

29<sup>th</sup> May, 2023

To  
The National Stock Exchange of India Ltd.,  
Exchange Plaza, Bandra kurla Complex, Bandra  
(East),  
Mumbai – 400 051.

Fax No.022-26598237/38

To  
The BSE Limited.,  
Pheroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 023.

Fax No. 022- 22723121/3719

Dear Sir / Madam,

**Re: Compliance with Regulation 33 & 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

In compliance with the above Regulations we are herewith submitting audited Financial Results for the year and quarter ending 31<sup>st</sup> March 2023 duly approved by the Liquidator on 29<sup>th</sup> May 2023. The Audit Reports and statement on Impact of Audit qualifications in respect of the audited Financial Results are also attached.

The meeting of the Liquidator of the Company commenced at 2.30 p.m and concluded at 6.00 p.m

Thanking you,

Truly yours  
For IVRCL Limited

**B. Subrahmanyam**  
Company Secretary

## IVRCL LIMITED

MIHIR" H.No.8-2-350/5/A/24/1B, Panchavati Colony, Road No # 2,  
Banjara Hills, Hyderabad-500 034, Telangana State, India.

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1122

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CIN:L45201TG1987PLC007959



Certification Partner Global

ISO 9001

ISO 14001

ISO 45001

Lic No: QAC, EMHS/R91/1297

Registered  
Office cum  
Corporate  
Office:



**Statement of Audited Standalone Financial Results for the Quarter & Twelve months Ended March 31, 2023**

Sl. No.	Particulars (Refer Notes below)	(Rs. in lakhs except share data)				
		Standalone				
		Quarter Ended		Year Ended		
		March 31, 2023	Dec 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
I.	Revenue from operations					
II.	Other Income	2,283.82	3,376.74	12,793.97	7,404.33	28,651.91
III.		256.36	790.52	525.94	1,409.79	1,157.94
	<b>Total Income (I+II)</b>	<b>2,540.18</b>	<b>4,167.26</b>	<b>13,319.91</b>	<b>8,814.12</b>	<b>29,809.85</b>
IV.	<b>EXPENSES</b>					
	a) Cost of construction materials consumed					
	b) Sub-contracting expense	16.70	29.04	57.46	114.43	176.22
	c) Masonry, labour and other construction expense	2,100.18	3,242.31	10,442.69	5,681.78	21,024.69
	d) Employee benefits expense	127.00	109.36	1,966.40	1,243.18	5,438.69
	e) Finance costs (Refer note 15)	709.49	747.02	699.37	2995.61	3317.25
	f) Depreciation and amortisation expense	57,990.80	57,080.31	49,848.99	2,23,025.03	1,90,384.75
	g) Other expenses (Refer note 16)	348.23	263.12	421.19	1,319.15	1,803.82
		3,434.19	333.78	1,693.36	4,636.20	2,774.07
	<b>Total expenses (IV)</b>	<b>64,786.61</b>	<b>61,859.96</b>	<b>65,129.46</b>	<b>2,39,015.38</b>	<b>2,24,919.49</b>
V.	Profit/(Loss) before exceptional items and tax (III-IV)	(62,246.43)	(57,692.70)	(51,809.55)	(2,30,201.26)	(1,95,109.64)
VI.	Exceptional items					
VII.	Profit/ (Loss) before tax (V-VI)	(62,246.43)	(57,692.70)	(51,809.55)	(2,30,201.26)	(1,95,109.64)
VIII.	Tax expense:					
	a) Current Tax					
	b) Deferred Tax					
IX.	Profit / (Loss) for the period from continuing operation (VII-VIII)	37.57	37.58	37.57	150.29	150.29
X.	Other Comprehensive Income	(62,284.00)	(57,730.28)	(51,847.12)	(2,30,351.55)	(1,95,259.93)
	a) Items that will not be reclassified to Profit or Loss					
	i) Remeasurements of the defined benefit Plans	(6.73)	41.29	543.66	117.13	165.14
	ii) Income Tax effect on above	2.35	(14.43)	(189.98)	(40.93)	(57.71)
	b) Item that may be reclassified to profit or loss					
	i) Exchange differences on translation of a foreign currency					
	ii) Income Tax effect on above					
	<b>Total Comprehensive Income / (Loss) for the period (Total X)</b>	<b>(4.38)</b>	<b>26.86</b>	<b>353.68</b>	<b>76.20</b>	<b>107.43</b>
XI.	Total comprehensive income for the period (comprising profit / (loss) and Other Comprehensive Income for the period) (IX+X)	(62,288.38)	(57,703.42)	(51,493.44)	(2,30,275.35)	(1,95,152.50)
XII.	Paid up equity share capital (Face value of Rs. 2 each)	15,657.95	15,657.95	15,657.95	15,657.95	15,657.95
XIII.	Other equity (As per last Audited financial statements)				(12,36,316.99)	(10,05,967.62)
XIV.	Earnings per equity share (of Rs. 2 each) (not annualised for quarterly EPS (in Rs.))					
	Basic & Diluted	(7.96)	(7.37)	(6.58)	(29.41)	(24.93)
	(See Accompanying notes (1 - 24)					



