

IVRCL LIMITED

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CIN: L45201AP1987PLC007959



Statement of Un-Audited Standalone Financial Results for the Quarter and Six months ended September 30, 2016

(Rs. in lakhs)

Sl. No.	Particulars (Refer Notes below)	Standalone				
		Quarter ended			Six Months ended	
		September 30, 2016	June 30 2016	September 30, 2015 (Refer Note 2)	September 30, 2016	September 30, 2015 (Refer Note 2)
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1.	Income from operations					
	a) Net income from operations	50,145.77	44,804.68	64,100.42	94,950.45	1,26,129.14
	b) Other operating income	-	-	-	-	-
	Total income from operations (net)	50,145.77	44,804.68	64,100.42	94,950.45	1,26,129.14
2.	Expenses					
	a) Construction stores, spares and materials consumed	6,782.04	7,072.89	13,608.28	13,854.93	27,602.53
	b) Sub-contracting expense	25,286.11	16,860.88	29,730.08	42,146.99	51,645.89
	c) Masonry, labour and other construction expense	12,984.60	13,184.89	20,711.99	26,169.49	40,874.34
	d) Employee benefits expense	3,593.44	3,562.01	3,991.36	7,155.45	8,098.46
	e) Depreciation and amortisation expense	1,847.88	1,854.67	1,977.09	3,702.55	4,025.76
	f) Other expense	19,554.76	1,445.03	11,487.98	20,999.79	15,273.07
	Total expenses	70,048.83	43,980.37	81,506.78	1,14,029.20	1,47,520.05
3.	(Loss) / Profit from operations before other income, finance costs and exceptional items	(19,903.06)	824.31	(17,406.36)	(19,078.75)	(21,390.91)
4.	Other income	925.72	464.47	625.41	1,390.19	1,633.98
5.	(Loss) / Profit before finance costs and exceptional items	(18,977.34)	1,288.78	(16,780.95)	(17,688.56)	(19,756.93)
6.	Finance costs	16,637.64	16,474.16	16,136.82	33,111.80	32,169.18
7.	(Loss) / Profit after finance costs and before exceptional items	(35,614.98)	(15,185.38)	(32,917.77)	(50,800.36)	(51,926.11)
8.	Exceptional items	-	-	(2,112.36)	-	(2,112.36)
9.	(Loss) from ordinary activities before tax	(35,614.98)	(15,185.38)	(30,805.41)	(50,800.36)	(49,813.75)
10.	Tax expense	(167.50)	-	(150.90)	(167.50)	(150.90)
11.	Net Profit / (Loss) for the year/period after tax	(35,447.48)	(15,185.38)	(30,654.51)	(50,632.86)	(49,662.85)
12.	Other Comprehensive Income (after tax)	(24.44)	(172.76)	(41.60)	(197.20)	(62.30)
13.	Total comprehensive income (comprising loss for the period after tax and other comprehensive income)(11+12)	(35,471.92)	(15,358.14)	(30,696.11)	(50,830.06)	(49,725.15)
14.	Paid up equity share capital (Face Value of Rs. 2)	15,657.95	15,657.95	10,151.23	15,657.95	10,151.23
15.	Earnings per share (of Rs. 2 each) (not annualised)					
	EPS (in Rs.)					
	- Basic & Diluted					
	before exceptional item	(5.82)	(2.64)	(6.75)	(8.31)	(10.65)
	after exceptional item	(5.82)	(2.64)	(6.29)	(8.31)	(10.19)
	(See Accompanying notes (1 - 7))					





Statement of Assets and Liabilities

(Rs. In Lakhs)

