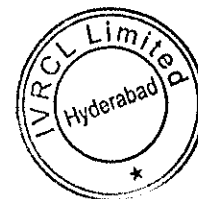




**Statement of Unaudited Standalone Financial Results for the Quarter and Six Months ended September 30, 2017**

(₹ In lakhs)

| Sl. No. | Particulars<br>(Refer Notes below)   | Quarter Ended      |                    |                    | Six Months Ended   |                    | Year Ended           |
|---------|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
|         |  | Sep 30, 2017       | June 30, 2017      | Sep 30, 2016       | Sep 30, 2017       | Sep 30, 2016       | March 31, 2017       |
|         |  | UNAUDITED          | UNAUDITED          | UNAUDITED          | UNAUDITED          | UNAUDITED          | AUDITED              |
| I.      | Revenue from operations  | 40,421.83          | 51,814.82          | 50,145.77          | 92,236.65          | 94,950.45          | 2,01,525.96          |
| II.     | Other income   | 733.63             | 452.08             | 925.72             | 1,185.71           | 1,390.19           | 3,893.91             |
| III.    | <b>Total Income (I+II)</b>   | <b>41,155.46</b>   | <b>52,266.90</b>   | <b>51,071.49</b>   | <b>93,422.36</b>   | <b>96,340.64</b>   | <b>2,05,419.87</b>   |
| IV.     | <b>EXPENSES</b>  |                    |                    |                    |                    |                    |                      |
|         | a) Construction stores, spares and materials consumed  | 5,524.06           | 7,348.11           | 6,782.04           | 12,872.17          | 13,854.93          | 27,021.93            |
|         | b) Sub-contracting expense   | 24,191.28          | 29,605.85          | 25,286.11          | 53,797.13          | 42,146.99          | 1,04,712.56          |
|         | c) Masonry, labour and other construction expense  | 10,054.28          | 12,348.37          | 12,984.60          | 22,402.65          | 26,169.49          | 47,587.77            |
|         | d) Employee benefits expense   | 2,788.07           | 3,012.91           | 3,593.44           | 5,800.98           | 7,155.45           | 13,242.55            |
|         | e) Finance costs   | 18,957.05          | 18,064.56          | 16,637.64          | 37,021.61          | 33,111.80          | 68,477.60            |
|         | f) Depreciation and amortisation expense   | 1,659.14           | 1,679.59           | 1,847.88           | 3,338.73           | 3,702.55           | 7,200.11             |
|         | g) Other expenses  | 6,107.08           | 4,595.84           | 19,554.76          | 10,702.92          | 20,999.79          | 46,200.87            |
|         | <b>Total expenses (IV)</b>   | <b>69,280.96</b>   | <b>76,655.23</b>   | <b>86,686.47</b>   | <b>1,45,936.19</b> | <b>1,47,141.00</b> | <b>3,14,442.89</b>   |
| V.      | <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>   | <b>(28,125.50)</b> | <b>(24,388.33)</b> | <b>(35,614.98)</b> | <b>(52,513.83)</b> | <b>(50,800.36)</b> | <b>(1,09,023.02)</b> |
| VI.     | Exceptional Items  |                    |                    |                    |                    |                    |                      |
| VII.    | <b>Profit/ (Loss) before tax</b>   | <b>(28,125.50)</b> | <b>(24,388.33)</b> | <b>(35,614.98)</b> | <b>(52,513.83)</b> | <b>(50,800.36)</b> | <b>(1,09,023.02)</b> |