*Sudhakar Sankar*

*Rgh*

## Statement of Assets and Liabilities

(Rs. ' in lakhs except share data)

Particulars	As at March 31,		Standalone
	2023		As at March 31, 2022
<b>1. ASSETS</b>			
1. Non-Current Assets			
(a) Property, Plant and Equipment			
(b) Investment Properties		8,056.76	9,330.00
(c) Financial Asset		2,235.88	2,281.06
(i) Investments	1,83,441.17		1,83,439.22
(ii) Trade Receivable	20,942.58		22,497.12
(iii) Loans	7,528.07		7,097.61
(iv) Others	1,25,413.85		1,14,785.25
(d) Deferred Tax Asset (net)		3,37,325.67	3,27,819.20
(e) Non-current Assets		84,888.16	

Statement of Cash Flows for the year ended March 31, 2023

(Rs. in lakhs except share data)

	As at March 31, 2023		As at March 31, 2022	
<b>A. Cash flow from operating activities</b>				
(Loss)/Profit Before Tax		(2,30,201.10)		(1,95,109.80)
Adjustment for:				
Depreciation and Amortisation Expense	1,319.10		1,803.80	
Dividend received on Investments	-		0.50	
(Profit)/Loss on Sale of Property Plant and Equipment	-		-	
Finance income on unwinding of financial assets	430.10		-	
Provision for doubtful debts, advances, UBR, and deposits (net)	3,182.10		734.80	
Share profit on Joint Venture	0.50		55.50	
Provision for diminution in value of Investments	-		-	
Exceptional item	-		-	
Liabilities no longer required written back	-		-	
Net Unrealised Exchange (Gain) / Loss	-		-	
Interest Income	-		-	
Finance Costs	(206.90)		(171.80)	
<b>Operating Profit / (Loss) before working capital changes</b>	<b>2,23,025.00</b>	<b>2,27,749.90</b>	<b>1,90,384.70</b>	<b>1,92,807.50</b>
<b>Changes in Working Capital :</b>		<b>(2,481.20)</b>		<b>(2,302.30)</b>
(Increase)/decrease in Inventories	(69.80)		1.40	
(Increase)/decrease in Trade Receivables	3,079.20		2,923.80	
(Increase)/decrease in Other Non Current Assets	5.30		15.20	
(Increase)/decrease in Other Current Assets	79.40		(203.70)	
Increase/(decrease) in Trade Payable	(799.20)		7,001.30	
Increase/(decrease) in Other Financial Liabilities	10,373.73		(4,452.96)	
Increase/(decrease) in Other current liabilities and provision	(1,154.70)	11,513.93	(369.97)	4,915.07
<b>Net Cash used in Operations</b>		<b>9,062.73</b>		<b>2,612.77</b>
Net Income Tax Refund / (paid)		(110.40)		(570.00)
<b>Net Cash (used in) / generated from operating activities</b>		<b>8,952.33</b>		<b>2,042.77</b>
<b>B. Cash flow from investing activities</b>				
Capital Expenditure on Fixed Assets (including Capital Advances)	(5.86)		6.59	
Proceeds from Sale of Fixed Assets				
(Purchase) / Subscription of Long-Term Investments	(2.40)		(51.50)	
Loans/Advance given to Subsidiaries/Associates/Joint Ventures (net)	213.30		(2,159.00)	
Net Investment in Bank Fixed Deposit				
Interest Received				
Dividend Received on Long Term Investments	44.20		171.80	
<b>Net cash used in investing activities</b>			<b>(0.50)</b>	
<b>C. Cash flow from financing activities</b>		<b>249.24</b>		<b>(2,032.61)</b>
Proceeds from Long Term Borrowings				
Repayments of Borrowings				
Proceeds from Short Term Borrowings (net of repayments)	(14,689.40)			
Interest and Finance Charges Paid				
<b>Net cash generated from financing activities</b>		<b>(14,689.40)</b>		
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(5,487.83)</b>		<b>10.16</b>
Cash and cash equivalents at the beginning of the year		8,936.29		8,926.13
Cash and cash equivalents at the end of the year		3,448.46		8,936.29
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents		3,448.46		8,936.29
Cash and cash equivalents at the end of the year (Refer Note 14)		3,448.46		8,936.29



