

CHATURVEDI & PARTNERS

Chartered Accountants

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INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

To

The Board of Directors IVRCL Limited

1. We have reviewed the accompanying unaudited financial results of **IVRCL LIMITED** ("the Company") for the quarter June 30, 2014 ("the Statement") except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, at their meeting held on August 12, 2014 and have been initialed by us for identification only. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that accompanying Statement, prepared in accordance with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Attention is invited to
 - a. Note 2 to the Statement regarding the investment amounting to ₹ 6,575.25 lacs in its subsidiaries Hindustan Dorr-Oliver Limited whose net worth has eroded and financial statements have been prepared on going concern basis for the reason is stated there.
 - b. Note 3 to the Statement regarding the managerial remuneration where the Company is awaiting Central government approval and/or in the process of making application to the Central Government.
 - c. Note 4 to the Statement regarding Trade Receivables and Other Current Assets aggregating to ₹ 93,755.07 lacs in respect of which the Company has initiated action for recovery from the customers.



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- d. Note 5 to the Statement wherein the Management of the Company has considered unbilled revenue amounting to ₹ 9,978.60 lacs, as good and fully recoverable.

Our opinion is not qualified in respect of the above matters.

Hyderabad
August 12, 2014



For CHATURVEDI & PARTNERS.
Chartered Accountants
Firm Registration No.307068E

R.N. Chaturvedi
Partner
Membership No. 092087



PART I : Statement of unaudited Financial Results for the Quarter ended June 30, 2014

(₹ in lakhs, except share data)

Sl. No.	Particulars (Refer Notes below)	Quarter ended			Year ended
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
		UNAUDITED	AUDITED (Refer Note 8) below	UNAUDITED	AUDITED
1.	Income from operations				
	a) Net income from operations	83,350.24	121,545.77	100,478.88	429,598.69
	b) Other operating income	-	167.18	203.98	882.03
	Total income from operations (net)	83,350.24	121,712.95	100,682.86	430,480.72
2.	Expenses				
	a) Construction stores, spares and materials consumed	17,666.55	24,569.35	28,267.61	101,577.50
	b) Purchases of stock-in-trade	-	35.32	-	490.40
	c) Sub-contracting expense	33,981.60	55,138.89	29,891.90	165,545.49
	d) Masonry, labour and other construction expense	20,512.71	28,462.29	27,618.53	105,694.62
	e) Employee benefits expense	4,865.31	4,948.63	5,901.08	21,051.20
	f) Depreciation and amortisation expense	2,430.29	2,135.59	2,256.67	8,798.23
	g) Other expense	5,021.25	3,255.64	4,378.66	20,167.34
	Total expenses	84,477.71	118,545.71	98,314.45	423,324.78
3.	Profit from operations before other income, finance costs and exceptional items	(1,127.47)	3,167.24	2,368.41	7,155.94
	Other income	1,371.02	1,315.31	770.64	4,524.01
5.	Profit before finance costs and exceptional items	243.55	4,482.55	3,139.05	11,679.95
6.	Finance costs	16,035.49	14,378.30	12,792.44	58,472.51
7.	Exceptional items	-	22,915.52	-	22,915.52
8.	Loss from ordinary activities before tax	(15,791.94)	(32,811.27)	(9,653.39)	(69,708.08)
9.	Tax expense	-	-	(805.48)	1,969.85
10.	Net Profit / (Loss) for the year/period	(15,791.94)	(32,811.27)	(8,847.91)	(71,677.93)
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	-	-	-	138,607.44
13.	Earnings per share (of ₹ 2 each) (not annualised)				
	- Basic & Diluted EPS (in ₹)				
	before exceptional item	(5.15)	(3.22)	(2.88)	(15.89)
	after exceptional item	(5.15)	(10.69)	(2.88)	(23.36)

