

25th Annual Report 2011-2012



BOARD OF DIRECTORS

E. SUDHIR REDDY	Chairman & Managing Director
E. SUNIL REDDY	Vice Chairman
R. BALARAMI REDDY	Executive Director - Finance & Group CFO
K. ASHOK REDDY	Executive Director
E. ELLA REDDY	Director
T.N. CHATURVEDI	Director
T.R.C. BOSE	Director
P.R. TRIPATHI	Director
Dr. L. SRINIVASA REDDY	Director
V. MURAHARI REDDY	Director
B. SUBRAHMANYAM	Company Secretary

Internal Auditors

T. Vijay Kumar Chartered Accountant Plot # 101, Jyothi Pride Apartments, P.S. Nagar, Masab Tank Hyderabad – 500 028.	VCG & Co. Chartered Accountants 203, Kushal Bazar, 32-33, Nehru Place, New Delhi - 110 019
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Statutory Auditors

M/s. Chaturvedi & Partners Chartered Accountants 212A, Chiranjeev Towers 43, Nehru Place, New Delhi	M/s. Deloitte Haskins & Sells Chartered Accountants 1-8-384 & 385, 3rd Floor, Gowra Grand, Sardar Patel Road, Begumpet, Secunderabad – 500 003.
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Bankers / Institutions

<input type="radio"/> Andhra Bank	<input type="radio"/> Axis Bank Ltd	<input type="radio"/> Bank of Nova Scotia	<input type="radio"/> Barclays Bank plc
<input type="radio"/> Canara Bank	<input type="radio"/> Central Bank of India	<input type="radio"/> Corporation Bank	<input type="radio"/> DBS Bank Ltd
<input type="radio"/> Dena Bank	<input type="radio"/> EXIM Bank Ltd	<input type="radio"/> HDFC Bank Ltd	<input type="radio"/> ICICI Bank Ltd
<input type="radio"/> ING Vysya Bank Ltd	<input type="radio"/> IDBI Bank	<input type="radio"/> Indian Overseas Bank	<input type="radio"/> IndusInd Bank Ltd
<input type="radio"/> Karur Vysya Bank Ltd	<input type="radio"/> LIC of India	<input type="radio"/> Punjab & Sind Bank	<input type="radio"/> State Bank of India
<input type="radio"/> Standard Chartered Bank	<input type="radio"/> The Lakshmi Vilas bank	<input type="radio"/> Union Bank of India	<input type="radio"/> Tamilnad Mercantile Bank Ltd
<input type="radio"/> TATA Capital Ltd	<input type="radio"/> SREI Equipment Finance Pvt Ltd		<input type="radio"/> Shriram Equipment Finance

Registrars & Transfer Agents

M/s. KARVY Computershare Private Limited
17-24, Vithal Rao Nagar, Madhapur,
Hyderabad - 500 081.

Registered Office

M-22/3RT, Vijayanagar Colony,
Hyderabad – 500 057, Andhra Pradesh, India
Ph: 91-40-2334 3678 / 3550 / 5130 / 8467
Fax: 91-40-2334 5004

Corporate Office

MIHIR, 8-2-350/5/A/24/1-B&2, Road No.2, Panchavati Colony, Banjara Hills, Hyderabad- 500 034, Andhra Pradesh, India
Ph: 91-40-2335 6613 / 15/ 18/21/ 51 to 55, 30931111/1444 (60 Lines) Fax: 91-40-2335 6693

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FORWARD LOOKING STATEMENT

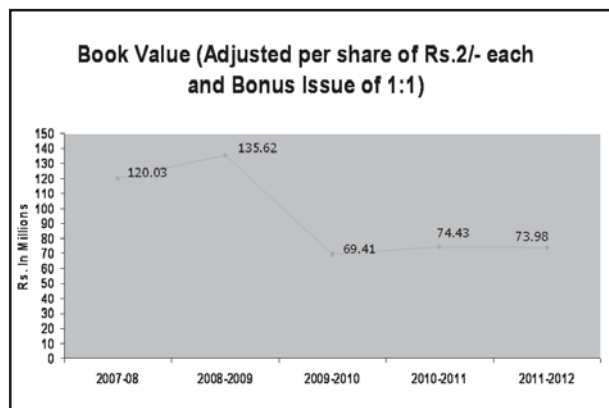
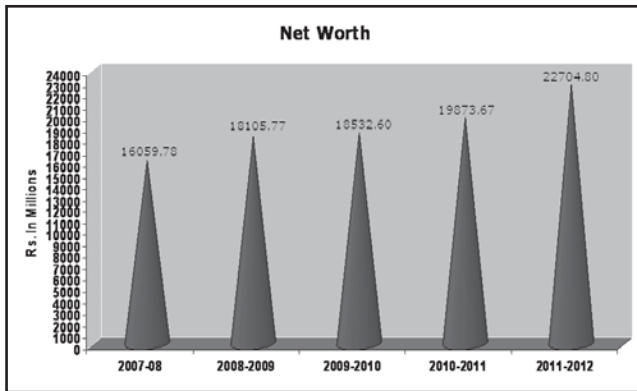
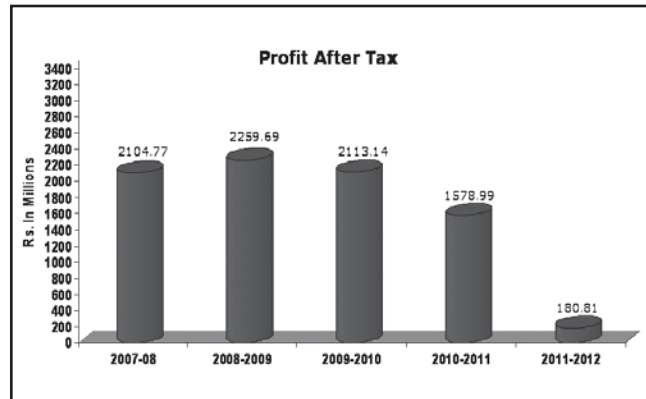
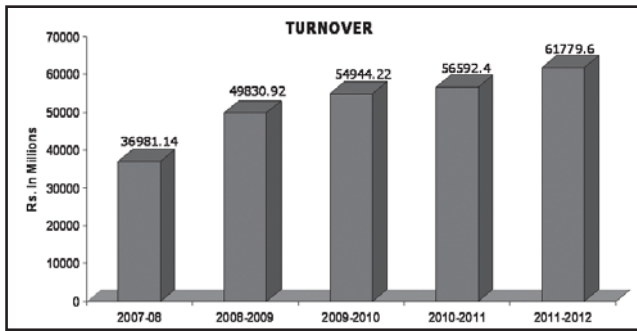
This communication contains statements that constitute "forward looking statements" including without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance.

While these forward looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors including but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial condition of third parties dealing with us, legislative developments, and other key factors that have been indicated could adversely affect our business and financial performance.

IVRCL undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

FINANCIAL PERFORMANCE



PERFORMANCE AT A GLANCE

(₹ in million)

Particulars	2011-12*	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Turnover	61779.60	56592.40	54950.50	49830.92	36,981.14	23,464.57	15,214.23	10,547.33	7,734.53	4,403.49
Profit Before Tax	462.38	2326.19	3288.37	2737.76	2,853.30	1,850.96	1,037.25	594.67	427.12	240.06
Profit After Tax	180.81	1578.99	2113.13	2259.69	2,104.77	1,414.63	929.55	567.08	391.81	155.09
Equity Capital	613.77	534.02	534.02	267.01	266.98	259.32	213.88	169.80	106.19	105.06
Reserves & Surplus	22091.03	19339.65	17998.57	17838.76	15,792.80	12,957.88	4,556.25	2,406.58	1,247.87	913.82
Net Worth	22704.80	19873.67	18532.59	18105.77	16,059.78	13,217.20	4,770.13	2,576.38	1,354.06	1,018.88
Gross Block	10113.72	9242.27	7501.77	6623.50	4,175.96	2,593.35	1,580.10	1,107.10	964.34	898.60
Net Block	6899.08	6918.07	5663.94	5206.97	3,191.94	1,929.13	1,107.35	741.03	672.97	703.94
Book Value (₹) per share	73.98	74.43	69.41	135.62	120.31	101.94	44.61	151.74	127.50	96.98
EPS (₹) Basic	0.59	5.91	7.91	16.93	16.08	12.38	8.84	33.56	37.04	14.85
Dividend	0	30%	40%	70%	70%	50%	50%	30%	30%	30%

* Results are for 15 Months period starting from April 01, 2011 to June 30, 2012

The Book Value and EPS are per share of ₹ 2/- each for the year 2005-06 to 2010-11, while figures for 2004-05 to 2001-02 indicate per share of ₹ 10/- each.

Equity share of ₹ 10/- each was sub-divided into five equity shares of ₹ 2/- each with effect from 4th March, 2006.

In the financial year 2009-10, 1:1 Bonus equity shares have been issued.

As per Composite Scheme of Arrangement, New Shares are issued and allotted to the Shareholders of IVRCL Assets & Holdings Limited in the ratio of 5 Shares of ₹ 2/- each for every 6 Shares of IVRCL Assets & Holdings Ltd of ₹ 10/- each, on 22nd August, 2012.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of IVRCL Limited will be held on Monday, the 24th December, 2012 at 10.00a.m. at K.L.N. Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the 15 months period ended June 30, 2012, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint a Director in place of Mr. E.Sunil Reddy, Director, who retires by rotation under Article 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. T.R.C.Bose, a Director who retires by rotation under Article 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment
4. To appoint Auditors and fix their remuneration.

To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants bearing Registration No. 008072S, and M/s Chaturvedi & Partners, Chartered Accountants bearing Registration No. 307068E, the retiring Joint Statutory Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next annual general meeting at such remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. Remuneration to Mr.E.Sudhir Reddy, Chairman & Managing Director.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198,269, 309 and 314 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) read with Schedule XIII thereto, the Company do hereby approve the remuneration of ₹ 10,00,000/- p.m and perquisites and other amenities paid to Mr. E.Sudhir Reddy, Chairman & Managing Director during the 15

months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 & 314 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company do hereby accord its approval for the payment of the following remuneration to Mr. E.Sudhir Reddy, Chairman & Managing Director for the rest of his tenure, and all other terms of the appointment as approved by the members earlier shall remain unaltered;

- 1) Salary - ₹ 10,00,000/- (Rupees Ten lakhs only) per month
- 2) Perquisites
 - a) Housing: Free furnished residential accommodation.
 - b) Maintenance & up keep of House: The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962 subject, however to a ceiling of 10% (ten percent) of salary.
 - c) Reimbursement of Medical Expenses : For self and family subject to a ceiling of one month’s salary in an year or three months salary over a period of three years or such other higher reimbursement as approved by Board under special circumstances.
 - d) Leave Travel: For self and family once a year, anywhere in world, subject to a ceiling of one month’s basic salary.
 - e) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
 - f) Personal Accident Insurance Premium not to exceed ₹ 10,000/ per annum.
 - g) Company’s contribution to Provident Fund: As per the Company’s rules.
 - h) Company’s contribution to Superannuation Scheme: As per the Company’s rules. The Company’s contribution to the pension fund shall not together with the Company’s contribution to the Provident fund exceed 25% (twenty five percent) of salary as laid down in the Income Tax Rules, 1962.

- i) Leave: Four weeks for every eleven months service or one month leave with salary which may be accumulated to a maximum of 120 days with a right to encash the leave.
- j) Gratuity: The gratuity shall not exceed half month's salary for each completed year of service.
- k) Use of Company car and driver on Company's business: Personal use of Company car will be billed to Mr. E.Sudhir Reddy.
- l) Use of residential telephone on Company's business: Charges for personal long distance calls will be billed to Mr. E.Sudhir Reddy.

"Family" shall mean the spouse, dependent children and dependent parents of Mr. E.Sudhir Reddy.

Commission : Commission @ 5% of Net profits, in addition to above, if so applicable, subject to overall ceiling stipulated in Sections 198 & 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr.E.Sudhir Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr.E.Sudhir Reddy for the rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making an application to Central Government or such other regulatory authorities to give effect to this resolution.

6. Remuneration to Mr.R.Balarami Reddy, Executive Director – Finance & Group CFO.

To consider and if thought fit, to pass, with or without

modification(s), the following resolution as a Special Resolution.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198,269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto, the Company do hereby approve the remuneration of ` 349,250/- p.m and perquisites and other amenities paid to Mr.R.Balarami Reddy, Executive Director – Finance & Group CFO during the 15 months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accord its approval for the payment of the following remuneration to Mr.R.Balarami Reddy, Executive Director – Finance & Group CFO, for the rest of his tenure, and all other terms of the appointment as approved by the members earlier shall remain unaltered;

- i) Salary – ` 3,49,250/- p.m (Basic Salary - ` 2,18,281/- p.m and Allowances - ` 1,30,969/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. R. Balarami Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.

ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of tenure of Mr.R.Balarami Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr.R.Balarami Reddy for rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities to give effect to this resolution.

7. Remuneration to Mr.K.Ashok Reddy, Executive Director.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of Section 198,269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto, the Company do hereby approve the remuneration of ` 345,700/- p.m and perquisites and other amenities paid to Mr.K.Ashok Reddy, Executive Director during the 15 months period ended June 30, 2012, notwithstanding that the same exceeded the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government, if required and all other sanctions,

approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of the following remuneration to Mr.K.Ashok Reddy, Executive Director, for the rest of his tenure and all other terms of the appointment as approved by the members earlier shall remain unaltered;

- i) Salary – ` 3,45,700/- p.m (Basic Salary – ` 2,16,063/- p.m and Allowances - ` 1,29,637/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company.
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. K. Ashok Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.

ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr.K.Ashok Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr.K.Ashok Reddy for the rest of his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all

such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities to give effect to this resolution.

8. To appoint Auditors to the Branch Offices of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions if any, of the Companies Act, 1956, the Board of Directors be and are hereby authorized to appoint any person(s) qualified to act as Auditor/Auditors for the Branch Office(s) of the Company, including those which may be opened/acquired hereafter, in India or abroad, in consultation with the Company's Auditor(s) and to fix their remuneration.

By order of the Board of Directors

Regd. Office :
 M-22/3RT,
 Vijayanagar Colony,
 Hyderabad - 500 057
 Date : 29.08.2012

B. Subrahmanyam
 Company Secretary

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy forms to be valid should be deposited at the Registered office of the Company at least 48 hours before the commencement of the meeting.
2. A Member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company Secretary at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of Item 5,6,7 and 8 is provided beneath.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of the Directors seeking appointment/re-appointment at this meeting are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company shall be closed from December 19, 2012 to December 24, 2012 inclusive of both days.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. Non Resident Indian Members are requested to inform RTA or DP, as the case may be, immediately of:
 - i) Change in their residential status on return to India for permanent settlement.
 - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
8. A Corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e., only if the corporate member sends certified true copy of the Board and/or Committee resolution or Power of Attorney authorizing the Representative to attend and vote at the meeting on its behalf.
9. i) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956 the Company had transferred the dividend amount that was remaining unpaid or unclaimed for the Financial year 2003-04 to the Investors Education and Protection Fund (IEPF) on 21.11.2011. The Company will transfer the dividend amount that remains unpaid or unclaimed for the Financial year 2004-05 to the Investors Education and Protection Fund on 03.12.2012. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio no. / Client ID and DP ID to the Karvy Computershare Private Limited, RTA.
 - ii) The details of the shareholders, who had not claimed the dividend declared by the company, will be made available on the website of the Company and IEPF portal. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investors Education and Protection Fund as above, no claim shall lie in respect thereof.

iii) The details of unclaimed dividend are as follows,

Financial Year	Particulars	Date of Declaration	Due date of transfer to IEPF
2004-05	Dividend	30.09.2005	03.12.2012
2005-06	Dividend	29.09.2006	04.12.2013
2006-07	Dividend	07.09.2007	10.11.2014
2007-08	Dividend	15.09.2008	20.11.2015
2007-08	Dividend of IVRCL A&H*	15.09.2008	22.11.2015
2008-09	Dividend	09.09.2009	14.11.2016
2009-10	Dividend	18.09.2010	02.11.2017
2010-11	Dividend	26.09.2011	02.12.2018

* IVRCL A&H : IVRCL Assets & Holdings Limited, which stands merged with the Company.

10. Ministry of Corporate Affairs (MCA), vide its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like the notice convening the general meetings, Financial Statements, Director's Report and Auditor's Report etc., to the email address provided by you with your Depository Participants.

We request you to update your email address with your Depository Participant to ensure that the annual report and other documents reach you on your preferred email Id.

11. The Securities and Exchange Board of India (SEBI) has notified that the holders of the shares in physical form are required to furnish certified copy of their PAN card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the shareholders are required to furnish their certified true copy of PAN card.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Items 5, 6, & 7

Mr.E.Sudhir Reddy was reappointed as Chairman & Managing Director of the Company for a period of five years with effect from October 1, 2009 at specified remuneration as approved by the members in their meeting held on September 9, 2009. Mr.R.Balarami Reddy and Mr.K.Ashok Reddy were reappointed as Executive Director – Finance & Group CFO and Executive Director respectively at the specified remuneration as approved by the Members at their meeting held on September 18, 2010. Accordingly the remuneration was paid to all the above directors during the financial year 2011-12

The restrictions specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 for payment of remuneration to Mr.E.Sudhir Reddy, Mr.R.Balarami Reddy and Mr.K.Ashok Reddy were not applicable as there were adequate profits in the previous financial years. However, for the financial year 2011-12 the Company had inadequate profits for payment of remuneration to the above directors.