*Signature*

Notes:	
1	The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") has passed its order dated July 26, 2019 read with corrigendum order issued on July 31, 2019 for "Liquidation of M/s IVRCL Limited as going concern" and the Resolution professional (RP) for the Company has been appointed as the Liquidator. The Liquidator to exercise the powers and duties as enumerated in sections 35 to 50, 52 to 54 of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
2	The Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") vide its order dated October 17, 2019 ordered that the liquidator to ensure that the company remains as going concern and the liquidator would not sell or transfer or alienate movable or immovable property of corporate debtor without the prior approval of the Appellate Tribunal. The said order is vacated by the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") vide its order dated May 29, 2019 and upholds the order of NCLT, Hyderabad dated July 26, 2019 with corrigendum order dated July 31, 2019.
3	As part of the Liquidation process under the provisions of the Insolvency and Bankruptcy Code 2016, Third E-auction was held on 15th December 2021 for sale of M/S.IVRCL Limited as a Going Concern with a Reserved Price not less than INR.1200 Crores (Rupees One thousand two hundred crores).
4	Under third E-auction, the Liquidator was in receipt of EOI of 23 no.s out of which only one of the prospective bidder Mr.Ponguleti Prasada Reddy along with five other members forming SPV M/s Raghava Square Private Limited submitted EMD of Rs.50 crores in demand draft on 10th December 2021 and same has been encashed.
5	On 15th December 2021, Liquidator conducted third E-Auction for the sale of IVRCL Limited as a Going Concern through an E- Auction platform provided by E-Auction service provider. However, no bids were received on the date of third E-Auction. As such the consortium of individuals led by Mr. Ponguleti Prasad Reddy, being the sole Qualified Bidder was automatically registered in the Third E-Auction held on 15th December 2021 at the minimum reserve price of Rs. 1200 crore as per the clause 10.3 of Third E-Auction Process Information Document.
6	On 29th December 2021, as per advice of the Stakeholders' Consultation Committee of the IVRCL Limited, Liquidator issued Demand notice to the successful bidder Mr. Ponguleti Prasad Reddy along with five other members forming SPV to pay the balance sale consideration under Third E-auction Process of IVRCL Limited under Liquidation as going concern to complete the sale process and the reminder letter was issued by the Liquidator on 19th January 2022. Liquidator has written several letters/reminders, viz., letter dated 16 June 2022 and repeated reminders vide letters dated 28 July 2022; 05 August 2022; 12 August 2022; 16 August 2022; 24 August 2022; 01 September 2022; 14 September 2022; 20 September 2022; 24 September 2022; 13 October 2022; 28 October 2022; 21 November 2022; 16 January 2023 and 15 February 2023 respectively, however, Successful Bidders have not yet paid Balance Consideration as per NCLT Order dated 15 June 2022.
7	Hon'ble NCLT vide order dated 15th June 2022 passed in MA 2 of 2022 filed by Liquidator directed the successful bidder to pay the balance sale consideration of Rs.1,150 Crores (Rs.1200 Cr- Rs.50 Cr being Earnest Money Deposit already paid) for acquiring M/S.IVRCL Limited under Liquidation as a Going Concern within a period of 12 months from the date of order (i.e. 15th June 2022) in SIX tranches. As per Hon'ble NCLT order dated 15th June 2022, payment schedule to be adhered by the successful bidder is as follows: Five tranches of Rs.200 crores each to be paid by successful bidder on 14.08.2022, 14.10.2022, 14.12.2022, 14.02.2023, 14.04.2023 respectively and the final tranche of Rs.150 Crores shall payable on 14.06.2023. Further, as per said Order, any delay in adherence to the aforesaid payment schedule will attract interest at 12% p.a. for the delayed period. The successful bidder has paid only Rs.100 crores on 26th September 2022 against the first tranche of Rs.200 Crores payable on 14.08.2022 and no payment has been made by successful bidder for second tranche of Rs. 200 crores due on 14.10.2022, third tranche of Rs. 200 crores due on 14.12.2022, Fourth tranche of Rs. 200 crores due on 14.02.2023, fifth tranche of Rs, 200 crores due on 14.04.2023 respectively and the same are attracting interest @ 12% for the delayed period which is not recognized in the books of accounts.