| VIII.   | <b>Tax expense:</b>  |                    |                    |                    |                    |                    |                      |
|         | a) Current Tax   |                    |                    |                    |                    |                    |                      |
|         | b) Deferred Tax  | 102.22             | 102.23             | 167.50             | 204.45             | 167.50             | 96,069.40            |
| IX.     | <b>Net Profit / (Loss) for the period from continuing operation (VII-VIII)</b>   | <b>(28,023.28)</b> | <b>(24,286.10)</b> | <b>(35,447.48)</b> | <b>(52,309.38)</b> | <b>(50,632.86)</b> | <b>(12,953.62)</b>   |
| X.      | <b>Other Comprehensive Income</b>  |                    |                    |                    |                    |                    |                      |
|         | a) Items that will not be reclassified to Profit or Loss   |                    |                    |                    |                    |                    |                      |
|         | i) Remeasurements of the defined benefit Plans   | (70.15)            | (70.15)            | (24.44)            | (140.30)           | (197.20)           | (280.61)             |
|         | ii) Income Tax effect on above   | 24.28              | 24.28              |                    | 48.56              |                    | 97.11                |
|         | b) Item that may be reclassified to profit or loss   |                    |                    |                    |                    |                    |                      |
|         | i) Exchange differences on translation of a foreign operation  | 10.40              | (4.47)             |                    | 5.93               |                    |                      |
|         | ii) Income Tax effect on above   |                    |                    |                    |                    |                    |                      |
|         | <b>Total (X)</b>   | <b>(35.47)</b>     | <b>(50.34)</b>     | <b>(24.44)</b>     | <b>(85.81)</b>     | <b>(197.20)</b>    | <b>(183.50)</b>      |
| XI.     | <b>Total comprehensive income for the year (comprising profit / (loss) and other comprehensive income for the year) (IX+X)</b> | <b>(28,058.75)</b> | <b>(24,336.44)</b> | <b>(35,471.92)</b> | <b>(52,395.19)</b> | <b>(50,830.06)</b> | <b>(13,137.12)</b>   |
| XII.    | <b>Paid up equity share capital (Face value of Rs 2 each)</b>  | <b>15,657.95</b>   | <b>15,657.95</b>   | <b>15,657.95</b>   | <b>15,657.95</b>   | <b>15,657.95</b>   | <b>15,657.95</b>     |
| XIII.   | <b>Other equity (As per last audited financial statements)</b>   |                    |                    |                    |                    |                    | <b>23,044.67</b>     |
| XIV.    | <b>Earnings per equity share (of ₹ 2 each) (not annualised for quarterly results)</b>  |                    |                    |                    |                    |                    |                      |
|         | Basic & Diluted  | (3.58)             | (3.10)             | (5.82)             | (6.68)             | (8.31)             | (1.65)               |
|         | (See Accompanying notes (1 - 6))   |                    |                    |                    |                    |                    |                      |