As a result of the inadequate profits in the aforesaid period, restrictions contained in Schedule XIII for payment of remuneration to the Chairman & Managing Director and Executive Directors become applicable. The remuneration paid by the Company to the above directors exceeded the remuneration as per Sections 198 & 309 read with Schedule XIII. The Compensation Committee considering the rich experience and contribution of Mr.E.Sudhir Reddy, Mr.R.Balarami Reddy and Mr.K.Ashok Reddy, had approved the remuneration already paid subject to obtaining the approval of Shareholders of the Company and Central Government and pay the remuneration as specified in the respective resolutions for the rest of their tenure, not exceeding three years, subject to required compliances of the Act. Approval of the members by way of Special resolution is sought for the said proposals.

The Compensation Committee and the Board recommend the above resolutions for adoption by the members.

In respect of item 5, except Mr.E.Sudhir Reddy, Mr.E.Ella Reddy as father of Mr.E.Sudhir Reddy and Mr.E.Sunil Reddy as brother of Mr.E.Sudhir Reddy, none of the directors is interested in the aforesaid resolution.

In respect of item 6, except Mr.R.Balarami Reddy, none of the directors is interested in the aforesaid resolution.

In respect of item 7, except Mr.K.Ashok Reddy, none of the directors is interested in the aforesaid resolution.

Item 8.

The Company has Branch Offices in Dubai, Kingdom of Saudi Arabia, Nepal and Kenya. In respect of the existing branch offices and other branch offices of the Company if any, which may be opened during the year in India as well as abroad, the shareholders are requested to authorize the Board to appoint Branch Auditors in accordance with the provisions of the Companies Act, 1956, in consultation with the Company's Statutory Auditors and to fix their remuneration.

The Board recommends the above resolution for adoption by the members.

None of the Directors is concerned or interested in the above resolution.

By order of the Board of Directors

Regd. Office :

M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date : 29.08.2012

B. Subrahmanyam
Company Secretary

Details of the Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting (Pursuant of Clause 49 of the Listing Agreement)

Name of the Director	Mr.E.Sunil Reddy	Mr. T.R.C.Bose
Date of Birth	21.07.1961	15.01.1941
Date of Appointment	04.04.1990	29..10.2004
Expertise in specific functional areas	He has rich experience in legal and litigation matters.	He has 45 years of wide experience having held various senior positions and also as Director Projects with A.P State Electricity Board presently known as Transmission Corporation of Andhra Pradesh Limited
List of other Companies in which Directorship held as on June 30, 2012.	<ul style="list-style-type: none"> • IVRCL Assets & Holdings Limited • Soma Hotels & Resorts Limited • Palladium Infrastructures & Projects Ltd • S.V. Equities Limited • Indus Palms Hotels & Resorts Limited • IVRCL Building Products Limited • Eragam Holdings Limited • IVR Hotels and Resorts Limited • IVRCL Megamalls Limited • HDO Technologies Limited • IVR PUDL Resorts & Clubs Private Ltd • Kemira Indus Limited 	<ul style="list-style-type: none"> • Konaseeman Gas Power Limited • Vijai Electricals Limited • Kakatiya Cements Sugar & Industries Limited • Countrywide Power Transmission Limited • Athena Chhattisgarh Power Ltd • Sew Infrastructures Ltd • Regency Ceramics Ltd • IVRCL Assets & Holding Ltd
Chairman / Member of the Mandatory Committees of the Board of the Companies on which he is a Director as on June 30, 2012	<ul style="list-style-type: none"> • IVRCL Assets & Holdings Limited - Member, Shareholder/Investor Grievance Committee 	<ul style="list-style-type: none"> • Kakatiya Cements Sugar & Industries Limited - Member, Audit Committee - Member, Shareholders Grievances Committee. • IVRCL Limited - Member, Audit Committee • IVRCL Assets & Holdings Limited - Member, Audit Committee • Regency Ceramics Ltd - Member, Audit Committee • Sew Infrastructures Ltd - Member, Audit Committee
Number of shares held	2511010	0

Statement in terms of sub-clause (iv) of the proviso to Sub- paragraph (C) of Paragraph (I) of Section II of Part II of Schedule XIII to the Act.

I. GENERAL INFORMATION.

- (1) Nature of Industry : Engineering and Construction
- (2) Date of Commencement of Commercial Production : Not Applicable
- (3) In case of new Companies, expected date of Commencement of activities as per project approved by Financial institutions appearing in the Prospectus : Not Applicable
- (4) Financial Performance
Financial performance of the Company for the last five years. (₹ in million)

Sr. No.	Particulars	Year				
		2007-08	2008-09	2009-10	2010-11	2011-12 (15 months)
1	Paid-up Capital	266.98	267.01	534.02	534.02	613.77*
2	Reserves and Surplus	15792.80	17838.76	17998.57	19339.65	22091.03
3	Turnover	36981.14	49830.92	54950.50	56592.40	61779.60
4	Net Profit after Tax	2104.77	2259.69	2113.13	1578.99	180.81
5	Rate of Dividend Declared	70%	70%	40%	30%	Nil

* Includes an amount of ₹ 79.75 million as share capital suspense

- (5) Export Performance and net foreign exchange collaborations : FOB value of Export is ₹ 4.35 million. Overseas Contract revenue is ₹ 63.79 million
- (6) Foreign investments or collaborators, if any : The total equity shares held by Foreign Institutional Investors (FIIs) is 76,832,426 of ₹ 2/- each as on June 30, 2012, which constitutes 28.78% of the Paid-up Equity Shares Capital of the Company. There is no Foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEES.

(1) Background Details

(a) Mr.E.Sudhir Reddy

Mr. E.Sudhir Reddy is a Promoter of the Company. He is a graduate in commerce and aged about 52 years. He has over 24 years of experience in construction and engineering industry. He has been on the board of IVRCL, as Managing Director from November 1987. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Chairman & Managing Director of the Company was approved by the shareholders for a period of five years with effect from October 1, 2009.

(b) Mr.R.Balarami Reddy

Mr. R. Balarami Reddy is a fellow member of the Institute of Chartered Accountants of India ("ICAI"), Associate member of the Institute of Cost Accountants of India ("ICAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 58 years. He has over 25 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a Practicing Chartered Accountant for a period of seven years before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director – Finance from November 1997. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Executive Director – Finance and Group CFO of the Company was approved by the shareholders with effect from September 18, 2010.

(c) Mr.K.Ashok Reddy

Mr. K. Ashok Reddy is a Science Graduate with PGDMA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 56 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director from September 2005. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Executive Director of the Company was approved by the shareholders with effect from September 18, 2010.

(2) Past Remuneration:**(a) Mr.E.Sudhir Reddy**

1. Commission - 5% of Net profit as per provisions of Section 198 & 309 of the Companies Act, 1956 Including Salary and Prequisites.
2. Salary - `10,00,000/- (Rupees Ten lakhs only) per month
3. PERQUISITES
 - a) Housing: Free furnished residential accommodation.
 - b) Maintenance & up keep of House: The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962 subject, however to a ceiling of 10% (ten percent) of salary.
 - c) Reimbursement of Medical Expenses : For self and family subject to a ceiling of one month's salary in an year or three months salary over a period of three years or such other higher reimbursement as approved by Board under special circumstances.
 - d) Leave Travel: For self and family once a year, anywhere in world, subject to a ceiling of one month's basic salary.
 - e) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
 - f) Personal Accident Insurance Premium not to exceed `10,000/ per annum.
 - g) Company's contribution to Provident Fund: As per the Company's rules.
 - h) Company's contribution to Superannuation Scheme: As per the Company's rules. The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident fund exceed 25% (twenty five percent) of salary as laid down in the Income Tax Rules, 1962.
 - i) Leave: Four weeks for every eleven months service or one month leave with salary which may be accumulated to a maximum of 120 days with a right to encash the leave.
 - j) Gratuity: The gratuity shall not exceed half month's salary for each completed year of service.
 - k) Use of Company car and driver on Company's business: Personal use of Company car will be billed to Mr. E.Sudhir Reddy.

- l) Use of residential telephone on Company's business: Charges for personal long distance calls will be billed to Mr. E.Sudhir Reddy.

"Family" shall mean the spouse, dependent children and dependent parents of Mr. E.Sudhir Reddy.

(b) Mr.R.Balarami Reddy

- (i) Salary - ` 3,49,250/- p.m (Basic Salary - ` 2,18,281/- p.m and Allowances - ` 1,30,969/- p.m)
 - (ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
 - (iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
 - (iv) Provident Fund at the rate of 12% of basic salary.
 - (v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
 - (vi) Gratuity as per rules of the Company
 - (vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to the appointee
 - (viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.
 - (ix) Leave as per rules of the Company.
- (c) Mr.K.Ashok Reddy**
- (i) Salary - ` 3,45,700/- p.m (Basic Salary - ` 2,16,063/- p.m and Allowances - ` 1,29,637/- p.m)
 - (ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
 - (iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
 - (iv) Provident Fund at the rate of 12% of basic salary.
 - (v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
 - (vi) Gratuity as per rules of the Company
 - (vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to the appointee
 - (viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.
 - (ix) Leave as per rules of the Company.

(3) Recognition/Awards

(a) **Mr.E.Sudhir Reddy** : Ernst & Young-Entrepreneur of the year award - 2007, nominated among top 20 entrepreneurs in the country.

(b) **Mr.R.Balarami Reddy** : Nil

(c) **Mr. K. Ashok Reddy** : Nil

(4) Job Profile and suitability**(a) Mr.E.Sudhir Reddy**

Mr.E.Sudhir Reddy is the Chairman & Managing Director of the Company having more than 2 decades of rich experience in construction industry. Under his able leadership, the Company which was primarily engaged in the Construction sector has since then executed a wide range of construction projects in diverse segments such as transportation, hydro power, oil & gas pipeline, irrigation & water supply and urban Infrastructure and thus the Company has established itself as a leading Engineering & Construction (or "E&C") and Infrastructure development Company in India.

In the present challenging business environment, the duties and responsibilities of Mr.E.Sudhir Reddy, Chairman & Managing Director, has grown manifold. There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company which has necessitated his increased focus and higher involvement in the Company's matters.

In these tough times, it is imperative that the Company's growth strategy continues under the continued guidance and leadership of Mr.E.Sudhir Reddy with whose rich experiential background, the Company remains reinforced to strive through the challenging times and bounce back on the growth chart.

(b) Mr.R.Balarami Reddy

In his rich and diverse experience of over 25 years Mr.R.Balarami Reddy has a career span of around 18 years with the Company. As Executive Director-Finance & Group CFO, he is responsible for Accounts, Finance and Taxation matters.

In the present economic scenario raising funds for the infrastructure projects has become a challenge and Mr.R.Balarami Reddy has been shouldered with increased responsibilities of financing the ongoing and upcoming projects.

(c) Mr.K.Ashok Reddy

In his rich and diverse experience of over 26 years Mr.K.Ashok Reddy has a career span of

around 15 years with the Company. As Executive Director, he is responsible for all resource matters such as Human Resources, purchasing and equipment.

As Executive Director he has a holistic involvement in the entire administration of the Company. In his present role, he has to discharge multi-faceted responsibilities and with his rich talent and dynamic experience it is firmly believed that he will continue to provide able guidance and contribution as ever.

(5) Remuneration proposed**(a) Mr.E.Sudhir Reddy**

Details of total remuneration proposed to be paid to Mr.E.Sudhir Reddy for rest of his tenure has been mentioned at item no. 5 of the Notice to Shareholders.

(b) Mr.R.Balarami Reddy

Details of total remuneration proposed to be paid to Mr.R.Balarami Reddy for rest of his tenure has been mentioned at item no. 6 of the Notice to Shareholders.

(c) Mr.K.Ashok Reddy

Details of total remuneration proposed to be paid to Mr.K.Ashok Reddy for rest of his tenure has been mentioned at item no. 7 of the Notice to Shareholders.

(6) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the Position and person

The Compensation Committee of the Board and the Board of Directors considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the respective roles and also considering the competence and invigorating leadership of Mr.E.Sudhir Reddy, Mr.R.Balarami Reddy and Mr.K.Ashok Reddy, which has resulted in sustained growth for the Company, had approved that the payment of remuneration stated at item No. 5,6 & 7 is commensurate to prevailing levels in the industry and therefore it is fit and justified for payment of the said remuneration to them.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**(a) Mr.E.Sudhir Reddy**

Mr.E.Sudhir Reddy is a promoter of the Company. He is son Mr. E.Ella Reddy, Director and brother of Mr.E.Sunil Reddy, Vice Chairman.

(b) Mr.R.Balarami Reddy

Mr.R.Balarami Reddy does not have any other pecuniary relationship directly or indirectly with the Company. He is not related to any other director or managerial personnel.

(c) Mr.K.Ashok Reddy

Mr.K.Ashok Reddy does not have any other pecuniary relationship directly or indirectly with the Company. He is not related to any other director or managerial personnel.

III. OTHER INFORMATION,

(1) Reasons of loss or inadequate of profits.

Overview of the Company

IVRCL is one of the leading engineering, construction and infrastructure development companies in India. The Company has executed many India's landmark infrastructure projects and had laid over 25,000 kms of water pipelines, 2300 kms of canals, irrigated 150 million hectares land through our engineering expertise, laid 3400 kms of roads, 100 kms of tunnels, constructed 28 million sft of buildings and owns India's largest desalination plant. A testimonial to our globetrotting spree comes in the form of construction, completion and maintenance of irrigation water tanks in Kuwait; hydro-electric station in Nepal; irrigation projects in Kenya; and 4100 apartments for a mass housing project in Sri Lanka.

Key Concerns for the Construction Sector

Currently the construction industry is witnessing sluggish growth temporarily due to economic and policy concerns. At the same time, the economy has been witnessing high inflation cycle resulting into high interest costs and commodity prices. The key economic and policy concerns being faced by the Industry include Delays in land acquisition, significant rise in commodity prices, low realization of revenues and execution delays.

Financial Performance of the Company:

The Company has shown steady progress over the last few years and has performed in line with industry standards.

The various factors that have affected the cash flows for the Company are:

- Execution delays and delays in payment from clients
- Sharp increase in commodity prices

- Increase in interest rates
- Increased Working Capital requirements due to delays and slower decision making on claims raised by IVRCL

The cumulative impact of the above factors coupled with an industry and economic downturn with a combination of tightened liquidity conditions and an inflationary environment has caused a liquidity stress on IVRCL.

(2) Steps taken or proposed to be taken.

IVRCL has taken view of all these factors seriously and to overcome the above challenges IVRCL has proactively undertaken the following steps directed at improving its operational efficiencies:

- Claims Realisation: Persistent efforts are being made by IVRCL to collect claims
- Cost optimisation: IVRCL has implemented cost optimisation measures such as cutting overheads and rationalisation of human resources. These internal cost cutting measures are expected to improve profitability going forward.
- Reduction in Working Capital: Better credit terms with suppliers have been negotiated.
- Monetisation of assets: IVRCL is proactively exploring monetisation of assets and step down subsidiaries.

(3) Expected increase in productivity and profits in measurable terms.

The situation is expected to improve FY 2013 onwards with expectations of improvement in macroeconomic conditions. Further it is expected that the steps taken by the Company for improving the operational parameters wherever feasible would show signs of improvement. Consequently, the Company expects to see an improvement in cash flows due to tighter working capital cycle and realization of claims FY 2014 onwards and expects to maintain healthy margins thereafter.

As mentioned above, the management is taking special efforts to make the Company turnaround. It is expected that the results of the renewed vigour and efforts are likely to be seen in the near future

IV. DISCLOSURES.

- (1) The Shareholders of the Company have been informed of the remuneration package of the above three managerial persons in respective resolution at Item No.s 5, 6 & 7.

To
The Members
Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Balance sheet and Profit & Loss account for the 15 months period ended June 30, 2012.

1. FINANCIAL RESULTS

(` in million)

Particulars	15 months Period ended 30.06.2012	Year ended 31.03.2011
Gross Turnover	61779.60	56592.40
Profit before Interest, Depreciation, Extraordinary items & Tax	6707.21	5711.11
Less : Interest & Finance Charges	5055.42	2627.11
Less : Depreciation	1189.41	757.81
Profit before tax (PBT)	462.38	2326.19
Provision for tax	281.57	747.20
Profit after tax (PAT)	180.81	1578.99
Balance brought forward from previous year/ Adjustment	4978.91	4129.96
Profit available for appropriation	5159.72	5708.95
Appropriations: Transfer to General Reserve	-	400.00
Debenture Redemption Reserve	50.00	147.21
Proposed Dividend	-	160.21
Corporate Dividend Tax (Net)	-	22.62
Sum total of Appropriations	50.00	730.04
Balance carried to Balance Sheet	5109.72	4978.91
Paid-up Capital (Including Share capital Suspense)	613.77	534.02
Reserves and Surplus	22091.03	19339.65

2. DIVIDEND

Your Directors regret their inability to recommend dividend for the 15 months period ended June 30, 2012.

3. REVIEW OF PERFORMANCE

Your company achieved a gross turnover of Rs 61,779.63 million for the 15 months period ended June 30, 2012 as against Rs 56,592.40 million for the previous financial year. On an annualised basis, turnover for the current period ended June 30, 2012 reduced by 11% as compared to the previous year.

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA) at Rs 6707.21 million are 10.57% of the Turnover for the period under review as against 10.007% for the previous financial year.

4. CHANGE IN FINANCIAL YEAR OF THE COMPANY.

Pursuant to Section 210 read with Section 166 of the Companies Act, 1956, the financial year of the Company has been extended by three months to close on 30th June, 2012.

5. NEW LOGO.

During the year under review, the logo of the Company has been changed. The new logo is as follows,



6. FUTURE OUTLOOK

The negative effects of global recessionary conditions are being attenuated by various countries through huge investments in infrastructure and India is no exception in this regard. Your directors are confident that the present environment of investments in infrastructure by the State and Central Governments assures growth of operations of your Company.

7. SUBSIDIARIES

The Company has 90 subsidiaries (including step down subsidiary companies) as on date and the details of investment made by the company in its various subsidiaries during the year and the value of the investment as on June 30, 2012 have been furnished in Para 12 of Notes to Accounts.