		Standalone
Particulars		As at Sept 30, 2016
I. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment		31,993.70
(b) Investment Properties		3,026.91
(C) Other Intangible Assets		-
(d) Capital work-in-progress		-
(e) Financial Asset		-
(i) Non Current Investments	1,31,830.25	-
(ii) Other Long Term Trade Receivable	69,965.13	2,01,795.38
(f) Deferred Tax Asset		35.48
(g) Other Non - Current Assets		-
(i) Long-Term Loans and Advances	22,374.38	-
(ii) Other Non-Current Assets	44,985.25	67,359.63
		3,04,211.10
2. Current Assets		
(a) Inventories		11,884.97
(b) Financial Asset		-
(i) Trade Receivables	1,02,575.01	-
(ii) Cash and Bank Balances	12,238.88	-
(iii) Short-Term Loans and Advances - Related parties	41,490.75	-
(iv) Other Current Assets	46.81	-
(v) Non- Current Assets classified as held for sale	59,853.59	2,16,205.04
(c) Other Non Financial Asset		-
(i) Other Non Financial Current Assets	2,44,070.18	-
(ii) Other Non Financial Asset - Loans and Advances	39,731.83	2,83,802.01
		5,11,892.02
TOTAL ASSETS		8,16,103.12
II Equity and Liabilities		
1. Equity		
(a) Equity Share Capital	15,657.95	-
(b) Other Equity	(11,520.03)	-
Total Equity		4,137.92
2. Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		-
(i) Long-Term Borrowings		1,28,631.14
(b) Long-Term Provisions		1,614.96
(c) Deferred Tax Liability		-
		1,30,246.10
3. Current Liabilities		
(a) Financial Liabilities		-
(i) Short-Term Borrowings	2,38,152.86	-
(ii) Trade Payables	1,29,430.68	-
(iii) Other Current Liabilities	2,12,071.07	-
(iv) Liabilities directly related with non- current assets held for sale	16,280.28	5,95,934.89
(b) Other Current Liabilities		74,587.58
(c) Short-Term Provisions		11,196.63
TOTAL LIABILITIES		8,16,103.12



Notes :

1. The above unaudited financial results for the quarter and six months ended September 30, 2016 were taken on record at the meeting of the Board of Directors held on December 14, 2016 after being reviewed and recommended by the Audit Committee.
2. 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 April 01, 2015 and accordingly, 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 & six months ended September 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 have not been audited or reviewed 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.
3. There is a possibility that these quarterly and six months financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from the new or revised standards or interpretations issued by MCA/ICAI or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

4.1 The reconciliation of net loss as previously reported under previous Indian GAAP and Ind AS is as under:

	Six months ended September 30, 2015	Quarter September 30, 2015
Particulars	(₹ in Lakhs)	(₹ in Lakhs)
Net loss reported for the quarter and six months ended (published as per previous Indian GAAP)	(49,264.66)	(30,546.00)
(i) Actuarial loss on defined obligation recognised in other comprehensive expenses	90.15	60.21
(ii) Impact of measurement of financial instruments at fair value	(639.24)	(319.62)
Net Loss recast to IndAS for the quarter and six months ended	(49,813.75)	(30,805.41)
Deferred tax adjustment on fair value measurement of financial instruments	(150.90)	(150.90)
Other Comprehensive Income (after tax)	(62.30)	(41.60)
Total comprehensive income (comprising loss for the period after tax and other comprehensive income)	(49,725.15)	(30,696.11)

4.2 Other Expenses during the current quarter include provision for doubtful trade receivables aggregating to ₹ 17,747.39 Lakhs.

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 and six months ended September 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 ₹ 35,447.48 lakhs and accumulated losses aggregating to ₹ 2,51,755.96 lakhs as at September 30, 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 ₹ 1,67,453.88 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 ₹ 3,448.88 lakhs as on September 30, 2016 in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on September 30, 2016. (e) Losses on divestment/diminution aggregating to ₹ 33,917.58 Lakhs as on September 30, 2016 in respect of three subsidiary companies (f) Outstanding loans and advances of ₹ 42,699.34 Lakhs given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire/ have significant accumulated losses as at September 30, 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 ₹ 67,631.29 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 September 30, 2016. The management has considered such investments as long term, good and fully recoverable. (b) Receivables in respect of claims of ₹ 4,420.64 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 previous quarter. (c) Trade receivable aggregating to ₹ 8,410.65 Lakhs and unbilled revenue amounting to ₹ 10,544.57 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 ₹ 10,462.82 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 September 30, 2016 ₹ 249.21 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	Exceptional item for the half year ended September 30, 2015 is on account of reduction in interest on restructured debt that has been recomputed at the effective interest rate as per restructuring scheme.
7	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 : December 14, 2016

R. Balarami Reddy

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



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