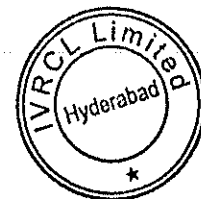


## Statement of Assets and Liabilities

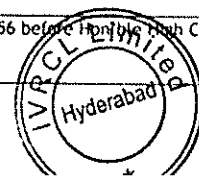


₹ IN Lakhs

| Particulars  |             | As at September 30, 2017 |             | Standalone           |
|--|-------------|--------------------------|-------------|----------------------|
|  |             |                          |             | As at March 31, 2017 |
| <b>I. ASSETS</b>   |             |                          |             |                      |
| <b>1. Non-Current Assets</b>   |             |                          |             |                      |
| (a) Property, Plant and Equipment  |             |                          | 24,713.71   | 28,465.65            |
| (b) Investment Properties  |             |                          | 2,971.88    | 2,999.47             |
| (c) Financial Asset  |             |                          |             |                      |
| (i) Investments  | 1,30,035.72 |                          | 1,29,989.32 |                      |
| (ii) Trade Receivable  | 28,354.72   |                          | 34,085.47   |                      |
| (iii) Loans  | 5,176.92    |                          | 6,247.80    |                      |
| (iv) Others  | 86,667.64   |                          | 86,445.04   |                      |
| (d) Deferred Tax Asset (net)   | 97,487.54   |                          | 97,234.53   |                      |
| (e) Other Non - Current Assets   | 23,333.62   |                          | 22,500.11   |                      |
|  |             |                          | 3,71,056.16 | 3,76,502.77          |
|  |             |                          | 3,98,741.75 | 4,07,967.39          |
| <b>2. Current Assets</b>   |             |                          |             |                      |
| (a) Inventories  |             |                          | 7,332.31    | 9,878.88             |
| (b) Financial Asset  |             |                          |             |                      |
| (i) Investments  |             |                          |             |                      |
| (ii) Trade Receivables   | 1,29,803.34 |                          | 1,38,999.29 |                      |
| (iii) Cash and cash equivalent   | 6,983.49    |                          | 7,932.92    |                      |
| (iv) Bank balances (other than III above)                                | 592.19      |                          | 4,191.84    |                      |
| (v) Loans  | 55,061.00   |                          | 53,757.80   |                      |
| (vi) Others  | 75,658.14   |                          | 75,658.16   |                      |
| (c) Other Current Assets   |             |                          | 2,68,098.16 | 2,80,540.01          |
|  |             |                          | 1,99,919.63 | 1,97,121.23          |
|  |             |                          | 4,75,350.10 | 4,87,540.12          |
|  |             |                          | 8,74,091.85 | 8,95,507.51          |
| <b>TOTAL ASSETS</b>  |             |                          |             |                      |
| <b>II Equity and Liabilities</b>   |             |                          |             |                      |
| <b>1. Equity</b>   |             |                          |             |                      |
| (a) Equity Share Capital   | 15,657.95   |                          | 15,657.95   |                      |
| (b) Other Equity   | (29,350.54) |                          | 23,044.67   |                      |
| <b>Total Equity</b>  |             |                          | (13,692.59) | 38,702.62            |
| <b>2. Liabilities</b>  |             |                          |             |                      |
| <b>Non-Current Liabilities</b>   |             |                          |             |                      |
| (a) Financial Liabilities  |             |                          |             |                      |
| (i) Borrowings   | 93,531.43   |                          | 1,00,140.51 |                      |
| (b) Provisions   | 663.12      |                          | 953.76      |                      |
|  |             |                          | 94,194.55   | 1,01,094.27          |
| <b>3. Current Liabilities</b>  |             |                          |             |                      |
| (a) Financial Liabilities  |             |                          |             |                      |
| (i) Short-Term Borrowings  | 2,78,758.00 |                          | 2,57,777.50 |                      |
| (ii) Trade Payables  | 1,35,525.51 |                          | 1,42,406.42 |                      |
| (iii) Other financial Liabilities (other than those specified in item c) | 2,98,372.42 |                          | 2,73,956.48 |                      |
| (b) Other Current Liabilities  |             |                          | 7,12,655.93 | 6,74,140.40          |
| (c) Provisions   |             |                          | 66,774.48   | 67,059.00            |
|  |             |                          | 14,159.48   | 14,511.22            |
| <b>Total Equity and Liability</b>  |             |                          | 8,74,091.85 | 8,95,507.51          |