Pursuant to section 212 of the Companies Act, 1956, the Balance Sheet, Statement of Profit and Loss and other documents of the said subsidiary companies are required to be annexed to the accounts of the holding Company. Ministry of Corporate Affairs vide its General Circular dated February 8, 2011 had granted general exemption for companies from complying with the provisions of section 212 of the Companies Act, 1956 subject to certain conditions being fulfilled by the Company. Accordingly, the Balance sheet, profit and loss account and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. A statement containing the brief details of financials of Subsidiary companies for the period ended June 30, 2012 is enclosed in the Annual Report. The annual accounts of the said subsidiary companies and relevant information shall be made available to the shareholders who seek such information and are also available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours. Copy of the said details will be provided upon receipt of written request from the shareholders

HINDUSTAN DORR-OLIVER LIMITED (HDO)

The Hon'ble High Court, Mumbai had approved the Scheme of Arrangement which inter-alia provides for, demerger of manufacturing division of HDO into HDO Technologies Limited.

For the period ended June 30, 2012, the company achieved a turnover of ` 7187.50 million, as against ` 9406.20 million for the previous year. The Profit after tax has come down from ` 537.50 million to ` (303.40) million. The EPS is ` (4.21) on ` 2/- share.

8. CONSOLIDATION OF ACCOUNTS

In terms of the clause 32 of the Listing agreement with the Stock Exchanges, the Consolidated Financial statements of the Company and its subsidiaries, prepared in accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on Financial Reporting of Interests in Joint Ventures, form part of this Annual Report.

9. ISSUE AND REDEMPTION OF NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has raised Rs. 100 million by way of issuing 100 Non Convertible Debentures (NCDs) to CBI Employees Provident Fund Trust, on private placement basis, on August 3, 2011 and the said NCDs have been redeemed on August 4, 2012 as per the terms of the Issue.

10. EMPLOYEE STOCK OPTION SCHEMES

The earlier two ESOP Plans viz., IVRCL ESOP 2000 and IVRCL ESOP 2004 have been fully utilized.

IVRCL ESOP 2007 Scheme:

The members at the Annual General Meeting held on 7th September 2007 had approved the granting of 4,200,000 options, underlying 4,200,000 shares of ` 2/- each to the employees. The company is yet to grant these options.

The members approved the amendment to the scheme at the Annual General Meeting held on 9th September 2009, modifying the terms relating to Price and Time Limit. The Scheme as modified is valid upto 6th September, 2013.

11. PUBLIC DEPOSITS

During the year under review, your Company has neither invited nor accepted any public deposits from the public.

12. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. E.Sunil Reddy and Mr.T.R.C. Bose, Directors, will retire by rotation at the forthcoming Annual General Meeting and being eligible your Board recommends their reappointment.

13. CORPORATE GOVERNANCE

Your directors adhere to the requirements set out in Clause 49 of the Listing Agreement with the Stock Exchanges. The Report on Corporate Governance as stipulated in the said clause is annexed as Annexure - A hereto and forms part of this Report. The Chairman & Managing Director's declaration regarding the compliance of Code of Business Conduct and Ethics for Board Members and Senior Management personnel forms part of Report on Corporate Governance. Certificate from M/s. Chaturvedi & Partners, Chartered Accountants, confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

The Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, is annexed as Annexure-B hereto and forms part of this report.

15. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2012 and of the profit of the Company for the financial year ended on that date.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

16. AUDITORS

M/s. Chaturvedi & Partners and M/s. Deloitte Haskins & Sells, the Joint Statutory Auditors, retire at the ensuing annual general meeting and are eligible for reappointment. The Company received confirmation that their appointment, if made, would be within the limits prescribed under Sec.224(1B) of the Companies Act, 1956. The Board of Directors recommends the re-appointment of M/s. Chaturvedi & Partners and

M/s. Deloitte Haskins & Sells, as Joint Statutory Auditors.

17. PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the details of directors who were in receipt of remuneration of Rs. 60,00,000 (or) more per annum or Rs. 5,00,000 (or) more per month, if any, during the year under review is enclosed as an Annexure to this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure, except Mr. E.Sudhir Reddy, Chairman & Managing Director, is related to any Director of the Company.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy, which is an on going process in the Company's activities. The core activity of the company is civil construction which is not an energy intensive activity.

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment and the effect of the same cannot be quantified.

The particulars of expenditure and earnings in Foreign currency is furnished in item No.33 to Notes forming part of financial statements.

19. INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company, and expects continued support, higher level of productivity for achieving the targets set for the future.

20. AMALGAMATION OF IVRCL ASSETS & HOLDINGS LIMITED WITH THE COMPANY.

The Board of Directors at its meeting held on November 12, 2011 had approved the Composite Scheme of Arrangement which inter-alia provides for

1. Demerger of the Real Estate Undertaking of IVRCL

Assets & Holdings Limited (IVRCL A&H) into RIHIM Developers Private Limited, a wholly owned subsidiary of the Company,

2. Merger of Remaining Undertaking of IVRCL A&H with the Company; and
3. Demerger of the Tower Undertaking of the Company into IVRCL TLT Private Limited, a wholly owned subsidiary of the Company.

The Hon'ble High Court of Andhra Pradesh vide order dated 02.07.2012 has sanctioned the aforesaid Scheme with effect from 01.04.2011. Consequent to the Scheme having been sanctioned by the High Court, IVRCL A&H stands dissolved without being wound up. Equity shares held up by the Company to the extent of 75.72% in IVRCL A&H were cancelled.

As per the Share Exchange ratio, for every 6 equity shares of face value of Rs. 10/- each of IVRCL A&H, 5 equity shares of face value of Rs. 2/- each of the Company were issued to the shareholders of IVRCL A&H as on record date, fixed by the Board in consultation with the Stock Exchanges. Accordingly the Company had allotted 3,98,76,790 equity shares on August 22, 2012 to the shareholders of IVRCL A&H as on 17.08.2012, record date.

Consequent to the said allotment, the paid up capital of the Company has been increased to Rs. 613.77 million.

21. VOLUNTARY GUIDELINES ON CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY.

The Ministry of Corporate Affairs, Government of India, issued Voluntary Guidelines for Corporate Governance and for Corporate Social Responsibility. The Voluntary Guidelines provide for various measures and your Company considers the same in due course in a phased manner.

ACKNOWLEDGMENTS

The Directors wish to express their appreciation of the support and co-operation of the Central and the State Governments, bankers, financial institutions, suppliers, associates and subcontractors, and expects the same in future as well for sustaining the growth rates achieved in the past.

For and on behalf of the Board

Place: Hyderabad
Date: 29-08-2012

E. Sudhir Reddy
Chairman & Managing Director

Report on Corporate Governance

1. IVRCL PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of "stake holder value".

This philosophy has guided the operations and the functioning of the Company. In the process of achieving corporate goals, the Company has always been taking the spirit of various legislations as guiding principles and has gone well beyond simple statutory compliance by instituting such systems and procedures as are required to make the management completely transparent and institutionally sound. This is a continuous process in the Company, to improve upon the past experience.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. BOARD OF DIRECTORS

- i) The Company has an Executive Chairman during the financial year and the number of Independent Directors is 50% of the total number of Directors. The number of Non-Executive Directors at 70% is more than 50% of the total number of Directors prescribed under clause 49 of the Listing Agreement. Thus, the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at June 30, 2012 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

a. The Board of Directors of the Company for the Fifteen Months period ended on June 30, 2012 consists:

Non – Executive Directors

A. Independent

Mr. T.N.Chaturvedi

Mr. P.R.Tripathi

Mr. T.R.C.Bose

Dr. L Srinivasa Reddy

Mr. V. Murahari Reddy

B. Non-Independent

Mr. E. Ella Reddy (Relative of Promoter Directors)

Mr. E. Sunil Reddy (Promoter)

Executive Directors

Chairman & Managing Director

Mr. E. Sudhir Reddy (Promoter)

Whole-time Directors

Mr. R. Balarami Reddy

Mr. K. Ashok Reddy

b. **Attendance at Board Meetings and last A.G.M and details of memberships of Directors in other Boards and Board Committees.**

Six meetings of the Board of Directors were held on :

28th May, 2011, 13th August, 2011, 31st October, 2011, 12th November 2011, 14th February, 2012, 14th May 2012

The last Annual General Meeting was held on Saturday, the 26th September, 2011.

Name of the Director	Categories of Directorship	No. of Board Meetings attended	Attendance at last AGM	Directorship in other companies	No. of Committees held in other Public Limited Companies	
					Chairman	Member
Mr. E. Ella Reddy	NED	6	NO	1	NIL	NIL
Mr. E. Sudhir Reddy*	CMD	6	YES	10	NIL	1
Mr. E. Sunil Reddy*	NED	6	YES	12	NIL	1
Mr. T. N. Chaturvedi*	I & NED	1	YES	6	2	1
Mr. R. Balarami Reddy*	ED	6	YES	10	NIL	3
Mr. K. Ashok Reddy	ED	6	YES	9	1	NIL
Mr. T.R. C. Bose	I & NED	6	YES	8	NIL	5
Mr. P.R. Tripathi*	I & NED	5	YES	6	1	4
Dr. L. Srinivasa Reddy	I & NED	1	NO	3	NIL	NIL
Mr. V. Murahari Reddy*	I & NED	4	NO	1	NIL	NIL

*These directors held directorships in IVRCL Assets & Holdings Limited which got merged with the Company vide Hon'ble High Court order dated 2nd July 2012 w.e.f.01.04.2011

I & NED Independent & Non-Executive Director

NED Non-Executive Director

ED Executive Director

CMD Chairman & Managing Director

3. AUDIT COMMITTEE

A. Constitution: The Audit Committee has been constituted by the Board of Directors in accordance with the requirement of Section 292A of the Companies Act, 1956 and five meetings of the committee were held during the Fifteen Months period. The role of the Committee is as conceived under Clause 49 of the Listing Agreement as amended from time to time.

B. Composition, names of members and Chairperson:

The composition of the Audit Committee is as follows:

Chairman Mr. T.N.Chaturvedi

Members Mr. P.R.Tripathi

Mr. T.R.C. Bose

C. Meetings and Attendance:

Five meetings of the Audit Committee were held on 28th May, 2011, 13th August, 2011, 12th November, 2011, 14th February, 2012, 14th May 2012

Name of the Director	No. of meetings attended
-----------------------------	---------------------------------

Mr. T. N. Chaturvedi - Chairman	1
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Mr. T.R.C.Bose	5
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Mr. P.R. Tripathi	4
-------------------	---

Secretary to the Committee: Mr. B Subrahmanyam, Company Secretary

The Statutory Auditors and Internal Auditors of the Company were invited to join the Audit Committee Meetings for discussions on issues relevant to them.

4. COMPENSATION COMMITTEE:**A. The Composition of the Compensation Committee is as follows:**

Chairman : Mr. T.N. Chaturvedi

Members : Mr. T. R. C. Bose

: Mr. P. R. Tripathi

Secretary to the Committee : Mr. B Subrahmanyam, Company Secretary.

B. Meetings and Attendance:

No meeting of the Compensation Committee meeting was held during the Fifteen Months period ended on 30th June 2012.

C. Remuneration Policy:

i) The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and perquisites besides Employee Stock Options. Individual performance is measured through the half-yearly appraisal process.

ii) The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director. The other Executive Directors are compensated by way of salary, benefits, perquisites and allowances (fixed component) as decided by the Remuneration Committee and approved by the members from time-to-time.

iii) Sitting fees at the rate of Rs.20,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made.

iv) There is at present no other component of remuneration to non-executive directors.

The details of remuneration to all the Directors for the Fifteen Months period is as follows:

Pursuant to Schedule XIII of the Companies Act, 1956 - Part II, Section II, IC (iv)(2) the Disclosures are given here under

i) All element of remuneration Package

ii) Details of Fixed Component and variable Component

iii) Service Contracts notice period and severance fees are as approved by the shareholders of the Company in respect of the respective managerial persons.

iv) Stock option details if any as stated elsewhere in the Annual Report.

i) Non Executive Directors (sitting fee only)	(in Rupees)
Mr. E. Ella Reddy	120000
Mr. T. N. Chaturvedi	40000
Mr. T. R. C. Bose	220000
Mr. P. R. Tripathi	260000
Dr. L Srinivasa Reddy	20000
Mr. V. Murahari Reddy	80000
TOTAL	740000

(Excluding the sitting fees paid to Directors of IVRCL Assets & Holdings Limited now merged with IVRCL Limited)

ii) Managing / Whole-time Director(s) (No Sitting Fees)

Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	6000000	NIL	6000000
Mr. R. Balarami Reddy Executive Director-Finance & Group CFO	3000000	NIL	3000000
Mr. K. Ashok Reddy Executive Director	3000000	NIL	3000000
TOTAL	12000000		12000000

iii) Shares held by Non-Executive Directors as on June 30, 2012

Name of the Director	Numbers of Shares held	% of the Paid-up Capital of the Company
Sri. E. Ella Reddy	NIL	NIL
Sri. E. Sunil Reddy	2511010	0.94
Sri. T.N. Chaturvedi	4550	0.0017
Sri. P.R. Tripathi	NIL	NIL
Sri. T.R.C. Bose	NIL	NIL
Dr. L. Srinivasa Reddy	NIL	NIL

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

A The Committee consists of Mr. P. R. Tripathi, Chairman, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into the investor grievances coordinates with the Registrars & Transfer Agents, M/s. Karvy Computershare Private Ltd for redressal of grievances.

B Mr. B Subrahmanyam, Company Secretary is the Compliance Officer nominated for this purpose under Clause No. 47(a) of the Listing Agreement.

C Meetings & Attendance

Five meetings of the Investor Grievances Committee were held on 28th May, 2011, 13th August, 2011, 12th November, 2011, 14th February, 2012, 14th May 2012

Name of the Director	No. of meetings attended
Mr. P.R. Tripathi – Chairman	4
Mr. E. Sudhir Reddy	5
Mr. R. Balarami Reddy	5

During the year, the Company received 47 complaints and all the complaints were resolved to the satisfaction of the Investors.

6. REGULATORY COMMITTEE UNDER CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

A The Committee consists of Mr. T.N. Chaturvedi, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into all the aspects relating to Code of conduct including enforcement, imposition of penalties for any violation of the provisions of the Code and to amend or modify the provisions of the Code from time to time :

B. Mr. B Subrahmanyam, Company Secretary is the Secretary nominated for this purpose under the code of Conduct.

Meetings & Attendance

C. No meeting of the Regulatory Committee was held during Fifteen Months period ended on 30th June 2012.

7. EXECUTIVE COMMITTEE:

The Board reconstituted the Executive Committee with the following directors on 31.01.2005 with the following powers to consider and approve borrowings up to certain limits, as delegated from time to time; to approve joint ventures, to delegate authority to the functionaries as the business of the Company warrants; besides exercising such other power as are delegated from time to time.

Members:

- i) Mr. E. Sudhir Reddy
- ii) Mr. K. Ashok Reddy
- iii) Mr. R. Balarami Reddy

Powers:

1. The Committee is authorized to borrow monies upto a limit of Rs.50 crores besides the specific authority given to the committee from time to time in respect of specified projects;
2. To consider and approve joint ventures with other companies / firms for meeting the pre qualifications requirements and to strengthen the technical and financial capabilities.
3. To delegate authority to various officers to bid and/or execute the projects awarded to the Company and to deal with the clients.
4. To decide routine matters connected with the day to day running of the Company requiring the attention of the Board.

8 GENERAL BODY MEETINGS

A Details of location and time of holding the last three AGMs.

Year	Location	Date & Time
22nd AGM - 2009	Hotel Fortune Katriya, Somajiguda, Hyderabad	At 4.00 pm on September 9, 2009
23rd AGM - 2010	Hotel Fortune Katriya, Somajiguda, Hyderabad	At 12.30 pm on September 18 2010
24th AGM - 2011	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 pm on September 26 2011

The following special resolutions were passed at the 22nd Annual General Meeting of the Members of the Company held on 9th September, 2009:

- 1 To re-appoint Mr. E. Sudhir Reddy as Chairman & Managing Director and fix his remuneration.
2. To amend the IVRCL –ESOP 2007 scheme
3. To keep the Register of Members etc at the office of the Registrar & Transfer Agents to the Company.

No special resolution was passed at the 23rd Annual General Meeting of the Members of the Company held on 18th September, 2010:

No special resolution was passed at the 24th Annual General Meeting of the Members of the Company held on 26th September, 2011:

A Court Convened Meeting was conducted on 27th February 2012 seeking approval of equity shareholders for ;

"Composite Scheme of Arrangement between " *IVRCL LIMITED and IVRCL ASSETS & HOLDINGS LIMITED and RIHIM DEVELOPERS PRIVATE LIMITED and IVRCL TLT PRIVATE LIMITED and their Respective Shareholders and Secured Creditors*". The Scheme has been approved with requisite majority by the Shareholders as well as the secured creditors.

There have been no postal ballot resolutions passed during the Fifteen Months period and there is no proposal to conduct postal ballot for any matter in the ensuing Annual General Meeting.

9 DISCLOSURES:

- (i) Materially significant related party transaction with the Company Promoters, Directors, the Management, the Subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large have been disclosed in the accounts along with the financial impact of the same elsewhere in the Annual Report.
- (ii) There have been no major instances of non-compliance by the Company on any matters related to the Capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- (iii) The Company has no written whistle blower policy.
- (iv) The Company's financial statements are prepared as per Accounting Standards and the accounting principles generally accepted in India.
- (v) The pecuniary relationship or transaction with the Non-Executive Directors have been disclosed as part of transactions with key Managerial Personnel / relatives with in the annual report.
- (vi) Secretarial Audit:

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(vii) Risk Management :

The Board members are informed about the risk assessment procedures and these procedures are reviewed every month by the Chief Operating Committee which controls risk as detailed in the Management Discussion and Analysis which forms part of this Annual Report.