PART II : Select Information for the Quarter ended June 30, 2014

A. PARTICULARS OF SHAREHOLDING

	Particulars	Quarter ended			Year ended
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
1.	Public Shareholding				
	Number of shares	264,854,482	264,854,482	264,854,482	264,854,482
	Percentage of shareholding	86.30%	86.30%	86.30%	86.30%
2.	Promoters and Promoter Group Shareholding				
	(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	42,032,166	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%	13.70%	13.70%

B. INVESTOR COMPLAINTS

Particulars	Quarter ended June 30, 2014
Pending at the beginning of the quarter	Nil
Received during the quarter	3
Disposed off during the quarter	3
Remaining unresolved at the end of the quarter	Nil



The statement of unaudited financial results of the Company for the Quarter ended June 30, 2014 has been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on August 12, 2014.

2. The Company has investment amounting to ₹ 6,575.25 lakhs in its subsidiary Hindustan Dorr-Oliver Limited. The networth of the subsidiary has eroded. As the subsidiary is confident of implementing its business plans and improving future operations, provision for diminution in value of investments has not been considered necessary.
3. During the previous year ended March 31, 2014 managerial remuneration, amounting to ₹ 76.42 lakhs in respect of an executive director was subject to Central Government approval and ₹ 45.46 lakhs in respect of two executive directors for which the Company is in the process of making the application to the Central Government, has been paid. Pending the approval from the Central Government the excess amount of ₹ 175.66 lakhs (including ₹ 53.78 lakhs for the earlier period) has been accounted as due from directors.
4. In respect of certain customers the Company has initiated legal / arbitration proceedings. The trade receivables and other current assets from such customers as at June 30, 2014 aggregates to ₹ 93,755.07 lakhs. The management is confident that the outcome of the legal proceedings will be favourable and no provision is considered necessary at this stage.
5. Unbilled revenue includes ₹ 9,978.60 lakhs outstanding for a period of more than three years and not billed to the customers. The Company is in continuous engagement with the customer for billing and realization of the work done.
6. During the quarter, Corporate Debt Restructuring Empowered Group (CDR EG), at its meeting held on June 28, 2014, have approved the Corporate Debt Restructuring (CDR) proposal submitted by the Company. The Board of Directors of the Company in its meeting held on June 30, 2014 accepted the Letter of Approval (LOA) and initiated the implementation of the CDR scheme.
7. The Company is engaged in one business segment, namely 'Engineering & Construction' only. No separate geographical segment disclosure is considered necessary as the Company is engaged primarily in the business within India where uniform business conditions of significant nature prevail.
8. The figures for the quarter ended March 31, 2014 are the balancing figures between the audited figures of the full financial year ended March 31, 2014 and the published year to date figures upto the nine months ended December 31, 2013.
9. In accordance with the requirements of Schedule II of the Companies Act, 2013, the Company has re-assessed the useful lives of the fixed assets. The depreciation for the quarter is ₹ 2,430.29 lacs is based on useful life. Further, ₹ 1,363.19 lacs has been adjusted to the opening balance of the retained earnings where the remaining useful life of the assets was nil as at April 01, 2014.
10. The Company had entered into definitive sale agreements on March 30, 2013, with the strategic partner for disinvestment of 74% holdings in BOT Projects relating to Salem Tollway Limited, Kumarapalayam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement, subject to approvals for all the projects from National Highway Authority of India (NHAI) and the Lenders. Pending approval from the lenders the investments in these projects are considered as long-term investments. Based on the expected cash flows, no provision is considered necessary to the carrying value of the investments.
11. Exceptional Item for the year ended and quarter ended March 31, 2014 relates to Trade Receivables for which provision was made during the previous year. The Board of Directors is of the view that these receivables are fully recoverable.
12. Previous periods figures have been regrouped, wherever considered necessary.

Place : Hyderabad
Date : August 12, 2014



By order of the Board

K. Ashok Reddy
K. Ashok Reddy
Joint Managing Director