265.05 lakhs relating to the previous periods) has been accounted as due from directors.
5. The Company is engaged in one business segment, namely 'Engineering & Construction' only. No separate geographical segment disclosure is considered necessary as the Company is engaged primarily in the business within India where uniform business conditions of significant nature prevail.
6. The figures for the quarter ended March 31, 2013 are the balancing figures between the audited figures in respect of the 9 months ended March 31, 2013 and the published period to date figures upto the 6 months period ended December 31, 2012.
7. Previous periods figures have been regrouped, wherever considered necessary.



By order of the Board

E. Sudhir Reddy  
Chairman & Managing Director

Place : Hyderabad  
Date : August 13, 2013