10. MEANS OF COMMUNICATION

The quarterly results are being published in English Newspapers like Economic Times, Business Standard and/or Financial Express having all India circulation and one in Vernacular language i.e. in Telugu. The quarterly results are also displayed on the Company's website www.ivrcl.com.

The gist of presentations made to the institutional investors or to analysts are also published on the Company's website. The Management Discussion and Analysis report is made a part of this annual report,

In compliance with the listing agreement the Company created a separate email id viz., in_grievances@ivrinfra.com for speedy redressal of investor grievances,

11 GENERAL SHAREHOLDER INFORMATION

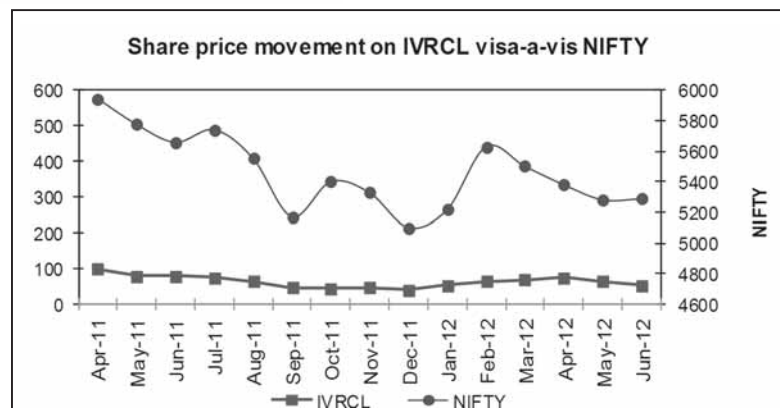
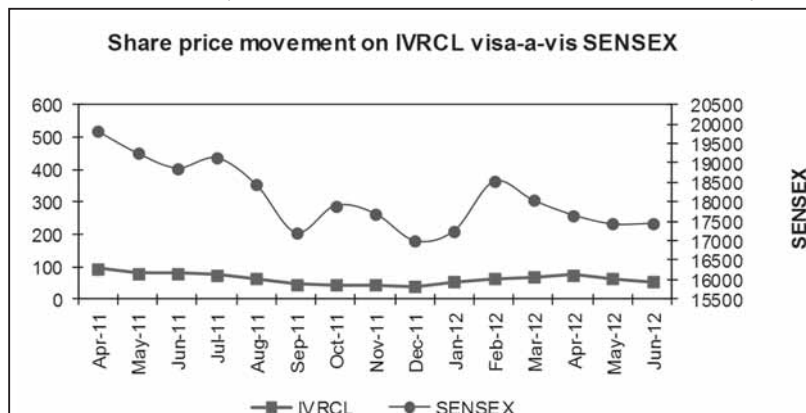
- | | | | | | | |
|---------------|--|---|---------------|--------------|------------|--------------|
| a. | 25 th Annual General Meeting | | | | | |
| | <ul style="list-style-type: none"> ● Date and Time ● Venue | <p>24th December, 2012 at 10.00 A.M.</p> <p>"K.L.N. Prasad Auditorium", Federal of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004.</p> | | | | |
| b. | Financial Calendar Year ended | June 30, 2012 | | | | |
| | Un-audited financial results for the quarter ending June 30, 2012 | N.A. | | | | |
| | Un-audited/audited results for the quarter / half-year ending September 30, 2012 | Will be published in November, 2012 | | | | |
| | Un-audited results for the quarter ending December 31, 2012 | Will be published in February, 2013 | | | | |
| | Audited results for the year ending March 31, 2013 | Will be published in May 2013 | | | | |
| c. | Book Closure: | From 19 th December, 2012, to 24 th December, 2012 (Both days inclusive) | | | | |
| d. | Dividend payment date | No Dividend has been recommended | | | | |
| e. | The equity shares of the Company are listed on | (i) Bombay Stock Exchange(BSE) Limited
(ii) National Stock Exchange of India Limited (NSE) | | | | |
| f. | Stock Code: | | | | | |
| | i) Trading Symbol at | The Bombay Stock Exchange,
Scrip Code: 530773

National Stock Exchange
IVRCLINFRA EQ | | | | |
| | ii) Demat ISIN Numbers in NSDL & CDSL | <table border="0"> <tr> <td style="padding-right: 20px;">Equity Shares</td> <td>INE875A01025</td> </tr> <tr> <td>Debentures</td> <td>INE875A07014</td> </tr> </table> | Equity Shares | INE875A01025 | Debentures | INE875A07014 |
| Equity Shares | INE875A01025 | | | | | |
| Debentures | INE875A07014 | | | | | |

Listing fees as prescribed has been paid fully to all the stock exchanges where the shares of the company are listed.

g. Stock Market Data :

Month	The Bombay Stock Exchange				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April -11	95.55	77.20	19811.14	18976.19	98.55	78.20	5944.45	5693.25
May- 11	79.50	64.85	19253.87	17786.13	79.00	64.65	5775.25	5328.70
June-11	78.90	62.60	18873.39	17314.38	78.90	61.25	5657.90	5195.90
July -11	74.60	61.90	19131.70	18131.86	74.60	61.60	5740.40	5453.95
Aug- 11	63.50	31.45	18440.07	15765.53	63.50	31.50	5551.90	4720.00
Sep-11	46.90	34.10	17211.80	15801.01	47.00	34.00	5169.25	4758.85
Oct-11	42.70	33.75	17908.13	15745.43	42.75	33.75	5399.70	4728.30
Nov-11	43.65	28.40	17702.26	15478.69	45.00	28.40	5326.45	4639.10
Dec-11	38.85	27.10	17003.71	15135.86	38.90	27.05	5099.25	4531.15
Jan-12	52.95	27.20	17258.97	15358.02	53.00	27.20	5217.00	4588.05
Feb-12	62.35	48.60	18523.78	17061.55	62.40	48.75	5629.95	5159.00
Mar-12	67.85	46.90	18040.69	16920.61	67.85	48.50	5499.40	5135.95
April-12	75.20	58.60	17664.10	17010.16	75.25	58.60	5378.75	5154.30
May-12	62.35	39.25	17432.33	15809.71	62.40	39.35	5279.60	4788.95
June-12	53.50	37.20	17448.48	15748.98	53.50	37.00	5286.25	4770.35



h. Registrar and Transfer Agents ;

M/s. Karvy ComputerShare Private Limited
 Karvy House, 46, Avenue 4,
 Street No. 1, Banjara Hills, Hyderabad – 34

I. SHARE TRANSFER SYSTEM

Application for transfer of shares held on physical form is received at the office of the Registrars & Share Transfer Agents of the Company. Share Transfer Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the time prescribed under the Listing Agreement / SEBI Guidelines.

Shares held in dematerialized form are electronically traded in the Depository and the Registrars & Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants etc.,

J I. DISTRIBUTION OF SHAREHOLDING AS ON 30.06.2012

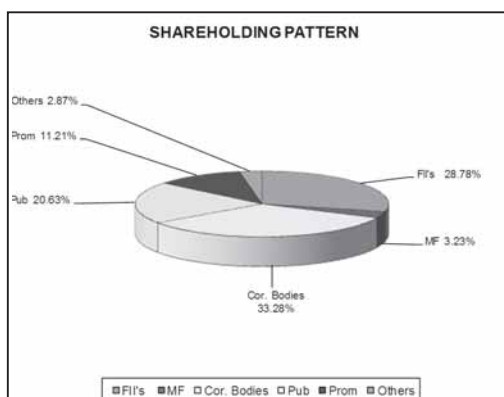
Category (Amount)	Shareholders		Amounts	
	Number	% to Total	Number	% to Total
Upto – 5000	146480	97.59	34931343	13.08
5001 - 10000	1985	1.32	7359352	2.76
10001 – 20000	852	0.57	6304901	2.36
20001 – 30000	214	0.14	2668061	1.00
30001 – 40000	119	0.08	2123347	0.79
40001 – 50000	79	0.05	1813690	0.68
50001 – 100000	153	0.10	5441983	2.04
100001 and above	221	0.15	206367181	77.29
TOTAL	150103	100	267009858	100

ii. Capital Build Up during the financial year

Particulars	Nature of Allotment	No. of shares of the face value of Rs.2/- each	Aggregating to Rs.	Date of the listing and trading permission
Capital at the beginning of the year		267009858	5340197156	N/A
Allotments made during the year:	NIL	NIL	NIL	NIL
Capital at the end of the year		267009858	534019716	

iii. Shareholding pattern as on 30.06.2012

Category	Total No. of Shares	Percentage of shareholding
Promoter's Holding		
India Promoters	29927938	11.21
Non Promoter Holding		
Institutional Investors		
Mutual Funds	8625630	3.23
Financial Institutions / Banks / Insurance Companies	1946508	0.73
Foreign Institutional Investors	76832426	28.78
Sub Total	87404564	32.74
Others		
Private Corporate Bodies	88851929	33.28
Indian Public	55079516	20.63
Non Resident Indian	3269395	1.22
Others	2476516	0.92
Sub Total	149677356	56.05
Grand Total	267009858	100.00



iv. Instruments outstanding as on 30th June, 2012 and are liable for conversion into shares :

Scheme of Arrangement:

According to the Scheme of Arrangement the Shareholders of IVRCL Assets & Holdings Limited will receive five fully paid up equity shares of Rs. 2/- each in IVRCL Limited for every six shares of Rs. 10/- each held. On approval of the scheme of Arrangement by the High Court the Company will allot 39876790 equity shares to the shareholders of IVRCL Assets & Holdings Limited whose names are registered in the register of members of IVRCL Assets & Holdings Limited on the Record Date 17th August 2012. The company allotted the aforesaid shares in terms of the scheme on 22nd August 2012

IVRCL ESOP 2007

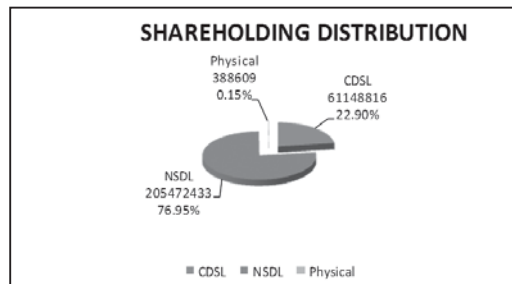
The shareholders of the company, in the 20th Annual General Meeting held on 7th September 2007 (as amended in the 22nd AGM held on 9th September 2009) approved to issue upto 4,200,000 options convertible into 4,200,000 equity shares of nominal value of Rs.2/- each at one option liable to be converted into one share of Rs.2/- each at a

price which is 50% of the closing price recorded on National Stock Exchange of India Limited on the date of the such grant on such terms as may be specified by the Board of Directors of the company. The Company has not granted any options out of IVRCL ESOP 2007 scheme to any employee, as on date.

k. Dematerialization of shares and liquidity:

Shares of the Company can be held and traded only in Electronic form on Stock Exchanges. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialized form only, by all investors from 26th June 2000 99.85 percent of the shareholdings have been dematerialized as on 30.06.2012. Shares of the Company are actively traded in The Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, and hence have good liquidity.

During the year, the Company received 47 complaints and all the complaints were resolved to the satisfaction of the Investors



l. Listing of Debt Securities

The redeemable Non-Convertible debentures issued by the company are listed on the Wholesale Debt Market (WDM) of National Stock Exchange of India Limited (NSE).

m. Debenture Trustee (For Private Placed Debentures)

IDBI Trustee-ship Services Limited,
Ground Floor, Asian Building, 17, R.Kamani Marg, Ballard Estate, Mumbai – 400001.

n. Compliance With Clause 49.

Mandatory Requirements

The Company Complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement and is also submitting a quarterly compliance report duly certified by compliance officer of the Company to the stock exchanges with in the time prescribed under regulations.

Non-Mandatory Requirements

The Company did not adopt Non-mandatory requirements.

o Code of Conduct for Directors and Senior Management:

A copy of the Code has been put on the Company's website www.ivrcl.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below:

DECLARATION

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the Fifteen Months ended 30th June 12:

E.Sudhir Reddy
Chairman & Managing Director

p Address for Correspondence:

Investor's Correspondence :
Physical / Electronic Mode :
M/s. Karvy Computershare (P) Ltd.
H.No. 17-24, Vittalrao Nagar Near Image Hospital, Madhapur,
Hyderabad - 500081

Shareholders General Correspondence

"IVRCL Limited"
"MIHIR" 8-2-350/5/A/24/1-B & 2
Road No.2, Panchavati Colony
Banjara Hills HYDERABAD – 500 034

The Company is operating from various work sites spread throughout the country and the operations are controlled by the Corporate Office at "MIHIR" 8-2-350/5/A/24/1-B & 2, Panchavati Colony, Banjarahills, Hyderabad-500 034 and through various Regional Offices at :

- | | |
|---|--|
| <p>(i) Ahmedabad :
314 & 315, 3rd Floor, Campus Corner-II,
Opp: Prahlad Nagar Garden 100 Feet Road,
Prahlad Nagar
AHMEDABAD – 380 015</p> | <p>(v) Kolkata:
Akash Towers, Unit 3A, III Floor,
781, Anandpur
KOLKATA - 700 107</p> |
| <p>(ii) Bangalore
Prosperity', No. 438, 1st Floor
18th Main, 6th Block, Koramangala,
BANGALORE – 560 095</p> | <p>(vi) Pune:
"IVRCL" House", 35
Suyojana CHS Koregaon Park
PUNE – 411 001.</p> |
| <p>(iii) Chennai :
No. 30A, South Phase
6th Cross Road ThiruviKa, Industrial Estate
Guindy CHENNAI - 600032</p> | <p>(vii) Visakhapatnam:
D.No.50-01-41/B, 2nd Floor
ASR Nagar, Seethammadhara
VISAKHAPATNAM – 530 013</p> |
| <p>(iv) Delhi :
CORENTHUM
A-41, Tower – B, 1st Floor
LOBE – 4, Sector - 62
Noida - 201 307</p> | |

AUDITORS'S CERTIFICATION ON CORPORATE GOVERNANCE

To the Members of IVRCL Limited

We have examined the compliance of conditions of Corporate Governance by IVRC Limited for the fifteen months ended on June 30, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit not an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the managment has conducted the affairs of the Company.

for **CHATURVEDI & PARTNERS**
Chartered Accountants

Hyderabad
August 29, 2012

R. N. Chaturvedi
Partner
(Membership No. 092087)



ECONOMY OVERVIEW

In 2011-12, the Gross Domestic Product (GDP) growth was 6.5 %, a sharp decline from last year's 8.6 %. The Indian economy is punching below its weight. The real danger is that the trend for growth in the near future will return to a trajectory of around 6-7 %, a new Hindu rate of growth, the level at which it hovered through most of the 1990s and early 2000s. This is the decade in which we should have hit 10 percent. But that did not happen and the Indian economy continues to be on a downward trend.

The decline in the growth rate has slowed down the rate of revenue collection of the Government. Its rate of expenditure has remained steady, given the government's commitment to massive subsidies and ambitious welfare programmes. The gap between expenditure and revenue is unhealthily high. The Government cannot afford to live beyond its means.

INDUSTRY OVERVIEW

The perennial need for infrastructure development makes this industry the biggest beneficiary among others. Nearly 11% of India's GDP is invested in construction sector. The Planning Commission of India has projected that investment in infrastructure is expected to double at ` 57,05,661 crores in the 12th Plan (2012-17), compared to ` 28,61,180 crores in the 11th Plan (2007-12). This mammoth investment towards developing roads, railways, bridges, power, transmission lines, ports, airports and other basic infrastructure would provide a huge momentum to the infrastructure industry as a whole. This sector has been registering double digit growth during the last few years and its share as a percentage of GDP has increased considerably as compared to the last decade.

Despite the slowing economy and low growth in the last fiscal, order inflows in the infrastructure industry registered a healthy growth this year, albeit this was not reflected in the revenues and profitability due to execution delays and rising cost of construction inputs. Nevertheless, considering the strong order backlog, the next fiscal could bear lot of fruits for the industry, provided execution remains on track.

SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

WATER

The Infrastructure Industry in the country is witnessing a growing demand in the water and environment sector which has tremendous opportunities. The Central Public Health and Environmental Engineering Organization estimates an investment requirement of ` 1,73,000 crores for meeting 100% coverage of safe water supply and sanitation services by 2021 in the country. The Jawaharlal Nehru National

Urban and Rural Management (JNNURM) allocations for water related projects are the highest.

Currently, only 75% of the rural population and 85% of the urban population have access to public water supplies. However, municipal agencies in many Indian towns and cities are unable to increase their water supply capacities to match population growth, especially in the urban areas. The water requirement for industrial use alone is expected to quadruple from the current 30 billion cubic meters to 120 billion cubic meters, by 2025.

Growing urbanization has also resulted in large scale increase in pollution in cities all over the country which has led to growth of Water Treatment Plants for abatement of growing pollution in the river water sources. The company is at the forefront in harnessing the potential of water treatment and has taken a giant leap in this arena.

Some of the remarkable projects completed in Water Sector during the year include:

- JBIC Assisted Kerala Water Supply Project - Contract Package 2 - Treated Water Transmission Main and Associated works - Cherthala Scheme.
- Mumbai Water Supply Project- Construction of India's largest 140 ML Master Balancing Reservoir and Associated works at Bhandup Complex for Mumbai Municipal Corporation.
- Infrastructure Development works for Greater Visakhapatnam Municipal Corporation (Visakhapatnam).