8	Hon'ble NCLT vide order dated 25th July 2022 in IA 656 of 2022 filed by successful bidder Inter alia directed that prior to the approval of the IVRCL being sold as a going concern, whatever the Business Plan the successful bidders have submitted to the Liquidator or Stakeholder's Consultation Committee on account of which both the parties have come forward before Hon'ble Tribunal to approve the sale as a going concern, shall be scrupulously followed by both the parties; and also directed to form a supervisory committee consisting of the successful bidders, Liquidator and other stakeholders who shall meet as and when necessary to take stock of the situation with regard to the business of the IVRCL Limited and also to protect the assets of the IVRCL Limited .
9	Liquidator filed IA 1456 of 2022 before Hon'ble NCLT to direct the successful bidders to make requisite payment as per direction of Hon'ble NCLT Order dated 15th June 2022 and to pass appropriate directions in order to enable the Liquidator to successfully consummate the sale of the IVRCL Limited as a going concern, to the successful bidders. Hon'ble NCLT vide order dated 02nd January 2023 in the aforesaid IA 1456 of 2022 (filed by Liquidator) directed that "The petitioner is at liberty to take appropriate steps by filing appropriate application for failure of the buyers to comply with the direction which is already given by the tribunal."
10	Pursuant to Hon'ble NCLT order dated 02nd January 2023 passed in IA 1456 of 2022, Liquidator filed Contempt Petition 2 of 2023 to direct successful bidder to purge the contempt by making payment of the outstanding amounts as per the directions of Hon'ble NCLT in Order dated 15th June 2022, amongst other reliefs. The said Contempt Petition 2 of 2023 is posted for hearing on 5th June 2023 before Hon'ble NCLT.
11	As per Regulation 33(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial results of a company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. In view of the Liquidation Order passed by the NCLT, all the powers of the Board of Directors, and Key Managerial Personnel ceased to have effect and is vested with Mr. Sutanu Sinha, the Liquidator. Accordingly, financial results of the Company for the quarter and year ended March 31, 2023 were taken on record and authorized for issue to concerned authorities by the Liquidator.
12	The operations of the Company consist of construction/project activities and there is no other reportable segment under Ind AS 108, "Operating Segments".
13	The Statutory Auditors have given disclaimer opinion for the quarter/Year ended March 31, 2023 in respect of the following matters:
a)	The Company has incurred a Net Loss of Rs.62,288.38 lakhs for the quarter and Rs. 2,30,275.35 lakhs for the year ended March 31, 2023 resulting into accumulated losses of Rs. 1,4,76,863.45 lakhs and erosion of its Net worth as at March 31, 2023 . This includes inter alia Rs. 57,990.80 lakhs towards Finance cost .The Company has obligations towards fund based borrowings (including interest) aggregating to Rs. 16,49,365.46 lakhs as per books of accounts and non-fund based exposure aggregating to Rs. 38,093.48lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note below, that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Liquidation process as going concern, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2023. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the bid amount under Third E-auction process for sale of the company as a going concern, in the opinion of the management, the company will continue its operations and the above results have been prepared on the basis that the Company is Going Concern.
b)	The company recognized deferred tax asset on account of carry forward unused tax losses and other taxable temporary differences aggregating to Rs.95,705.88 lakhs generated as on 31st March 2017. Subsequently, there has not been recognised deferred tax on unused tax losses and other taxable temporary difference a raised except on Ind AS adjustment. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the bid amount under Third E-auction process for sale of the company as a going concern the management of the company is confident that sufficient future taxable income will be available against which such deferred tax asset will be realized.

