



Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2016

(Rs. in lakhs)

Sl. No.	Particulars (Refer Notes below)	Quarter ended	
		June 30, 2016	June 30, 2015
		UNAUDITED	UNAUDITED
1.	Income from operations		
	Net income from operations	44,804.68	62,028.72
	Total income from operations	44,804.68	62,028.72
2.	Expenses		
	a) Construction stores, spares and materials consumed	7,072.89	13,994.25
	b) Sub-contracting expense	16,860.88	21,915.81
	c) Masonry, labour and other construction expense	13,184.89	20,162.35
	d) Employee benefits expense	3,562.01	4,107.09
	e) Depreciation and amortisation expense	1,854.67	2,048.67
	f) Other expense	1,445.03	3,785.09
	Total expenses	43,980.37	66,013.26
3.	(Loss) / Profit from operations before other income, finance costs and exceptional items	824.31	(3,984.54)
4.	Other income	464.47	1,192.10
5.	(Loss) / Profit before finance costs and exceptional items	1,288.78	(2,792.44)
6.	Finance costs	16,474.16	16,143.50
7.	(Loss) / Profit after finance costs and before exceptional items	(15,185.38)	(18,935.94)
8.	Exceptional items	-	-
9.	Loss from ordinary activities before tax	(15,185.38)	(18,935.94)
10.	Tax expense	-	-
11.	Net Profit / (Loss) for the year/period after tax	(15,185.38)	(18,935.94)
12.	Other Comprehensive Income (after tax)	(172.76)	(29.95)
13.	Total comprehensive income (comprising loss for the period after tax and other comprehensive income)(11+12)	(15,358.14)	(18,965.89)
14.	Paid up Equity Share Capital (Face Value of Rs. 2)	15,657.95	9,668.04
15.	Earnings per share (of Rs. 2 each) (not annualised for the quarterly results)		
	- Basic & Diluted	(2.64)	(3.97)

Notes :

- The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is 1 April 2015 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly. The published figures for the quarter ended June 30, 2015 have been recast to Ind AS to the extent applicable to the Company and have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and has not been subjected to limited review by the Statutory Auditors of the Company. However, the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- The above unaudited financial results for the quarter ended 30th June, 2016 were taken on record at the meeting of the Board of Directors held on 14 September, 2016 after being reviewed and recommended by the Audit Committee.
- There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2017 due to changes in financial reporting requirements arising from the new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

4.	The reconciliation of net loss as previously reported under previous Indian GAAP and Ind AS is as under:	
	Particulars	(₹ in Lakhs)
	Net loss reported for the quarter ended June 30, 2015 (published as per previous Indian GAAP)	(18,718.66)
	(i) Actuarial loss on defined obligation recognised in other comprehensive expenses	29.95
	(ii) Interest income on financial assets	183.53
	(iii) Interest expense on financial liabilities	(430.76)
	Net Loss recast to IndAS for the quarter ended June, 2015.	(18,935.94)
	Other Comprehensive Income (after tax)	(29.95)
	Total comprehensive income (comprising loss for the period after tax and other comprehensive income)	(18,965.89)



5.	The Auditors in their report for the year ended March 31, 2016 (as per previous Indian GAAP) and limited review report for the quarter ended June 30, 2016:
5.1	have expressed qualified opinion in respect of (a) substantial erosion of net worth of the Company due to losses during the quarter aggregating to ₹ 15,358.14 lakhs and accumulated losses aggregating to ₹ 2,04,014.17 lakhs as at March 31, 2016. The Company requires to generate additional cash flows for operations as well as creditors, lenders and other statutory obligations. The Company is confident of implementing the divestment plan and approved restructuring scheme with lenders and meeting its obligation in due course of time and accordingly financial statements have been prepared as a Going Concern. (b) existence of material uncertainties in respect of certain unbilled revenue, trade receivables, including bank guarantees encashed by the customers and withheld amount aggregating to ₹ 1,65,073.07 lakhs, which are subject matters of various litigations/disputes. The management is confident of positive outcome of litigations/ resolutions of disputes and recovering the aforesaid dues. (c) invocation of corporate guarantees of ₹ 79,568.00 lakhs and initiation of recovery actions against the company in respect of such guarantees extended / executed for two subsidiaries in favour of a lender. The subsidiary companies are under discussion with the lenders and confident that the same shall be settled amicably. Accordingly no provision is considered necessary. (d) In respect of equity investment of ₹ 6,575.25 Lakhs and loans and advances of ₹ 3,476.70 lakhs as on March 31, 2016 in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on March 31, 2016. (e) Losses on divestment/diminution aggregating to ₹ 33,917.58 Lakhs as on June 30, 2016 in respect of three subsidiary companies (f) Outstanding loans and advances of ₹ 42,893.64 Lakhs given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire/ have significant accumulated losses as at March 31, 2016. The company is hopeful resolving the disputes and realization of balances.
5.2	have expressed emphasis of matters in respect of (a) Diminution in the value of Investment of ₹ 67,328.47 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, 2016. The management has considered such investments as long term, good and fully recoverable. (b) Receivables in respect of claims of ₹ 6,107 lakhs on certain irrigation projects which are at advance stage of approval/ release of payment by the respective clients/departments. In respect of other claim of ₹ 3,384 lakhs towards cost escalation on a road projects which has been accepted by the concessionaire and amount has been received during the quarter. (c) Trade receivable aggregating to ₹ 22,468.18 lakhs and unbilled revenue amounting to ₹ 11,433.97 lakhs, in respect of projects having slow progress which have been considered good and fully recoverable by the management. (d) In respect of advances aggregating to ₹ 13,104.22 lakhs which are outstanding for long period of time and considered good by the management. (e) Pending winding up petitions of creditors against the Company under section 433, 434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Telangana & Andhra Pradesh. The matter is presently subjudice and the Company is taking appropriate steps to settle the matters. (f) Managerial remuneration paid amounting to ₹ 31.14 lakhs being in excess of the minimum remuneration allowable as per Companies Act, 2013, accounted as due from director. Total due as at June 30, 2016 ₹ 218.07 lakhs. (g) In respect of 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 of ₹ 13,228.00 lakhs by a lender. (h) Assessment of loss in respect of collapse of an under construction structure of a project in progress and pending investigation by the local police. The company is in process of assessment of damage and filing insurance claim for such loss. (i) As at March 31, 2016, confirmation of balances could not be obtained for certain bank loans aggregating to ₹ 16,289.78 Lakhs and bank balances aggregating to ₹ 113.31 lakhs. Management does not expect any material adjustment on receipt of such confirmations. (j) Recompense as per CDR aggregating to ₹ 25,850.00 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.
6	The operations of the Company consists of construction / project activities and there are no other reportable segments under Ind As 108, "Operating Segments".

Place : Hyderabad

Date : September 14, 2016



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