Some other significant on-going projects are:

- Sripad Sagar, Stage-II, Phase-I for development of about 2 lakh acres of Ayacut in Karimnagar dist., A.P. for I & CAD
- Detailed Engineering, Manufacturing, Supply, Erection, Testing & Commissioning of Pump - Turbine, Generator - Motor & Associated Equipments for Koyna Left Bank Power Station (2x40 MW)
- Construction of Tunnel from Gundovalvi to Bhandup Complex in Mumbai (Joint Venture)
- Replacement of Two 1800-mm dia riveted Tansa Mains from Tansa to Tarali by one 2750-mm dia M.S. welded Pipeline from Jamboli to Chinchavali for Municipal Corporation of Greater Mumbai (MCGM)
- Hogenakkal Water Supply and Fluorosis Mitigation Project Package I & II for TWAD Board, Tamil Nadu
- Survey, Investigation, Design, Construction, Testing & Commissioning of Sewerage works in District of Allahabad for U.P. Jal Nigam

- Construction of Intake well-cum-raw water pump house, rising mains, WTP transmission mains to different UGRs and ESRs construction, UG reservoirs, distribution networks for Ranchi Water Supply Project under JNNURM Scheme
- EPC of River Water System comprising of all Civil, Structural and Mechanical works for 2x600 MW Coal Based Kali Sindh Thermal Power Project, Jhalawar for Rajasthan Rajya Vidyut Utpadan Nigam Limited (RRVUNI).
- Bulk water transmission pipe line projects from Narmada Canal under NC-28, NC-33 package.
- Construction of Pumping Station for Kutch branch canal (PS1) - Gujarat.

IRRIGATION

Over the last century, the global population has tripled, and water consumption has increased three times. Water use in India is no exception to this general trend. The main cause of the increase are growing population and rising food demand. In an agrarian economy like India, the importance of water for agricultural productivity hardly needs any emphasis. India faces the herculean task of increasing its food production by over 50 percent in the next two decades, and reaching towards the goal of sustainable agriculture requires a crucial role of water. Empirical evidence suggests that increase in agricultural production in India mostly has taken place under irrigated conditions; close to three fifths of India's grain harvest comes from irrigated land.

Over 70% of India's population lives in villages with farming as their main source of livelihood. It's unfortunate that, even today, the water required for drinking and irrigation is inter-linked and is at the mercy of monsoons. In the past two decades, low rainfall and lack of irrigation facilities resulted in exodus of close to 20 % of rural agriculture workers to cities in search of livelihood.

The Government is investing substantially in flow (canal) irrigation methods to alleviate the perennial water crisis. It's also a proven fact that surface water irrigation is more dependable than ground water based systems (such as open wells or bore wells). There are more benefits from canals and they are not just looked as mere transporters of water. IVRCL continues to actively pursue major irrigation projects across the country. Employing state-of-the-art technology, we strive to transform rural lives and landscapes.

Some of the remarkable projects completed/under execution in Irrigation Sector during the year include:

Gravity Canals:

1. Telugu Ganga Project: The Project is envisaged for

creating irrigation potential to 96,000 acres of land in Kadapa District for Govt. of AP and comprises of Right & Left Canals in addition to Gundamrajupalli & Obulam Branch canals.

2. Indira Sagar Project - Phase III: This project is under Narmada valley Development Authority, Madhya Pradesh and aims at creating irrigation potential of 50,904 acres. The alignment of the main canal of this project runs through most vulnerable terrain comprising of deep valleys and tall hills. Hence there are major aqueducts covering the valleys and tunnels for negotiating the hills. In the first reach, the canal alignment passes over the hills.

Lift Irrigation Systems:

1. Koilsagar Lift Irrigation Scheme: Koilsagar Project was originally constructed as a medium Irrigation Project in Mahbubnagar District. A lift Irrigation Scheme is now proposed to lift 3.9 TMC of water from fore shore of Priyadarshini Jurala Project in two stages to bolster its performance by filling up the Koilsagar Project thereby stabilizing the ayacut of 12000 Acres (including a gap ayacut of 7500 Acres) and to irrigate an additional ayacut of 38250 Acres totally 50250 Acres upto date under this project. The Scheme in its entirety envisages lifting of water from the fore shore of Jurala Project to a total Height of 120 M - 58M in first stage and 62M in second stage and installing 4 Nos. of 7.5 MW heavy duty pumps and motors.
2. Punasa Lift Irrigation Scheme: Punasa Lift Irrigation Scheme is located in Khandwa district, 52 KMs away from Khandwa Town near Chandel Village. The Project is envisaged to develop a new command area under Indira Sagar Project, by lifting the water to elevated fields, which are uncommendable reaches under gravity flow.

Present Scope of work: It is now proposed to lift water directly from the ISP reservoir and irrigate about 86, 507 acres of low rain fed area, the levels of which varies between +262.13 m to +324.00 m requiring three stages of lifts from Indira Sagar Project Reservoir.

In the 1st stage of the scheme, 6 cumecs of water is proposed to be lifted from the Jack well through a proposed rising main of 2100 MM dia pipe and stored in the Balancing Reservoir No. 1, which is constructed near Bhadlikera Village. The capacity of the proposed Balancing Reservoir No. 1 is about 6.4 M Cum with LWL at +274.00 m, MWL at +284.00 M and TBL at +286.00 M. Under this balancing reservoir No. 1, it is

proposed to develop totally 31,176 acres of land covering 19 Villages above RHS side of ISP canal and 31,175 acres in 22 villages below ISP Canal.

We received incentive from the department for early completion of this project.

3. Pranahita-Chevella Lift Irrigation Package-9:

Dr. B.R.Ambedkar Pranahitha-Chevella Sujala Sravanthi Lift Irrigation Scheme envisages to irrigate 16,40,000 acres of command area in the drought prone areas of Telangana region covering 7 districts duly diverting about 160 TMC of surplus water from River Pranahitha.

Scope of Work:

The work under Package-9 involves lifting of 6 TMC of water from fore shore of Mid Manair Reservoir near Sirsilla (V&M) to Upper Manair Reservoir near Nirmal (v) Gambhirao Pet (M) of Karimnagar district consists of two stages of lifts. The package is proposed to take off from the foreshore of Reservoir to lift of 6.0 TMC of water to the proposed new Reservoir, including Execution of Approach Channel, Lined Tunnel, and Construction of Pump House, Surge Pool, Pressure Main, Delivery Cistern and dropping into the formation of new reservoir.

The quantum of 6.00 TMC of water is proposed for Lifting from +309.00 of reservoir (FRL +318.00) to Construction of another new reservoir at FRL +421.00 in 120 days with a discharge of 16.00 Cumecs.

4. Pranahita-Chevella Lift Irrigation Package-20:

The objective of the scheme is to divert about 160 TMC of waters from river Pranahitha to irrigate an ayacut of 12,20,000 Acres in the draught prone areas of Telangana region.

The Package- 20, is part of seventh link i.e., from SRSP Reservoir to Balancing Reservoir near Masani (V), Nizamabad Mandal & District.

Scope of Work:

Detailed Investigation, Preparation of designs, drawings, estimates, land plan schedules and, excavation of water conveyor system to lift 25 TMC of water in 120 days associated with Civil, Hydro-mechanical and Electro-mechanical works including other allied works such as.

- Drawing of 25 TMC of water from foreshore of SRSP Reservoir in 120 days.
- Gravity lined canals for a length of about 30 km with a

discharge capacity of 70 cumecs up to Balancing Reservoir near Masani Village Nizamabad (M & Dist.).

- CM & CD works for gravity canals.
- Lifting of 25 TMC of water with static head of about 78 Mtr.

Dams & Reservoirs:

1. Lower Goi Dam Project: The Lower Goi Project is located in the tribal areas of District Barwani of Madhya Pradesh State. The project scope includes construction of a gravity dam with earthen bunds on both side and concrete NOF & OF sections, having maximum height of 42 m in the gorge portion and spanning to a total length of 2,260 m. The central portion will be sufficient to allow a smooth discharge of 12026 cusecs of flood water. This dam is designed with 9 noses of hydraulically operated gates of 12 m x 12 m. The project also envisages the development of irrigation potential of 32,767 acres of ayacut through its right canal.

2. Mid Manair Project:

The objective of the project is construction of balance work of formation of Mid Manair Reservoir from Km2.000 to km10.400 (across Manair river) including construction of spillway, NOFs, R/s. O.T.Sluice and Infall regulator etc., to facilitate impounding a minimum of 25.873 TMC of water at F.R.L. of + 318.00 M on completion of total head works and to discharge a maximum design flood of river Manair of 14395 Cumecs (5.08 Lakh Cusecs).

The scope of the present work is

- Conducting balance detailed investigation, surveys, sub-soil and Geological exploration
- Design – Engineering
- Preparation of Estimates
- Preparation of land plan schedules and Land acquisition proposals for balance works.
- Construction of Civil works and supply, fabrication and erection of gates, (No.of gates : 25, size of gates 12.00*9.05mts. as per approved drawings of CE/CDO) , hydraulic hoisting arrangement suitable to operate the gates for all conditions.

The Project components involved in the contract are

1. Spill way with ancillary works
2. Instrumentation for spillway, NOFs and Earth Dam.

3. Radial gates with hydraulic hoist arrangements and provision of one additional moving 50T rope drum equipment.
4. Stop log gates with hoisting arrangement, gantry crane etc.
5. Vertical Gates with Rope drum hoist for R/s O.T.Sluice & Infall Regulator.

BUILDINGS & INDUSTRIAL STRUCTURES

The development of a nation and the need for urban infrastructure go hand-in-hand. The McKinsey report on world urbanization forecasts that by 2025, there would be 600 more cities in the world and two-thirds of them would be in India and China. This indicates a great thrust for infrastructure facilities as towns and 'urban areas' turn into large Cities in about 13 years from now.

Migration, growing traffic and increasing demand for civic amenities has made it imperative to modernize India's urban infrastructure. A large demand for high rise office & residential buildings, and mixed-use development is evident from the rising demand for space as per the requirement of buyers. As land grows scarce in cities, buildings are growing taller and more complex in design. This creates demand for more engineering skills in building construction. IVRCL is engaged in design and construction of multi-storied towers, housing projects, elevated metro stations, educational institutions and commercial complexes.

Industrial growth is largely captured in the performance of core industries and IVRCL is always at the forefront in construction of industrial structures for large corporations and governments. The company's rich expertise exuberates in every accomplished project and it will soon offer the entire gamut of heavy industrial construction solutions.

Major works completed by the Company during the year:

- Construction of 6 elevated Metro Stations for Bangalore Metro Rail Corporation Limited (BMRL)
- Construction of 5552 EWS Houses (Composite work) with cost effective technologies for mass housing at Baprola, Delhi.
- Construction of Regional Hub for National Security Guard, Kolkata.
- Construction of Hostel Block - I in the premises of IISER, Pune.
- Construction of Cardio Vascular & Cardiology Department Extension, CSJM Medical University campus, Lucknow.
- Construction of Residential Staff Quarters & Guest

House and 2nd & 3rd Boys Hostels at ABV - Indian Institute of Information Technology & Management, Gwalior, (M.P)

- Construction of Factory, Admin Building, Facility Building and other related Civil works for SEEDS Intimate Apparel India Pvt. Ltd. at Visakhapatnam.

Among the major residential, institutional and technical building projects awarded to the company and currently under execution are:

- Complete External Coal Handling System (ECHS) for Gujarat for Coastal Gujarat Power Limited (CGPL) at Mundra Port, Gujarat
- Complete Coal Handling Plant package for Super Thermal Power Project, Stage- HI(2x500 MW) at NTPC-Rihand
- Construction of CIDCO Exhibition Centre including Civil, Interior & Site Development works at Vashi, Navi Mumbai
- Civil & Structural for Coke Drum Area of Coker Unit of Paradip Refinery Project in Orissa for IOCL
- Construction of 285 towers housing 4513 flats with a built up area of about 4,00,000 sft spread in 67 acres in the heart of Hyderabad, Chitrapuri, for A.P. Cine Workers Co-operative Housing Society Limited (APCWCHSL)
- Extension of Bihar Vidhan Sabha building for Bihar state government.
- Valsad new civil hospital & medical college building.
- 120 MLA Quarters in Hyderabad, AP

POWER

Power has become an integral part of life and a single moment without it can't be imagined. Its use is seen in wide array of activities ranging from simple domestic ones to complex industrial ones. The need for power is eternal and this sector throws many growth opportunities. India's power market is the fifth largest in the world, possessing a vast opportunity for growth in the field of power generation, transmission and distribution. This has called for some strategic initiatives by the government like Ultra Mega Power Projects initiative, development of hydro power, national grid for power transmission, rural electrification, solar & wind power etc.

To grab a chunk of this immense opportunity in power transmission and distribution, IVRCL is geared to continue executing landmark projects in cross country transmission lines, substations, distribution systems and railway traction

works. IVRCL is steadily emerging as a leading player in this sphere, undertaking ambitious projects that promise to brighten the lives of our people and empower the nation. The company's innovative construction and erection methodologies, adoption of latest technology, strict adherence to quality and safety standards gives it a competitive advantage in the Power sector.

The Company has completed the following remarkable projects in this sector:

- Supply, erection and commissioning of 132 KVD/C Sewa-II, Hiranagar Transmission Line package in Jammu & Kashmir for PGCIL
- Package-A of Madurai - Trichy 400 KV D/C Line at Karaikudi associated with System Strengthening - VII in Southern Region for Power Grid Corporation of India Ltd. (PGCIL)
- Tower Package (Package- A1) for 765 KV (2nd Circuit) S/C Seoni – Nandanwadi Transmission Line, associated with Western Region System Strengthening Scheme - II for PGCIL

Some of the on-going projects in the Power Division during the year are:

- 400 KV Silchar – Imphal Line (A2 Pkg) (Assam) – interconnecting Transmission Line, including river-crossing towers for PGCIL.
- 400 KV Silchar – Merlihat Line (A3 Pkg) (Assam) – interconnecting Transmission Line, including river-crossing towers for PGCIL.
- 400 KV D/C Quad Line for Northern Region Strengthening Scheme (NRSS) Bhiwandi (150 kms)
- 765 KV Angul Pooling Station to Jharsuguda Pooling Station Line 1 (Part 1) in Odisha.

TRANSPORTATION

Roads:

With an extensive road network of 33,00,000 kilometers, India is the second largest in the world. National Highways Authority of India (NHAI) plans to build 3600 km road for financial year 2012-2013. It is granting BOT concessions to private entities to make it more conducive for private players to play a major role in the development of highways.

Some of the remarkable projects undertaken by the company:

- Bhoppur – Mukerian National Highway project – This project entailed 4 – laning and strengthening of existing 2 – lane road on NH – 1 A in Punjab.
- NS – 40 (TN), National Highway Project – The project

covers 4 – laning and strengthening the existing 2 – lanes of NH – 7 from Madurai – Kanyakumari.

- Kondalamapatti Interchange – an engineering marvel with 2619m via duct length, 2nd biggest of its kind in Tamil Nadu.

Railways:

The world's fourth largest rail network and the second largest in Asia, Indian Railways' 63000 route kilometers is the backbone of the socio-economic growth of India. The annual Plan of 2012-13 envisages the highest-ever planned investment in the railways at ` 60,100 crores which is more compared to previous year's ` 57,630 crores. 725 km new lines, 700 km doubling, 800 km gauge conversion and 1100 km electrification targeted in 2012-13. ` 6,872 cr provided for new lines, ` 3,393 crores for doubling, ` 1,950 crores for gauge conversion, ` 828 crores for electrification. Capacity for speedy implementation of mega projects like the Dedicated Freight Corridor (DFC) project and setting up of new manufacturing units with private investment are also areas of priority for the Railways.

World Bank funding of ` 6,500 crores firmed up for dedicated freight corridors; land acquired for 3,300 km; first contracts to be handed out during 2012-13. Electrification has to be undertaken over 6,500 km at an allocation of ` 8,000 crores during 12th Plan. Thirty-one projects over 5,000 km being implemented with state governments sharing costs.

IVRCL's versatility was on display when we undertook the Solapur – Mohol BG Railway Line project for Rail Vikas Nigam Ltd. The project involves bed formation, blanketing, bridges, ballast supply, sleeper laying, P-way, track laying, signaling, telecommunications set-up, OHE works etc.

In another project underway for RVNL, we are executing the construction of roadbed, major and minor bridges, track lining S&T and General Electrical Works for Ajmer Division of North Western Railway in Rajasthan and Gujarat.

TRANSMISSION LINE TOWER (TLT) FACTORY

A fabrication and Galvanization Unit, Butibori, Nagpur

The Transmission Tower Manufacturing unit installed by IVRCL LIMITED at MIDC, Butibori, Nagpur (since demerged into wholly owned subsidiary, IVRCL TLT Private Limited) with an installed capacity of 36,000 MT per annum and has been certified by International Standards Certifications Pty. Ltd (ISC) for Integrated Management System (IMS). The unit's phenomenal success over the years is largely due to our strict adherence to International Quality Standards ISO 9001, Environmental Standard ISO 14001 & OHSAS 18001. A rigid and thorough system of IMS is an integral part of the

manufacturing process, project management, operations and supply. This manufacturing unit is equipped with world class testing facilities.

Clientele: PGCIL, NTPC, UPPCL, MSETCL, BSEB, JSEB, GTL, Northern Railways, Vodafone, KPTCL, TNEB, HEL, Sterlite, Simplex, Alan Dick (United Kingdom) etc.

DESIGN DEPARTMENT

The Design department is IVRCL's time tested strength in executing turnkey projects. Drastic changes in the global arena and the resulting space constraints made 'Effective design' the need of the hour. Our in-house Design Division has always played a pivotal role in enhancing our engineering capabilities and efficiencies. It has design solutions for the complex structural problems.