*[Handwritten Signature]*

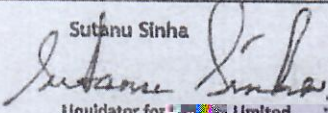


*[Handwritten Signature: Sutanu Sinha]*

- c) The Company has certain trade receivables, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantees encashed by customers aggregating to Rs. 1,63,936.24 Lakhs which are subject matters of various disputes / arbitration proceedings/ negotiations with the customers and contractors due to termination / fore closure of contracts and other disputes. The management of Company is confident of positive outcome of litigation/ resolution of dispute and recovering the aforesaid dues. However, the management is in the process of initiating arbitration/other legal action for such invocations.
- d) The Company has an investment of Rs. 1,83,441.17 lakhs in subsidiaries, associate and joint ventures engaged in BOT and other projects as at March 31, 2023 which are under disputes with the concessionaire/clients and have significant accumulated losses as at March 31, 2023. 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. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the Bid amount under Third E-auction process for sale of the company as a going concern 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.
- e) The Company has outstanding loans and advances of Rs. 79,971.70 lakhs as at March 31, 2023 given to subsidiary companies, associate, net receivable against development rights, that are outstanding for long period. The management of the Company is at various stages of negotiation/communication/ with respective subsidiary/associate company to recover the dues and cost incurred by the Company. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the Bid amount under Third E-auction process for sale of the company as a going concern and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances.
- f) Pursuant to the commencement of Liquidation process as a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 there are various claims submitted by the operational creditors, the financial creditors, employees, statutory authorities and other creditors against the Company including the claims on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in the future. Hence there are differences between the liabilities admitted vis-a-vis balance as per books of account.
- g) Un-invoked Bank Guarantees of Rs. 38,093.48 lakhs as on March 31, 2023 are crystallized as debt and admitted as claims from the financial creditors as per the provisions of the IBC 2016 but not considered in the books of accounts.
- h) Confirmation of balances could not be obtained as at March 31, 2023 for bank balances, bank borrowings and for various trade receivables including retention, loans and advances, and trade payables including other financial/non financial liabilities though, the management has requested for the confirmation of balances and the status is still continued. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
- i) Physical verification for fixed assets aggregating to Rs. 10,292.64 lakhs (net block as on March 31, 2023) and inventory aggregating to Rs. 5,201.41 lakhs (as on March 31, 2023) could not be carried out at majority locations including project site due to shortage of manpower and accessibility of the stock yards that are terminated/ foreclosed/ having slow progress and the status is still continued. The Management believes that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.
- j) The company has various input credits and balances with various statutory authorities pertaining to service tax, sales tax /GST, Income Tax etc. aggregating to Rs. 23,882.58 Lakhs as at March 31, 2023. The recovery of these amounts is subject to reconciliation, filing of returns and admission by respective statutory authorities and the status is still continued. No adjustments have been made in the books of accounts in respect of such amounts.
- 14 The Statutory Auditors have included an Emphasis of matter in their report for the year ended March 31, 2023 in respect of the following:
- a) During the financial year 2017-18, the company has received a Show Cause Notice U/s 279 (1) of the IT Act 1961 for initiation of prosecution proceedings U/s 276 (B) of the IT Act 1961 for failure to deposit the deducted Tax at Source within the due date in Central Government Account for the financial year 2016-17 & 2017-18 for the amount of Rs. 1,033.95 Lakhs and 1,891.21 Lakhs respectively.  
In respect of the above, IT department has also sent notices U/s 226 (3) of the IT Act 1961 to certain banks and customers of the company demanding the recovery of the aforesaid arrears.  
Pursuant to the application under Section 60(5) of the Insolvency and Bankruptcy Code 2016, the National Company Law Tribunal, Hyderabad vide its order dated 17th December 2019 directs the IT department to withdraw the garnishee notices issued to the Banks and also directed the Banks to release any amount due to corporate Debtor.
- b) The company received demand under section 271(1)(c) of the Income Tax Act 1961 for the AY. 2015-16, 2016-17 and 2017-18 aggregating Rs. 3,148.38 lakhs which has been adjusted against the Refund Receivables and the same has not been recognized in the books of accounts as the company appealed the same.



