Statement on Impact of Audit Qualifications submitted along with Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 31 2020
[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. In Million

I	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	82,433	Not ascertainable
	2.	Total Expenditure	74,588	
	3.	Net Profit/(Loss)	5,486	
	4.	Earnings Per Share	10.63	
	5.	Total Assets	297,716	
	6.	Total Liabilities	241,830	
	7.	Net Worth	55,886	
	8.	Any other financial item(s) (as felt appropriate by the		
II	**Audit qualification**			
	a.	**Details of qualification** The auditor of one jointly controlled entity in their report have included the following qualification – As stated in Note 13 to the statement, regarding measurement of Redeemable Optionally Convertible Cumulative Preference Shares (ROCCPS) and Compulsory Convertible Preference Shares (CCPS) issued by one of the jointly controlled entity included as equity are measured at issued price instead of measurement of the same at fair value as financial liability in accordance with Ind AS 32 "Financial Instrument: Presentation" and Ind AS 109 "Financial Instruments". In the absence of settlement between shareholders on conversion/ redemption terms and valuation of these financial instruments, we are unable to comment on the effects, if any, on the consolidated profit for the quarter and year ended March 31, 2020.		
	b.	**Type of audit qualification** Qualified opinion		
	c.	**Frequency of qualification** Appearing for the first time		
	d.	**For Audit Qualification where the impact is quantified by the auditor, management views** Impact is not quantified by auditors not ascertainable		

	e.	For Audit Qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not ascertainable (ii) If management is unable to estimate the impact, reasons for the same: In one of the jointly controlled entity acquired during the year, based on existing term of Redeemable Optionally Cumulative Convertible Preference Shares (ROCCPS) and Compulsorily Convertible Preference Shares (CCPS), as per Ind AS 32, these shares are financial liabilities of the Company as the tenure of these shares are expired. In case of ROCCPS, the Company does not have any right to avoid the obligation for redemption and there is no fixed ratio for conversion of ROCCPS to equity shares. In case of CCPS, there is no fixed ratio for conversion to equity shares. The latest date of redemption/ conversion (as applicable) of the ROCCPS and CCPS was 26th March, 2012 and 30th January, 2012 respectively ("the said shares"). Redemption/ conversion (as applicable) in relation to the said shares has not been made pending settlement in the matter with the respective shareholders. Based on above, the said shares are financial liability of the jointly controlled entity. However, the jointly controlled entity has not considered these shares as financial liability, considering the following aspects: There is a pending dispute in the Hon'ble National Company Law Tribunal (NCLT) between the shareholder and also certain other disputes among the shareholders and the jointly controlled entity. Considering this the jointly controlled entity is not able to ascertain the liability against these shares and will continue to disclose the same as equity. In view of the above, the accounting implications arising due to conversion/ redemption (as applicable) would be carried out in the year of settlement between the respective shareholders in relation to the amounts reported under the heads Paid up Share Capital and Securities Premium. Under the aforesaid circumstances, the classification of the said shares has been continued to be part of 'Equity' in the said jointly controlled entity. (iii) Auditors' Comments on (i) or (ii) above: Included in the Auditors' report

III	**Signatories**	
	Chairman & Managing Director Irfan Razack	
	Chief Executive Officer Venkat K Narayana	
	Chief Financial Officer VVBS Sarma	VVBS Sarma
	Audit Committee Chairman Jagdeesh K. Reddy	
	Statutory auditor Adarsh Ranka Partner: S.R. Batliboi & Associates LLP	

Place: Bangalore
Date: 24 June, 2020