This year, Design department crossed another milestone by creating an in-house "Geo-technical division" that acts as a sheet anchor for all subsurface analysis. The projects undertaken by the division are:

- 1) Geo-technical investigation: This aids in pre-engineering investigation through a laboratory set-up and in turn helps in obtaining the most competitive offer from the client.
- 2) Reinforced soil walls with Gabion facia: This is a technology developed by IVRCL and can be customized as per the client's requirement.
- 3) Soil stabilization for highway sub-grades: In an ongoing road project of ours, we have encountered a large stretch of black cotton soil. Rather than resorting to the traditional method of replacing the soil, we are trying to make it conducive for construction by using a chemically treated composition of lime and fly ash. This helps us in saving manpower, material and time. Going forward, this initiative from IVRCL will become an industry benchmark in such projects.
- 4) Reinforced embankments to reduce the right-of-way requirement: This technology is currently used in one of our road project. This brings down the amount of land procured and reduces excavation time and cost, thus offers an efficient way of road construction with optimum utilization of resources.

MECHANICAL DEPARTMENT

The upkeep, maintenance, repairs, dismantling, shifting and erection are the main functions of our Mechanical Division. They track the production of each of our construction and engineering equipment such as Hot Mix Plants, Crushing Plant, Batching Plant, Excavators, Loaders, Dozers, Graders, Soil Compactors, Backhoes, Tippers, Transit Mixers, Cranes,

Concrete Pumps, Tandem Rollers and Pneumatic Rollers. The Mechanical Division deploys 540 trained employees. Four zonal workshops - Patancheru (near Hyderabad), Indore, Patalaganga (Mumbai) and Delhi - look after repairing, refurbishing, staging and shuttering activities.

Procurements by Mechanical department in 2011-12:

- Plant & machinery (mostly mining) equipment.
- Ex1200 excavator, the biggest capacity machine working in a mining project.
- Hyva tippers – 10 nos.
- Drilling equipment – Boomers and short grid equipments.
- Equipment for international projects in Sri Lanka and Nepal.

IVRCL ASSETS & HOLDINGS LIMITED (IVRCL A&H)

IVRCL A&H - a former subsidiary company, and one of India's largest infrastructure assets developers with diverse sectors like highways, water and environment, urban infrastructure, oil & gas and housing - is now merged with IVRCL LIMITED.

IVRCL A&H has an array of end-to-end capabilities in project management and service offerings across the value chain ranging from conceptualization to commissioning, which with the merger the parent company will have all the capabilities at their disposal henceforth.

OVERSEAS FORAYS

Considering the good prospects available internationally, IVRCL expanded its business to Nepal, Sri Lanka, the Middle East and Africa. IVRCL continues to seek international opportunities and is trying to take maiden steps in emerging overseas markets to mitigate risks and ensure that the contribution in turnover of the company from overseas business is maintained in coming years and eventually reaps profitable growth in the long term.

In Nepal, IVRCL is involved in constructing the 32-MW Rahughat Hydroelectric Station. The site is located along Pokhara Baglung highway, about 334 km west of Kathmandu.

In Sri Lanka, IVRCL is proud to be a part of their new progress initiatives. The company is constructing 4100 units for relocation of under-served settlements in Colombo. Initiated by the Government of Sri Lanka, through their Urban Development Authority (UDA), this colossal project is presently underway.

HINDUSTAN DORR – OLIVER

A leader in the industrial EPC market, Hindustan Dorr-Oliver

Limited (subsidiary of IVRCL), has been providing state-of-art technology solutions to its clients for about 7 decades now. It has come a long way from its humble beginnings as a supplier of proprietary solid-liquid separation equipment to being a major Engineering EPC player, assimilating new technologies and providing the best, most cost effective and integrated turnkey solutions. Now HDO is a leading LSTK (Lump Sum TurnKey) company in India offering world-class engineering solutions to meet industry requirements.

The company has recently won a ₹180 crores order for the supply of 'field instrumentation package' for the 2x700 MW 'pressurized heavy water reactors' of the Rajasthan Atomic Power Plant. This is the largest order secured by the company from the nuclear field.

DAVYMARKHAM LIMITED, U.K.

DavyMarkham, the engineering design and manufacturing specialist, has its unit in a 20-acre site with 175000 sft of manufacturing space. It's located at the industrial city of Sheffield, a metropolitan borough of South Yorkshire, England, UK. With 200 full-time employees and an annual turnover of ₹180 crores, it's a wholly owned subsidiary of HDO.

DavyMarkham is a 180-year old company engaged in manufacturing, fabrication and machining of heavy and complex engineering components and assemblies. The company is able to handle extremely large turnkey projects, utilizing their expertise in hydraulics, controls, engineering, installation and servicing. It also has the capability of moving individual structures weighing up to 350 tonnes.

DavyMarkham has secured an import contract for the supply of two heavy-duty mining hoists to Volcan Compania Minera of Peru. The value of this work is ₹30 crores. Once installation of DavyMarkham's hoists is complete, the Volcan Compania Minera mine will produce an estimated 4,000 tonnes per day from depths of up to 970 metres. Peru occupies a strong position in the global production of gold, silver, lead, copper and zinc and market experts believe it could soon become the mining industry leader in Latin America.

DavyMarkham recently completed another mining project in Canada, designing, manufacturing and installing three hoists weighing a combined 470 tonnes for the Lalor Mine Project in rural Manitoba as part of contracts worth ₹90 crores.

ALKOR PETROO LIMITED

Alkor Petroo limited (Alkor) is a subsidiary of IVRCL LIMITED engaged in Oil & Gas Exploration & Production. It works in association with Gujarat State Petroleum Corporation Limited

(GSPCL) and two other partners.

Alkor has five exploration blocks along with GSPCL and others, of which, three blocks with participating interest of 25% each in the Republic of Yemen and two blocks with participating interest of 20% each in Arab Republic of Egypt.

RISKS & CONCERNS

The infrastructure industry everywhere faces problems and challenges. However, in developing countries like India, these difficulties and challenges are present alongside a general situation of socio-economic stress, chronic resource shortages and institutional weaknesses. Compared with many other industries, the infrastructure industry is subject to more risks due to the unique features of construction activities such as long gestation period, delays due to external factors, complicated approval and supervision processes, uncertain environment, extended working capital, design variations, lack of coordination between project participants, shortage of unskilled/semi-skilled & skilled labor, land acquisition problem, occurrence of disputes, local political agitation and price inflation of construction inputs.

IVRCL embarks on a systematic approach to identify the risks and analyze the likelihood of occurrence and impact of these risks. These risks pertain to contractors, clients, even government bodies, subcontractors, suppliers and external issues. We endeavor to work from the feasibility phase onwards to address potential risks in time and also deploy people with construction and management knowledge from the inception to make sound preparation for carrying out safe, efficient and quality construction activities.

At IVRCL, risk avoidance and risk management for projects is handled by the Project Monitoring Cell (PMC), which monitors the on-going projects at all sites across the country on a regular basis combined with frequent visits to work sites. The PMC reports on the progress of projects. It also reports any perceived risk of a project to the Chief Operating Committee (COC) comprising senior management members of the company. The COC in turn accesses projects associated with such risk perception and initiates prompt action to avoid or mitigate any such risks.

To minimize risk, IVRCL chooses its projects discreetly, diversifies in various sectors, expands in geographies and strategically deploys men, machinery and capital. IVRCL is also undertaking fast-track short duration projects to avoid the risk associated with long gestation projects.

Over the years, IVRCL has proven its risk management skills. It has also put in place risk management policies, which are periodically reviewed and revamped by the Audit Committees as well as Board of Directors. With its

perseverance, IVRCL has been able to shoulder the challenges and emerge as a successful player in infrastructure industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

IVRCL maintains an effective system of internal control to:

- Facilitate accurate, reliable and speedy compilation of financial information.
- Safeguard the assets and interests of the company.
- Ensure compliance with all laws and regulations.

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations, which provide, among other things, reasonable assurance of authorization, recording and reporting of the transactions of its operations in all material respects and of providing protection against significant misuse or loss of all the assets of the company.

Some significant features of the Internal Control Systems include:

- Well-defined processes for formulating and reviewing annual and long-term business plans
- Regular audits for all operations and other systems including projects and international entities
- Effective project management audits.
- Documentation of major business processes.
- Entity-level controls & testing of key controls as a part of compliance to applicable rules & regulations.
- Strict compliance to all regulations and corporate governance issues.
- Safety and security including environment related controls for operational effectiveness and efficiency.

OPPORTUNITIES & THREATS

In India, the infrastructure sector is a major employment driver. It also has extensive backward and forward linkages with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, timber and building materials are dependent on the construction industry. Infrastructure growth is necessary for the growth of the overall economy. Both are inter-dependent. Government policies and budgets have therefore been progressively geared to promote infrastructure development. The prospects in infrastructure development seem to be good with numerous opportunities opening up for infrastructure companies such as IVRCL in construction of pipelines, transmission lines, roads, railways, buildings & industrial structures. The company's specialized strengths in complex structures and its versatility ensure a healthy order book.

We have extended our capabilities into new markets of mining and water treatment projects, among others. We have

begun to serve the mining market- serving global mining corporations, exploration companies, mining contractors and the world's premier mining consultancies. IVRCL is making use of all opportunities, domestic as well as global, to diversify business into various eligible sectors.

Our internal control system is managed through continuous internal audit by outside professionals, duly supported by our in-house internal audit team, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. The internal audit team also conducts regular audits across the company's operations in all key business areas as per the pre-drawn audit plan.

All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and management's responses/replies thereon. The minutes of Audit Committee are reviewed by the Board for its suggestions/recommendations to further improve the internal control systems. The Audit Committee periodically reviews audit plans, observations and recommendations of internal auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

Further, we have operations in various countries viz. Sri Lanka, the Middle East, UAE, Kenya, Nepal etc. We expect overseas sales to continue to represent a significant portion of our revenue in the foreseeable future. As a result, we are subject to the general risks of doing business internationally.

These are the main risks we may face:

- Change in laws and regulations.
- Tariffs, embargoes, controls and other restrictions.
- General changes in economic and geopolitical conditions.
- Lack of uniformity in local laws and their implementation.
- Complexity and risks of using foreign representatives and consultants.
- Lack of Urban Planning.
- Limited market history.

IVRCL is committed to take all possible measures to abate these risks.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Over the years IVRCL has built a strong force of 5761 people. IVRCL also enjoys the advantage of long associations with senior professional managers to shepherd its continuous investment in youth and build a pipeline of young talent with training and career development efforts.

Our HRD team, with a well-drawn out HR Policy, ensures a match between individual and organizational needs on a mutual reciprocal basis. As a measurement of employees' participation in management, IVRCL has allotted 35 lakh

shares till date under the Employee Stock Options (ESOPs). Regular training, close monitoring of employees' career growth plan, sound mechanism for evaluation of personnel, nurturing innovation, placing them in positions where they can effectively contribute to the team, all these factors have contributed significantly in deriving the best from its human assets.

FUTURE OUTLOOK

India's economy is big and getting bigger. The link between infrastructure and economic development is a continuous process; and progress in infrastructure has to follow the progress in development. In some areas, roads, rail lines, power lines, water projects are already operating at capacity, so expansion is a necessary pre-requisite for further economic growth. Engineering, Procurement and Construction industry is undoubtedly one of the biggest beneficiaries of the infrastructure need in India.

IVRCL has a holistic approach which incorporates sustainability issues into the design of the project, both in the planning and the delivery stages and therefore has immense opportunity to make a major difference in a growing economy while enhancing its bottom line. The company's continued foray into emerging lines of business such as mining, metro & mono rail, tunnels, warehousing & silos, coal handling systems, and railways hold the key to future growth.

Tunnels:

India's tunneling sector continued its steady march forward in the last one year, driven by investments in the key market segments of railways, highways, metro rail, hydropower, and water & sewerage systems. The Indian industry is only beginning to use modern technology for tunnel construction. For instance, slurry tunnel boring machines (TBMs) were deployed for the first time in the metro rail segment in India for the Bangalore Metro project. TBMs were also deployed for the first time for a drinking water tunnel project in Mumbai in 2011. Moreover, the industry is yet to adopt international standards in tunnel design and construction methods.

IVRCL spearheaded the use of TBMs for its tunnel projects. The company took up the challenging project of constructing seven B.G. single-line tunnels running to 664 meters and involving tunneling in all kinds of terrain and strata, including benching, short-creeing and lining as well as a 42-km approach road to the tunnels.

The award of Gandikota lift Irrigation Project, one of the biggest irrigation projects in Andhra Pradesh, testifies IVRCL's exemplary expertise and reputation in irrigation works.

We are independently designing and executing tunnels in the states of Andhra Pradesh and Madhya Pradesh which

have different shapes & diameters, the length of all tunnels is 95 kms and executed quantity of tunnels is 37,26,451 Cum. We are using the latest available equipment and latest techniques like vertical shafts in the execution of these tunnels.

Metro & Mono:

To scale up capabilities to meet the increasing flow of traffic, the Government has allocated ₹ 2,00,000 crore in the 11th Plan which is expected to double i.e., ₹ 4,00,000 crore in the 12th Plan in railways including metro railways. There is growing demand from many states for setting up metro projects. The allocation for metro railways for the 11th Plan is ₹ 33,000 crore whereas the metro projects sanctioned so far alone would need ₹ 70,000 crore which is much higher than allocation.

Railways are highly capital intensive projects and the government alone would not be able to fund the requirement which creates an obvious opportunity for private players to bid for metro projects and other opportunities in the sector. A few projects in Mumbai, Delhi and Hyderabad have already been awarded under Public-Private-Partnership (PPP) route and going forward, there will be tremendous shift in the investment pattern.

IVRCL embarked its journey with construction of six elevated Metro Stations for Bangalore Metro Rail Corporation Limited (BMRCL).

Warehousing & Silos:

Food grain production in India has crossed 22 crore tons and it's increasing every year. Approximately 28-30% of the total grain production is procured by FCI. According to media, in June 2010, FCI were having grain of 6 crore tons. Out of this 6 crore tons of grain, 1.768 crore tons grain was lying outside in the open which is prone to go waste due to rain and other factors.

Galvanized Silo Storage Systems is a proven scientific system for storage of food grains in Europe and America. This system ensures zero wastage due to moisture, fungus & rodents etc. In India this system is adopted to some extent by private sector since 1990 but it is limited to the process industry rather than for storage of grain for longer period.

Keeping in view the demand and futuristic projections, IVRCL is planning for its foray into this area.

India is considered to be a vast land of construction opportunities. Deliberate strategy on the part of the Indian government to promote infrastructure spells opportunity for EPC companies. Looking ahead, we believe that it is imperative that infrastructure development occurs in a sustainable manner, in India and around the world. We look forward to continue to grow, to strive and to seek newer horizons. As always, we are in the process of Engi-visioning a new world.

FINANCIAL REVIEW

Financial Review:

During the period, the IVRCL Group's Composite Scheme of Arrangement was approved by the Hon'ble High Court of Andhra Pradesh vide order dated 2nd July, 2012. The Real Estate wing of the Company's subsidiary IVRCL Assets & Holdings Limited got demerged into a wholly owned subsidiary of the Company, RIHIM Developers Private Limited and the remaining business got merged into IVRCL Limited. Further, the Transmission Tower Manufacturing Division of the Company was demerged into a wholly owned subsidiary i.e., IVRCL TLT Private Limited. The above Composite Scheme of Arrangement was effective from 1st April, 2011.

The following table sets forth the income statement for the financial period (15 months) ended June 30, 2012 and year ended March 31, 2011. The components of expenses have been expressed as a percentage of total income for the period/year indicated.

(` in million)

	June 30, 2012	March 31, 2011
Net Income from operations	61,779.60	56,514.51
Other income	1,695.58	565.23
Total income	63,475.18	57,079.74
Construction expenses	51,450.70	47,274.30
Construction expenses as a percentage to total income	81.06%	82.82%
Employee Benefit expenses	3,232.76	2,623.64
Employee Benefit expenses as a percentage to total income	5.09%	4.60%
Other Expenses	2,084.51	1,470.69
Other expenses as a percentage to total income	3.28%	2.58%
EBITDA	6,707.21	5,711.11
EBITDA- percentage to total income	10.57%	10.00%
Finance cost	5,055.42	2,627.11
Finance cost as a percentage to total income	7.96%	4.60%
Depreciation	1,189.41	757.81
Depreciation as a percentage to total income	1.87%	1.33%
Profit before tax(PBT)	462.38	2,326.19
PBT-percentage to total income	0.73%	4.08%
Profit after tax(PAT)	180.81	1,578.99
PAT-percentage to total income	0.28%	2.77%

The Company could get fresh orders amounting to ` 93,300 million during the fifteen months period 2011-12 despite decelerating growth momentum across all sectors and the order book position stood at ` 271,310 million as on the Balance Sheet date as compared to ` 239,790 million during the previous year end.

Revenue from operations:

The growth rate was negative as regards Revenue from operation almost by 11% on an annualized basis. The reasons attributable for such negative growth are slow progress of some major works due to unavailability of fronts and permissions by various authorities.

**Cost:**

Construction expenses as a percentage to Net operating income improved by 1.76% during the period as compared to the previous year. Increase in Employee cost and other administrative expenses are attributable to negative turnover growth because the above expenses are semi-variable in nature. Increase in finance cost is mainly due to increase in interest rates.

Profitability:

The Company could achieve an improved EBITDA because of savings in prime cost. The lower Profit before Tax (PBT) is due to higher finance cost. The Company has lodged claims to the extent of around ` 17,000 million with some of the clients towards deviation in design, idle time charges etc. out of which claim amount of ` 8,300 million are under arbitration. The above claims would be accounted for as and when certainty as regards acceptance of the claims are established.