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19	The company carried the opening balances for all its international projects as the latest information is not available on account of termination/ closure of the respective project offices.
20	The Hon'ble Bombay High Court had directed by the order dated November 29, 2016 in case of Litostroj Power (applicant) to deposit 2,370.83 Lakhs along with interest accrued thereon in a separate account and accordingly it was deposited in SBI-CAG Branch, Hyderabad. Subsequently, Hon'ble Bombay High Court by its order dated 15th January 2020 directed to transfer the deposit of Rs. 2,370.83 Lakhs along with interest accrued thereon to the Hon'ble Bombay High Court. No accounting adjustments have been made relating to such transfer of FD in the books of accounts as the matter is sub-judice before NCLAT.
21	The management believes that no impairment assessment required in respect of tangible and intangible assets.
22	The company executed Rs1,286 lakhs of works during the quarter ended March 31, 2023 and yet to be billed. The cumulative value of unbilled revenue as on March 31, 2023 is at Rs. 2,528 lakhs and the same is not considered in the books of accounts for the quarter and year ending March 31, 2023 as per the policy adopted by the company.
23	The above audited financial results for the quarter and year ended March 31, 2023 have been reviewed by the Liquidator. The Statutory Auditors have reviewed these financial results pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
24	The Liquidator is signing these financial statements on the basis of representation by the key management personnel of the Company regarding the authenticity or veracity of the information provided herein.
	<p>Place: Hyderabad Date: 29-05-2023</p> <p style="text-align: right;"> <b>Sutanu Sinha</b>    Liquidator for: <b>IPCL Limited</b>  IBBI/PA-003/IP-N00020/2017-18/10167 </p>



*Ref*

**ANNEXURE I**  
**IVRCL Limited**

**Statement on Impact of Audit Qualifications (for audit report with disclaimer of opinion)  
submitted along-with Annual Audited Financial Results**

**I. Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023  
{See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016}**

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in Lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in lakhs
1	Turnover / Total income		
2	Total Expenditure	8,814.12	8,814.12
3	Net Profit/(Loss)	2,39,015.38	4,82,923.48
4	Earnings Per Share (after exceptional item)	(2,30,275.35)	(5,69,889.33)
5	Total Assets	(29.41)	(72.79)
6	Total Liabilities (Including Capital Reserve of ₹ 26,268.20 lakhs)	6,52,428.76 18,99,356.00	3,12,814.78 18,99,356.00
7	Net Worth		
8	Any other financial item(s) (as felt appropriate by the management)	(11,89,903.44)	(15,29,517.42)
		Nil	Nil