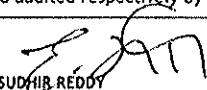


| Note : |   |
|--------|---|
| 1.     | The above unaudited financial results for the quarter and six months ended September 30, 2017 were taken on record at the meeting of the Board of Directors held on November 14, 2017 after being reviewed and recommended by the Audit Committee. The Statutory auditors have carried out limited review of above results.   |
| 2.     | The operations of the Company consists of construction / project activities and there are no other reportable segments under Ind AS 108, "Operating Segments".  |
| 3.     | The Statutory Auditors have expressed qualified opinion in their report for the previous year ended March 31, 2017 and qualified their review report for the quarter and six months ended September 30, 2017 in respect of the following matters:   |
| a)     | During the quarter the Company has incurred a net loss of ₹ 28,058.75 lakhs resulting in to accumulated losses of ₹ 2,70,874.32 lakhs as at September 30, 2017 and erosion of its Net worth. The Company has obligations towards borrowings aggregating to ₹ 5,55,638.89 lakhs including an amount of ₹ 1,83,349.45 lakhs falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at September 30, 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 morefully described in note 3(b), above results have been prepared on the basis that the Company is a Going Concern.   |
| b)     | <p>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 26<sup>th</sup> 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).</p> <p>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, the stipulated timeline has ended on May 25, 2017 and no investor has come forward with a binding offer to acquire the lenders stake.</p> <p>During the current quarter the Corporate Debt Restructuring Empowered Group (CDR EG) vide meeting dated August 31, 2017 has approved exit from CDR. As it is, now a case of failed CDR, hence the concession provided in the CDR package are rolled back since cut-off date (i.e. November 30, 2013). Accordingly concessions provided as per CDR package stands withdrawn, reversed and revoked as per the relevant clauses of Master Restructuring Agreement (MRA).</p> <p>Above results have been prepared on the basis that the Company is a going concern and does not include any adjustment in this respect and on account of withdrawl of such concessions as financial impact of the same is presently not determined.</p> |
| c)     | During the previous year ended March 31, 2017, the Company had 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 has certain trade receivables, unbilled revenue, security deposit, withheld and other deposits including bank guarantee encashed by the customers, aggregating to ₹ 1,80,569.35 lakhs (₹ 1,86,821.30 lakhs as at March 31, 2017) 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 ₹ 1,64,815.51 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 two lenders have invoked corporate guarantees and initiated recovery actions against the Company for ₹ 1,12,157.01 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 appointed an Interim resolution professional vide its order dated April 21, 2017 and April 28, 2017 in respect of Hindustan Dorr Oliver Limited and HDO technologies Limited respectively to carry out the functions under the Code.   |
| f)     | The Company has an investment of ₹ 1,20,573.53 lakhs (₹ 67,618.53 lakhs as at March 31, 2017) and outstanding loans and advances of ₹ 62,697.14 lakhs (₹ 43,223.28 lakhs as at March 31, 2017) 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.   |
| 4.     | The Statutory Auditors have included an Emphasis of Matter in their report for the year ended March 31, 2017 and review report for the quarter and six months ended September 30, 2017 in respect of the following matters:   |
| a)     | During an earlier 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 had 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 September 30, 2017 unbilled revenue amounting to ₹ 7,910.89 lakhs (₹ 8,215.14 lakhs as at March 31, 2017), 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 September 30, 2017 various advances, aggregating to ₹ 10,183.24 lakhs (₹ 8,495.41 lakhs as at March 31, 2017) 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 Honble High Court of Telangana & 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 as at March 31, 2017 for various trade receivables, trade payables and borrowings aggregating to ₹93,045.72 lakhs, for banks balances aggregating to ₹ 92.92 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 director. Out of this, managerial remuneration aggregating to ₹ 24.55 lakhs from the directors has been recovered by the Company subsequent to the quarter end.<br>Further, during the current quarter and six month ended, managerial remuneration paid to two directors was in excess of managerial remuneration allowable as per section 196 and 197 of the Companies Act, 2013 read with Schedule V by ₹ 31.74 lakhs. The Company is in process of obtaining requisite approval from the Central Government. |
| h) | During an earlier 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.   |
| 5  | Other Expenses during the current quarter include provision for doubtful trade receivables aggregating to ₹ 4,572.18 lakhs (₹ 29,782.84 lakhs for the year ended March 31, 2017 ).  |
| 6  | Amounts for the quarter and half year ended September 30, 2016 and year ended March 31, 2017 were reviewed and audited respectively by previous auditors.   |

Place : Hyderabad  
Date : November 14, 2017

  
E. SUDHIR REDDY  
Chairman & Managing Director  
DIN 00023518