AUDITORS' REPORT

TO THE MEMBERS OF IVRCL LIMITED

1. We have audited the attached Balance Sheet of **IVRCL LIMITED** ("the Company") as at June 30, 2012, the Statement of Profit and Loss for the 15 month period ended June 30, 2012 and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we invite attention to Note 26 forming part of the financial statements regarding the status of trade receivables aggregating to ` 1,576.68 million, which has been classified as good and in respect of which no provision has been considered necessary for the reasons explained therein.
4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Read with our comments in paragraph 3 above and further to our comments in the Annexure referred to in paragraph 4 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the period ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.
6. On the basis of the written representations received from the Directors as on June 30, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on June 30, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

for **Chaturvedi & Partners**
 Chartered Accountants
 (Registration No. 307068E)

R. N. Chaturvedi
 Partner
 (Membership No. 092087)

Hyderabad, August 29, 2012

for **Deloitte Haskins & Sells**
 Chartered Accountants
 (Registration No. 008072S)

K. Rajasekhar
 Partner
 (Membership No. 23341)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 4 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities clauses (x), (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off and the transfer of fixed assets in terms of the Composite Scheme of Arrangement as explained in Note 27 to the financial statements, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating ` 326.70 million to two parties during the period. At the period-end, the outstanding balances of such loans aggregated ` 923.01 million and the maximum amount involved during the period was ` 1,216.80 million.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) In accordance with the terms of loan, the principal, along with interest thereon is receivable in five annual instalments after a moratorium of five years from the date of disbursement, or earlier. Accordingly ` 523.00 million has been received during the period.
 - (d) The company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii) (e), (f) and (g) of CARO are not applicable.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ` 5 lakhs in respect of any party, we are unable to comment whether the transactions (other than the loans reported in paragraph (iv) above) have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time as comparable quotations are not available.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956, required under Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975.
- (viii) In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

- (ix) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) Except for delays in deposit of Service Tax, Employees' State Insurance and Tax Deducted at Source the Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Custom Duty and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at June 30, 2012 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited as on June 30, 2012 on account of disputes are given below:

Statute	Nature of dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (` million)
Sales Tax and VAT Laws	Sales Tax and VAT	Appellate Authority -upto Commissioner's level	2003-12	507.45
		Appellate Authority - Tribunal level	2003-08	74.51
Andhra Pradesh Tax on Entry of Motor Vehicles Act, 1996	Entry Tax	Appellate Authority - Tribunal level	2001-02	0.83
Finance Act, 1994	Service Tax	Appellate Authority - upto Commissioner's level	2005-06 to 2011-12	2,930.77
		Appellate Authority - Tribunal level	2005-06 to 2009-10	858.24

- (xi) Except as detailed in Note 8.4 (d) to the financial statements for a delay in repayment of principal of ` 300 million, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long- term investment.
- (xv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 100 debentures of ` 1,000,000. The Company has created security in respect of the debentures issued.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

for **Chaturvedi & Partners**
Chartered Accountants
(Registration No. 307068E)

R. N. Chaturvedi
Partner
(Membership No. 092087)

Hyderabad, August 29, 2012

for **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

K. Rajasekhar
Partner
(Membership No. 23341)

Balance Sheet as at June 30, 2012

(` in million)

	Note No.	As at 30.06.2012		As at 31.03.2011	
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3	534.02		534.02	
(b) Share Capital Suspense	3A	79.75		-	
(c) Reserves and Surplus	4	22,091.03		19,339.65	
			22,704.80		19,873.67
2. Non-Current Liabilities					
(a) Long-Term Borrowings	5	3,752.61		2,857.33	
(b) Deferred Tax Liability (Net)	6	-		86.50	
(c) Long-Term Provisions	7	74.19		40.99	
			3,826.80		2,984.82
3. Current Liabilities					
(a) Short-Term Borrowings	8	20,946.89		16,614.98	
(b) Trade Payables	9	15,660.82		17,286.29	
(c) Other Current Liabilities	10	15,484.39		10,892.97	
(d) Short-Term Provisions	7	209.54		395.62	
			52,301.64		45,189.86
			78,833.24		68,048.35
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets	11				
(i) Tangible Assets		6,875.86		6,902.00	
(ii) Intangible Assets		23.22		16.07	
(iii) Capital Work-in-Progress		15.15		26.40	
			6,914.23		6,944.47
(b) Deferred Tax Asset (Net)	6	388.60		-	
(c) Non-Current Investments	12	15,842.96		6,347.00	
(d) Long Term Loans and Advances	13	7,167.45		6,490.15	
(e) Other Non-Current Assets	14	5,380.08		5,762.79	
			28,779.09		18,599.94
2. Current Assets					
(a) Inventories	15	2,723.30		2,732.06	
(b) Trade Receivables	16	19,259.43		23,036.93	
(c) Cash and Bank Balances	17	884.71		1,348.50	
(d) Short Term Loans and Advances	18	7,087.51		5,608.08	
(e) Other Current Assets	19	13,184.97		9,778.37	
			43,139.92		42,503.94
			78,833.24		68,048.35
Accompanying Notes forming part of the Financial Statements	1 - 47				

In terms of our report attached

For Chaturvedi & Partners
Chartered AccountantsFor Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

R. N. Chaturvedi
PartnerK. Rajasekhar
PartnerE. Sudhir Reddy
Chairman &
Managing DirectorR. Balarami Reddy
Executive Director -
Finance & Group CFOPlace : Hyderabad
Date : August 29, 2012B. Subrahmanyam
Company Secretary

Statement of Profit and Loss for the period from April 01, 2011 to June 30, 2012

(` in million)

	Note No.	Period from 01.04.2011 to 30.06.2012		Year ended 31.03.2011	
I. Income					
(a) Income from Operations	20		61,779.60		56,592.40
(b) Less : Excise Duty			-		77.89
(c) Net Income from Operations			61,779.60		56,514.51
(d) Other Income	21		1,695.58		565.23
Total Income			63,475.18		57,079.74
II. Expenditure					
(a) Raw Materials Consumed	22A		-		767.67
(b) (Increase) / Decrease in Finished Goods and WIP	22B		-		(15.48)
(c) Purchase of Traded Goods			205.66		78.39
(d) Construction Expenses	22C		51,245.04		46,443.72
(e) Employee Benefit Expenses	23		3,232.76		2,623.64
(f) Other Expenses	24		2,084.51		1,470.69
(g) Finance Costs	25		5,055.42		2,627.11
(h) Depreciation and Amortisation	11	1,189.45		757.85	
Less : Transferred to Revaluation Reserve		0.04	1,189.41	0.04	757.81
Total Expenditure			63,012.80		54,753.55
III. Profit Before Tax (I - II)			462.38		2,326.19
IV. Tax Expenses					
(a) Current Tax expenses for current period/year			610.94		785.47
(b) Current Tax expenses relating to Prior years'			145.73		-
(c) Deferred Tax			(475.10)		(38.27)
V. Profit for the period / year (III - IV)			180.81		1,578.99
VI. Earnings per share (Face value ` 2 each)	29				
- Basic (`)			0.59		5.91
- Diluted (`)			0.59		5.89
Accompanying Notes forming part of the Financial Statements	1 - 47				

In terms of our report attached

For Chaturvedi & Partners
 Chartered Accountants

For Deloitte Haskins & Sells
 Chartered Accountants
For and on behalf of the Board
R. N. Chaturvedi
 Partner

K.Rajasekhar
 Partner

E. Sudhir Reddy
 Chairman &
 Managing Director

R. Balarami Reddy
 Executive Director -
 Finance & Group CFO

 Place : Hyderabad
 Date : August 29, 2012

B. Subrahmanyam
 Company Secretary

Cash Flow Statement for the Period from April 01, 2011 to June 30, 2012

(` in million)

	Period from 01.04.2011 to 30.06.2012		Year ended 31.03.2011	
A. Cash Flow from Operating Activities				
Profit Before Tax		462.38		2,326.19
Adjustment for:				
Depreciation and Amortisation	1,189.41		757.81	
Dividend received on Investments	(31.86)		(31.84)	
Foreign Exchange Translation adjustment (arising on translation of Foreign Branch Transactions)	(6.12)		1.35	
Loss on Sale of Fixed Assets	25.61		29.26	
Profit on Sale of Investments	(1,169.85)		-	
Provision for diminution in value of Investments	22.20		-	
Loss on Foreign Exchange Translation	4.50		1.21	
Interest Income	(359.26)		(445.56)	
Interest Expense	4,496.85	4,171.48	2,345.08	2,657.31
Operating Profit before Working Capital Changes		4,633.86		4,983.50
Decrease / (Increase) in Inventories	(871.18)		(285.30)	
Decrease / (Increase) in Trade Receivables	4,759.87		165.55	
Increase in Other Current Assets and Loans & Advances	(3,856.96)		(4,140.38)	
Increase in Current Liabilities	722.90	754.63	2,937.32	(1,322.81)
Cash generated from Operations		5,388.49		3,660.69
Direct Taxes paid (net of refund)		(1,309.31)		(1,650.73)
Net Cash generated from Operations		4,079.18		2,009.96
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets (including Capital Advances)	(1,588.05)		(1,996.44)	
Proceeds from Sale of Fixed Assets	399.46		48.57	
Proceeds from Sale of Investments	2,202.10		0.49	
Purchase / Subscription of Investments :				
- in Subsidiaries and Associates	(3,632.87)		(78.50)	
- in Other Companies	-		(131.03)	
- in Mutual Funds	(2.00)		-	
Proceeds from sale of Development Rights	1,854.44		-	
Loans to Subsidiaries	(1,121.91)		(2,604.34)	
Net investment in Bank Fixed Deposit	(37.45)		(66.85)	
Interest Received	345.46		444.68	
Dividend received on Long-Term Investments	31.86		31.84	
Net Cash used in Investing Activities		(1,548.96)		(4,351.58)
C. Cash Flow from Financing Activities				
Repayment of Non-Convertible Debentures	(2,800.00)		(150.00)	
Proceeds from Issue of Non-Convertible Debentures	100.00		-	

Cash Flow Statement for the Period from April 01, 2011 to June 30, 2012

(` in million)

	Period from 01.04.2011 to 30.06.2012		Year ended 31.03.2011	
Proceeds from Long-Term Borrowings	2,048.29		951.75	
Repayment of Long-Term Borrowings	(2,209.51)		(313.87)	
Repayment of Foreign Currency Convertible Bonds	-		(504.08)	
Proceeds from Short-Term Borrowings (Net of Repayments)	4,527.78		4,657.54	
Interest and Finance Charges Paid	(4,520.90)		(2,332.88)	
Dividends Paid (including Dividend Distribution Tax)	(184.96)		(245.76)	
Net Cash generated from Financing Activities		(3,039.30)		2,062.70
Net increase in Cash and Cash Equivalents (A+B+C)		(509.08)		(278.92)
Cash and Cash Equivalents at the beginning of the period / year		1,266.19		1,545.13
Cash and Cash Equivalents taken over pursuant to Composite Scheme of Arrangement		7.54		-
Cash and Cash Equivalents transferred pursuant to Composite Scheme of Arrangement		(4.46)		-
Exchange differences on Translation of Foreign Currency Cash and Cash Equivalents		0.14		(0.02)
Cash and Cash Equivalents at the end of the period / year		760.33		1,266.19

1. The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
2. The Amalgamation of the remaining under taking of IVRCL Assets & Holdings Limited with the Company and the demerger of Tower Manufacturing Undertaking of the Company are non-cash transactions. (Refer Note 27)
3. Previous year's figures have been regrouped, wherever considered necessary

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

R. N. Chaturvedi
Partner

K.Rajasekhar
Partner

E. Sudhir Reddy
Chairman &
Managing Director

R. Balarami Reddy
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : August 29, 2012

B. Subrahmanyam
Company Secretary

Notes forming part of Financial Statements

1. Corporate Information

The Company is engaged in the business of development and execution of Engineering, Procurement, Construction and Commissioning (EPCC) and Lump Sum Turn Key (LSTK) facilities in various Infrastructure projects such as Water Supply, Roads and Bridges, Townships and Industrial Structures, Power Transmission, etc. for Central/State Governments, other Local Bodies and private sector.

2. Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared under the historical cost convention on an accrual basis (except for revaluation of certain Fixed Assets) in accordance with Generally Accepted Accounting Principles (Indian GAAP) and Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The Board of Directors of the Company vide resolution dated March 28, 2012, approved extension of financial year 2011-12 of the Company by a period of 3 months i.e., upto June 30, 2012. Accordingly, the annual accounts of the Company for the current financial year 2011-12 are prepared for a period of 15 months from April 01, 2011 to June 30, 2012.

Comparative Figures

In view of the Composite Scheme of Arrangement effective April 01, 2011 (Refer Note 27) and extension of financial year to a period of 15 months, the figures for the current period are strictly not comparable with those of the previous year.

During the period ended June 30, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified previous year figures in accordance with the requirements of the Revised Schedule VI.

2.2 Use of Accounting Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Recognition of Contract Revenue and Expenses

- (i) Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.
- (ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- (iii) An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iv) Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.

Notes forming part of Financial Statements

2.4 Revenue from Joint Venture Contracts

- (i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.
- (ii) In Jointly Controlled Entities, the share of profits or losses are accounted as and when dividend / share of profit or loss are declared by the entities.

2.5 Revenue from Sale of Goods

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under terms of the contract.

2.6 Employee Benefits

Liability for employee benefits, both short and long-term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006.

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Contributions to Gratuity fund are made to recognized funds managed by the Life Insurance Corporation of India. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

(ii) Compensated Absences

Liability for compensated absence is treated as other long-term liability, short-term portion of the liability is provided on an actual basis and long-term portion of the liability is provided on the basis of valuation by an independent actuary at the year end.

(iii) Superannuation

The Company has a superannuation plan, which is a defined contribution plan. Under the plan, the Company contributes up to 15% of the eligible employees' salary to the fund each year. Contributions are made to recognized funds managed by the Life Insurance Corporation of India. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iv) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's basic salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the state pension scheme, and are expensed as incurred.

2.7 Fixed Assets

Fixed Assets are stated at cost / valuation less accumulated depreciation and amortisation. Direct costs inclusive of inward freight, non-claimable duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalised until fixed assets are ready for use. Capital Work in Progress comprises the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.

2.8 Depreciation and Amortization

- (i) Depreciation on fixed assets is provided on the straight-line method as per rates prescribed in Schedule XIV to the Companies Act, 1956 except the following which are depreciated based on useful life determined by the Company.
 - Steel Shuttering 10%
 - Wood Shuttering 33 1/3 %
- (ii) Pucca sheds and land acquired for quarrying are amortised over the period of the project on project - to - project basis.

2.9 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount

Notes forming part of Financial Statements

of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the same is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is assessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

2.10 Foreign Currency Transactions and Foreign Operations

Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. Gains/Losses arising out of fluctuations in the exchange rates are recognised in statement of profit and loss in the period in which they arise.

Foreign branches are classified as non-integral foreign operations. The Assets and Liabilities, both monetary and non-monetary of the branch are translated at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at monthly average exchange rate. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve' account.

2.11 Derivative Instruments

In order to hedge its foreign currency exposure, the Company enters into forward option, swap contracts and other derivative financial instruments.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the statement of profit and loss immediately. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

2.12 Investments

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost less provision for diminution other than temporary in value of such investments. Dividend Income is accounted when the right to receive dividend is established.

2.13 Inventories

Inventories are valued at cost. Cost is determined on first-in-first-out method. Inventory of manufactured goods and raw materials are valued at lower of cost and net realisable value. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

2.14 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as period costs.

2.15 Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and if it is probable that these liabilities can be properly estimated. Contingent liabilities are not recognized but are disclosed in the notes where, substantial estimation is dependent on the happening of another event which cannot be adequately judged.

2.16 Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters are probable.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Notes forming part of Financial Statements

2.17 Earnings Per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above and the weighted average number of equity shares, as computed above and the weighted average number of equity shares that would have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

2.18 Current / Non-Current Classification

The Company's activities (primarily construction activities in the infrastructure industry) have an operating cycle that exceeds a period of twelve months. The Company has chosen the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of current assets and current liabilities into current or non-current.

3. Share Capital

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of ` 2 each (Refer Note 27)	1,625,000,000	3,250.00	275,000,000	550.00
Preference shares of ` 2 each	25,000,000	50.00	25,000,000	50.00
		3,300.00		600.00
Issued, Subscribed and Paid up:				
Equity shares of ` 2 each fully paid up	267,009,858	534.02	267,009,858	534.02
	267,009,858	534.02	267,009,858	534.02

3.1 There is no change in paid-up equity share capital of the Company for the period ended June 30, 2012 and year ended March 31, 2011.

3.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ` 2 per share and each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

3.3 Details of allotment of bonus shares during 5 years immediately preceding the date of Balance Sheet

The Company had allotted 133,504,929 shares of ` 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ` 267.01 million from General Reserve.

3.4 Shareholders holding more than 5% shares of the Company

	As at 30.06.2012		As at 31.03.2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Asian Satellite Broadcast Private Limited	20,294,000	7.60	-	-
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	16,633,913	6.23	20,930,340	7.84
E. Sudhir Reddy	14,920,594	5.59	-	-
Government Pension Fund Global	-	-	26,571,552	9.95
ICICI Prudential Life Insurance Company Limited	-	-	16,750,349	6.27

Notes forming part of Financial Statements

3A Share Capital Suspense

(` in million)

	As at 30.06.2012	As at 31.03.2011
Share Capital Suspense	79.75	-

39,876,790 (P Y Nil) Equity Shares of ` 2 each, fully paid, to be issued pursuant to Composite Scheme of Arrangement (Refer Note 27).