**II. Audit Qualifications**

**a. Details of audit qualification**

S. No.	Particulars
1	Note 13(a) of the statement, in respect of the preparation of financial statements of the Company has incurred a Net Loss of Rs.62,288.38 lakhs for the quarter and Rs. 2,30,275.35 lakhs for the year ended March 31, 2023 resulting into accumulated losses of Rs. 1,4,76,863.45 lakhs and erosion of Its Net worth as at March 31, 2023. This includes inter alia Rs. 57,990.80 lakhs towards Finance cost. The Company has obligations towards fund based borrowings (including interest) aggregating to Rs. 16,49,365.46 lakhs as per books of accounts and non-fund based exposure aggregating to Rs. 38,093.48lakhs, operational creditors and statutory dues, subject to reconciliation/verification as stated in note below, that have been demanded/recalled by the financial/operating creditors pursuant to ongoing Liquidation process as going concern, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2023. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the bid amount under Third E-auction process for sale of the company as a going concern, in the opinion of the management, the company will continue its operations and the above results have been prepared on the basis that the Company is Going Concern and however, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying Statement.
2	Note 13(b) of the statement in respect of recognition of deferred tax asset on account of carrying forward unused tax losses and other taxable temporary differences aggregating to Rs. 95,705.88 lakhs generated as on 31st March 2017. Subsequently, there has not been recognised deferred tax on unused tax losses and other taxable temporary difference a raised except on Ind AS adjustment. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the bid amount under Third E-auction process for sale of the company as a going concern the management of the company is confident that sufficient future taxable income will be



*Sudam Singh*

	available against which such deferred tax asset will be realized. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12). Had the aforesaid deferred tax assets not been recognized, loss after tax for the year ended March 31, 2023 would have been higher by Rs. 95,705.88 lakhs and other equity would have been lower by Rs. 95,705.88 lakhs.
3	Note 13(c) of the statement in connection with the existence of material uncertainties over the reliability of bank guarantees encashed by customers, certain trade receivables, security deposit, withheld, claims of indirect taxes and other deposits including bank guarantees encashed by customers aggregating to Rs.1,63,936.24 Lakhs which are subject matter of litigation.

the accompanying standalone financial results.

5	Note 13(e) of the statement in respect of loans and advances of Rs. 79,971.70 lakhs as at March 31, 2023 given to subsidiary companies, associate, net receivable against development rights, that are outstanding for long period. The management of the Company is at various stages of negotiation/communication/ with respective subsidiary/associate company to recover the dues and cost incurred by the Company. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the Bid amount under Third E-auction process for sale of the company as a going concern and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for year ended March 2023 would have been higher by Rs.79,971.70 lakhs, other equity would have been lower by Rs.79,971.70 lakhs.
6	Note 13(a) and 13(e) of the statement in respect commencement of Liquidation process as going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019, various claims submitted by the operational creditors, the financial creditors, employees, statutory authorities and other creditors against the Company including the claims on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in the future. Hence there are differences between the liabilities admitted vis-a-vis balance as per books of account, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims, we are unable to comment on the consequential impact, if any, on the accompanying statement;
7	Note 13(h) of the statement in respect of Confirmation of balances could not be obtained as at March 31, 2023 for bank balances, bank borrowings and for various trade receivables including retention, loans and advances, and trade payables including other financial/non-financial liabilities though, the management has requested for the confirmation of balances and the status is still continued. The Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
8	Note 13(i) of the statement in respect of Physical verification of fixed assets aggregating to Rs.10,23 Lakhs (net block as on March 31, 2023) and inventory aggregating to Rs. 5,201.41 lakhs (as on March 31, 2023).

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*Subhan Singh*

2023) could not be carried out at majority locations including project site due to shortage of manpower and accessibility of the stock yards that are terminated/ foreclosed/ having slow progress and the status is still continued. The Management believes that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision for depreciation and amortization is required on the assets and inventories. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

9 Note 13(j) of the statement in respect of various input credits and balances with various statutory authorities pertaining to services rendered to the Government of India.



No.	
1	<b>In respect of qualification 1 above,</b> In the opinion of the management, revival of the company is possible in foreseeable future, accordingly, in view of ongoing Liquidation as going concern, the financial results have been prepared on the basis that the Company is a Going Concern.
2	<b>In respect of qualification 4 above,</b> 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 investment and in view of ongoing discussion, no provision has been considered in respect of impairment in value.

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Independent Auditor's Report on the Quarterly and Year-to-Date Audited Financial Statements of

follows: Five tranches of Rs.200 crores each to be paid by successful bidder on 14.08.2022, 14.10.2022, 14.12.2022, 14.02.2023, 14.04.2023 respectively and the final tranche of Rs.150 Crores shall payable on 14.06.2023. Further, as per said Order, any delay in adherence to the aforesaid payment schedule will attract interest at 12% p.a. for the delayed period. The successful bidder has paid only Rs. 100 crores on



#### 4. Basis for Disclaimer of Opinion

We refer to the following notes in the accompanying Statement:

- a. Note 13(a) of the statement, in respect of the preparation of financial statements of the Company has incurred a Net Loss of Rs.62,288.38 lakhs for the quarter and Rs. 2,30,275.35 lakhs for the year ended March 31, 2023 resulting into accumulated losses of Rs. 1,4,76,863.45 lakhs and erosion of its Net worth as at March 31, 2023. This includes inter alia Rs. 57,990.80 lakhs towards Finance cost. The Company has obligations towards fund based borrowings (including interest) aggregating to Rs. 16,49,365.46 lakhs as per books of accounts and non-fund based exposure aggregating to Rs. 38,093.48lakhs, operational creditors and statutory dues. subject to reconciliation/verification as stated in the notes to the financial statements.



these Investments, we are unable to comment upon the carrying value of these investments and the consequential impact, if any, on the accompanying standalone financial results.

- e. Note 13(e) of the statement in respect of loans and advances of Rs. 79,971.70 lakhs as at March 31, 2023 given to subsidiary companies, associate, net receivable against development rights, that are outstanding for long period. The management of the Company is at various stages of negotiation/communication/ with respective subsidiary/associate company to recover the dues and cost incurred by the Company. As the company is a going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019 and started receiving the Bid amount under Third E-auction process for sale of the company as a going concern and accordingly, no provision has been considered necessary by the management in respect of impairment in the value of loans and advances. Had the aforesaid assets been provided for impairment, loss after tax for year ended March 2023 would have been higher by Rs.79,971.70 lakhs, other equity would have been lower by Rs.79,971.70 lakhs.
- f. Note 13(a), and 13(b) of the statement in respect commencement of Liquidation process as going concern by order of the NCLT dated 26th July 2019 with corrigendum order issued on July 31, 2019, various claims submitted by the operational creditors, the financial creditors, employees, statutory authorities and other creditors against the Company including the claims on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in the future. Hence there are differences between the liabilities admitted vis-a-vis balance as per books of account, that are currently under consideration/reconciliation. Pending re-



- l. Certain audit sample relating to expenses vouchers and supporting documents pertains to site could not be made available.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is not sufficient and appropriate to provide a basis for our opinion.

5. **Emphasis of Matter**

We draw attention to the following matters:

- a. Note 14(a) of the statement in respect of a Show Cause Notice U/s 279 (1) of the IT Act 1961 for initiation of prosecution proceedings U/s 276 (B) of the IT Act 1961 for failure to deposit the deducted Tax at Source within the due date in Central Government Account for the financial years 2016-17 & 2017-18 for the amount of Rs. 1,033.95 Lakhs and Rs.1,891.21 Lakhs respectively.

In respect of the above, the IT department has also sent notices U/s 226 (3) of the IT Act 1961 to certain banks and customers of the company demanding the recovery of the aforesaid arrears.

Pursuant to the application under Section 60(5) of the Insolvency and Bankruptcy Code 2016, the National Company Law Tribunal, Hyderabad vide its order dated 17<sup>th</sup> December 2019 directs the IT department to withdraw the garnishee notices issued to the Banks and also directed the Banks to release any amount due to corporate Debtor.

- b. Note 14(b) of the statement in respect of demand under section 271(1)(c) of the Income Tax Act 1961