4. Reserves and Surplus

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Capital Reserve		
Opening Balance	0.09	0.09
Add: Pursuant to the Composite Scheme of Arrangement (net) (Refer Note 27)	2,576.59	-
Closing Balance	2,576.68	0.09
(b) Securities Premium Account		
Opening Balance	10,521.20	10,577.57
Less: Provision towards redemption premium on Foreign Currency Convertible Bonds	-	(56.37)
Closing Balance	10,521.20	10,521.20
(c) Revaluation Reserve		
Opening Balance	28.37	28.41
Less: Depreciation on revalued portion of assets	(0.04)	(0.04)
Closing Balance	28.33	28.37
(d) General Reserve		
Opening Balance	3,247.35	2,847.35
Add: Transfer from Surplus in Statement of Profit and Loss	-	400.00
Closing Balance	3,247.35	3,247.35
(e) Debenture Redemption Reserve		
Opening Balance	562.50	415.29
Add: Transfer from Surplus in Statement of Profit and Loss	50.00	147.21
Closing Balance	612.50	562.50
(f) Foreign Exchange Translation Reserve		
Opening Balance	1.23	(0.10)
Add: Effect of foreign exchange variations during the period / year	(5.98)	1.33
Closing Balance	(4.75)	1.23
(g) Surplus in Statement of Profit and Loss		
Opening Balance	4,978.91	4,129.96
Add: Profit for the period / year	180.81	1,578.99
Less: Appropriations		
i) Proposed Dividend	-	160.21
ii) Corporate Dividend Tax		
- Current Year	-	25.99
- Earlier year's provision no longer required	-	(3.37)
iii) Transfer to General Reserve	-	400.00
iv) Transfer to Debenture Redemption Reserve	50.00	147.21
Total Appropriations	50.00	730.04
Closing Balance	5,109.72	4,978.91
	22,091.03	19,339.65

Notes forming part of Financial Statements

5. Long-Term Borrowings (Secured)

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	Non-Current	Current@	Non-Current	Current@
(a) Debentures (Refer Note 5.1 below)				
- 12.15% Redeemable, Non-Convertible Debentures	2,000.00	-	2,000.00	-
- 8.85% Redeemable, Non-Convertible Debentures	-	-	-	1,050.00
- 9.50% Redeemable, Non-Convertible Debentures	-	750.00	-	-
- 11.50% Redeemable, Non-Convertible Debentures	-	100.00	-	-
(b) Term Loans				
- From Banks (Refer Note 5.2 below)	608.12	438.86	801.66	351.59
- From Others (Refer Note 5.3 below)	892.00	268.00	-	-
(c) Earth Moving Equipment and Vehicle Loans (Refer Note 5.4 below)				
- From Banks	172.17	55.85	-	6.20
- From Others	80.32	67.12	55.67	28.54
	3,752.61	1,679.83	2,857.33	1,436.33

@ Amount included under Note 10 - Other Current Liabilities

5.1 Non-Convertible Debentures – The debentures are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders in respect of the below non-convertible debentures.

(a) 12.15% Non-Convertible Debentures

2,000 Debentures of ` 1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09. The debentures shall be redeemed at the end of five years (i.e., December 19, 2013) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

(b) 9.50% Non-Convertible Debentures

1,500 Debentures of ` 1,000,000 each issued to RHC Holding Private Limited during the year 2009-10. The debentures shall be redeemed in two equal installments of ` 750 million each at the end of 24 months (i.e. March 10, 2012) and 36 months (i.e. March 10, 2013) respectively from the date of allotment. The first installment has been redeemed within the due date. The debentures are secured by way of first ranking exclusive charge over vacant freehold urban land owned by the Company and its subsidiaries.

(c) 11.50% Non-Convertible Debentures

100 Debentures of ` 1,000,000 each issued to Central Bank of India Employees Provident Fund Trust during the period 2011-12. The debentures shall be redeemed at the end of 367 days (i.e. August 4, 2012) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets of the Company.

(d) 8.85% Non-Convertible Debentures

1,050 Debentures of ` 1,000,000 each were issued to various banks during the year 2009-10. The debentures were secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company. These debentures were redeemed on the due date i.e., April 27, 2011.

5.2 Term Loans from Banks**(a) Punjab & Sind Bank**

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The loan is repayable in 4 equal quarterly installments of ` 54.60 million from the balance sheet date. The balance outstanding as at June 30, 2012 is ` 218.93 million.

(b) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of ECB loan. There are five disbursements obtained from the bank, the details are as follows:

Notes forming part of Financial Statements

S. No	Outstanding as on 30.06.2012 (₹ in million)	Outstanding as on 30.06.2012 (USD in million)	Repayable in	Period of maturity w.r.t Balance sheet Date	Rate of Interest p.a
1	174.00	3.75	12 equal quarterly installments of ₹ 14.50 million each	3 years	8.90%
2	212.58	4.69	15 equal quarterly installments of ₹ 14.17 million each	3 years 7 months	9.38%
3	105.82	2.34	15 equal quarterly installments of ₹ 7.05 million each	3 years 8 months	9.50%
4	225.40	5.00	16 equal quarterly installments of ₹ 14.08 million each	3 years 11 months	9.85%
5	110.25	2.50	16 equal quarterly installments of ₹ 6.89 million each	4 years 1 month	9.85%
Total	828.05	18.28			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations (Refer Note 42)

5.3 Term Loans from Others

(a) SREI Equipment Finance Private Limited:

Loan I

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 11 equal quarterly installments of ₹ 50.00 million and last installment of ₹ 250.00 million, the period of maturity is 2 years 10 months from balance sheet date. The balance outstanding as at June 30, 2012 is ₹ 800.00 million.

Loan II

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 20 quarterly installments of ranging from ₹ 17.00 million to ₹ 40.00 million. The period of maturity from balance sheet date is 4 years 11 months. The rate of interest is IDBI Bank Base Rate plus 3.5% p.a. The balance outstanding as at June 30, 2012 is ₹ 200.00 million.

(b) TATA Capital Limited:

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ₹ 26.67 million each. The period of maturity from balance sheet date is 2 years 7 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at June 30, 2012 is ₹ 160.00 million.

5.4 Equipment Loans from Banks and Non-Banking Financial Companies (NBFCs)

Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 12 to 60 months and carry interest rate ranging from 9.00% to 13.50% p.a.

6. Deferred Tax Asset / (Liability) (Net) (₹ in million)

	As at 30.06.2012		As at 31.03.2011	
(a) Deferred Tax Liability				
- Depreciation		(214.63)		(368.27)
(b) Deferred Tax Asset				
- Compensated Absences	59.07		48.68	
- Gratuity	14.74		7.98	
- Doubtful debts, Advances and Deposits	369.61		214.36	
- Business Loss / Unabsorbed Depreciation	55.85		-	
- Expenses relating to Amalgamation	4.40		-	
- Others	99.56		10.75	
		603.23		281.77
Net Deferred Tax Asset / (Liability)		388.60		(86.50)

Notes forming part of Financial Statements

7. Provisions (₹ in million)

	As at 30.06.2012		As at 31.03.2011	
	Long-term	Short-term	Long-term	Short-term
(a) Gratuity (Refer Note 39)	-	45.44	-	24.59
(b) Compensated Absences	74.19	150.50	40.99	151.67
(c) Expected loss on Contracts	-	13.60	-	33.16
(d) Proposed Dividend	-	-	-	160.21
(e) Tax on Proposed Dividend	-	-	-	25.99
	74.19	209.54	40.99	395.62

8. Short-Term Borrowings (₹ in million)

	As at 30.06.2012		As at 31.03.2011	
Secured				
Loans repayable on demand from Banks:				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 8.1)	8,803.17		4,768.08	
(b) Project Specific Working Capital Loans (Refer Note 8.3)	8,841.82		3,943.72	
		17,644.99		8,711.80
Unsecured				
(a) Short-Term Loans from Banks (Refer Note 8.4)	1,800.00		4,650.00	
(b) Commercial Paper (Refer Note 8.2)	1,100.00		3,250.00	
(c) Working Capital Demand Loans from Banks	401.90		3.18	
		3,301.90		7,903.18
		20,946.89		16,614.98

8.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and certain Plant & Machinery and equipment valuing ₹ 137.32 million and ₹ 1.23 million not charged to other lenders. Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 101.53 million and lien of the Fixed Deposit of ₹ 4.20 million. The loans are Second Charged on current assets of the specific-funding projects on reciprocal basis. The borrowings carry interest rate ranging from 9.05% to 14.40% p.a.

8.2 Commercial Paper

The amount of Commercial Papers outstanding as at June 30, 2012 is ₹ 1,100.00 million (₹ 3,250.00 million). The maximum amount outstanding during the year was ₹ 7,400.00 million (₹ 7,000.00 million).

The borrowings carry interest rate ranging from 8.30% to 12.50% p.a.

8.3 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loans from Banks are secured by hypothecation of book debts and inventory of respective projects except for the following projects:

1. Indira Sagar Project – Secured by Book-debts, Inventory and Other Current Assets
2. Transmission Line Towers Factory – Secured by Total Assets (Refer Note:27)

Notes forming part of Financial Statements

(` in million)

S.No	Name of the Project	Name of the Bank	As at	As at
			30.06.2012	31.03.2011
1.	Indira Sagar Project	Karur Vysya Bank	345.07	274.56
2.	Transmission Line Towers Factory	IDBI Bank	-	195.87
3.	Punasa Lift Irrigation Project	Andhra Bank	-	567.05
4.	Guru Gobind Refinery Project	Andhra Bank	-	379.98
5.	CGPL -Mundra Project	Syndicate Bank	-	472.92
6.	Lower Goi Project	Punjab & Sind Bank	186.00	253.41
7.	PGCIL-Seoni-Nandanwadi Project	Punjab & Sind Bank	-	112.00
8.	PHED-Buxar, Maner & Bidupur Projects	IndusInd Bank	165.07	2.67
9.	IOTL Paradeep Project	IndusInd Bank	78.19	7.96
10.	Allahabad Sewerage Project	Barclays Bank	283.23	0.16
11.	Ambattur Package II & III Projects	IDBI Bank	343.24	332.58
12.	CNNL Packages	Andhra Bank	336.45	82.40
13.	BWSSB - 6A & 6B	Export Import Bank of India	188.50	188.50
14.	Natrip - Pitampur & Chennai - GARC Projects	DBS Bank	830.00	494.86
15.	CGPL - Mundra Project	IDBI Bank	591.20	578.80
16.	Hogenakkal-Pkg-2 Project	DBS Bank	500.00	-
17.	NIT - Patna	DBS Bank	280.00	-
18.	Koyana Power Project	DBS Bank	1,115.74	-
19.	Ranchi Water Supply Project	ING Vysya Bank	386.23	-
20.	DSIIDC-Delhi-Project	ING Vysya Bank	944.43	-
21.	Valsad Hospital Project	ING Vysya Bank	433.88	-
22.	NHAI-Bhogpur Project	ICICI Bank Limited	402.44	-
23.	RVNL-Pkg-1& 2 Projects	ICICI Bank Limited	221.19	-
24.	SSNNL-Gujarat Project	ICICI Bank Limited	414.95	-
25.	GCPCL-Mallavaram	Tamilnad Mercantile Bank Ltd.	295.34	-
26.	HSCC-Delhi Project	Yes Bank Limited	92.02	-
27.	BCPL-Assam Project	Yes Bank Limited	9.22	-
28.	GMDA-5,6 & 7 Packages	Lakshmi Vilas Bank Limited	399.43	-
	Total		8,841.82	3,943.72

8.4 Short-Term Loans from Banks (Unsecured)**(a) Punjab & Sind Bank**

- The rate of interest is Base Rate plus 1% p.a.
- Due and payable in 1 installment
- The balance outstanding as at June 30, 2012 is ` 300.00 million.

(b) Bank of Nova Scotia

- The rate of interest is 11.75% p.a.
- Loan is repayable in 1 installment within 90 days from the date of disbursement
- The balance outstanding as at June 30, 2012 is ` 500.00 million.

(c) Union Bank of India

- The rate of interest is Base Rate plus 1.50% p.a.
- Loan is repayable in 1 installment within 12 months from the date of disbursement
- The balance outstanding as at June 30, 2012 is ` 1,000.00 million.

- (d) The Company has delayed in repayment of short-term borrowings of ` 300.00 million. The principal amount which was due on June 09, 2012 has been repaid on July 04, 2012.

Notes forming part of Financial Statements

9. Trade Payables (₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Dues to Micro and Small Enterprises (Refer Note 35)	5.73	30.98
(b) Other Trade Payables	15,655.09	17,255.31
	15,660.82	17,286.29

10. Other Current Liabilities (₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	1,679.83	1,436.33
(b) Interest accrued but not due on Borrowings	38.68	43.21
(c) Interest accrued and due on Borrowings	47.49	49.43
(d) Payables on purchase of Fixed Assets	157.25	136.99
(e) Advances received from Contractee-Clients	10,360.70	7,291.84
(f) Amounts payable in respect of Development Rights	1,446.53	-
(g) Payable to Related Parties		
- Subsidiaries	281.19	-
- Joint Ventures	132.90	580.29
(h) Accrued salaries and Employee Benefits	419.63	413.98
(i) Statutory Remittances	738.98	844.42
(j) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956 - Not Due		
- Unclaimed Public Deposit (including interest)	0.25	0.25
- Unclaimed Dividends	5.39	3.59
- Unpaid Application Money Received	0.48	-
(k) Interest on amounts due to Micro and Small Enterprises	0.36	0.55
(l) Others	174.73	92.09
	15,484.39	10,892.97

Notes forming part of Financial Statements

11. Fixed Assets (C in million)

	Gross Block				Depreciation / Amortisation						Net Block	
	Additions		Adjustment / Deletions		As on 01.04.2011	For the Period	Adj/ Deletion	on Demerger*	Upto 30.06.2012	As at 30.06.2012	As at 31.03.2011	
	on Amalgamations *	During the Period	on Demerger*	Adj/ Deletion								As on 30.06.2012
Tangible Assets												
Land - Freehold	-	89.15	-	3.43	-	-	-	-	-	446.10	360.38	
Land - Leasehold	-	-	17.56	-	0.89	-	-	0.81	0.08	-	16.75	
Buildings	14.75	83.16	70.27	57.78	252.34	181.25	37.85	6.28	389.46	621.92	789.18	
Plant & Machinery	1.66	1,199.83	131.86	391.34	1,426.06	692.56	144.57	29.85	1,944.20	4,604.37	4,444.22	
Motor Vehicles	17.96	284.17	2.68	203.59	442.38	248.07	57.63	0.96	631.86	953.13	1,046.75	
Furniture	11.09	17.66	1.07	9.09	63.09	22.27	5.52	0.77	79.07	78.27	75.66	
Office Equipment	20.69	16.46	2.17	10.21	39.02	13.21	6.91	0.43	44.89	121.81	102.91	
Computers	2.29	8.53	2.50	1.05	70.94	25.61	1.60	0.85	94.10	50.26	66.15	
Total	68.44	1,698.96	228.11	676.49	2,294.72	1,182.97	254.08	39.95	3,183.66	6,875.86		
Previous Year	-	2082.77	-	345.16	1,812.77	750.77	268.82	-	2,294.72		6,902.00	
Intangible Assets												
Computer Software	45.55	16.08	-	7.43	29.48	6.48	4.98	-	30.98	23.22	16.07	
Total	45.55	16.08	-	7.43	29.48	6.48	4.98	-	30.98	23.22		
Previous Year	42.66	7.07	-	4.18	25.06	7.08	2.66	-	29.48		16.07	
Grand Total	9,242.27	1,715.04	228.11	683.92	2,324.20	1,189.45	259.06	39.95	3,214.64	6,899.08		
Previous Year	7,501.77	2,089.84	-	349.34	1,837.83	757.85	271.48	-	2,324.20		6,918.07	

* Refer Note 27

Note:

- Land-Freehold includes
 - ` 18.79 Million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - ` 50.66 million (P Y ` 50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
 - ` 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - ` 150.20 million in respect of which the conveyance deed is yet to be executed
 - Leasehold premises of ` 27.50 (P Y ` 27.50 million) taken for a period of 99 years. The premium of ` 20.46 is paid upfront with no further significant obligations.

Notes forming part of Financial Statements

12. Non-Current Investments

(Face Value of ` 10 each fully paid-up unless otherwise specified)

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	No.	Amount	No.	Amount
A. Trade Investments				
(At cost less provision for diminution in value)				
I. Equity Shares				
(i) Subsidiary Companies:				
Quoted:				
Hindustan Dorr-Oliver Limited	39,804,430	657.53	39,804,430	657.53
(Face value of ` 2 each)				
IVRCL Assets & Holdings Limited ¹	-	-	149,195,366	4,921.25
(149,195,366 Shares extinguished on Composite Scheme of Arrangement Refer Note : 27)				
Unquoted:				
IVRCL PSC Pipes Private Limited	167,000	1.67	167,000	1.67
IVR Enviro Projects Private Limited	2,924,550	29.25	2,924,550	29.25
Chennai Water Desalination Limited ¹	129,737,411	19.20	50,000	0.50
Salem Tollways Limited ^{1, 5}	51,303,160	489.50	50,000	0.50
Kumarpalyam Tollways Limited ^{1,5}	33,403,600	2,116.30	50,000	0.50
IVRCL Steel Constructions & Services Limited	50,000	0.50	50,000	0.50
Jalandar Amritsar Tollways Limited ^{1,5}	46,898,550	607.20	50,000	0.50
IVRCL Indore Gujarat Tollways Limited ^{1,5}	18,265,340	3,166.70	50,000	0.50
IVRCL Chengapalli Tollways Limited ^{1,5}	12,859,760	1,396.08	1,000	0.01
IVRCL Holdings & Services Pte Limited	1	-	1	-
(Face Value of SGD 1)				
IVRCL Patalaganga Trucks Terminal Pvt Limited	10,000	0.10	10,000	0.10
IVRCL Goa Tollways Limited ¹	50,000	0.50	1,000	0.01
IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	6,000	0.06	6,000	0.06
Alkor Petroo Limited	5,625,000	70.10	5,625,000	70.10
IVRCL Building Products Limited	599,995	6.03	599,995	6.03
IVRCL Chandrapur Tollways Limited ^{1,5}	19,746,810	2,062.74	1,000	0.01
Sapthashva Solar Limited ²	52,100	0.52	-	-
RIHIM Developers Private Limited ¹ (formerly IVR Prime Developers (Alwarpet) Private Limited)	10,000	0.10	-	-
IVRCL TLT Private Limited ¹ (formerly IVR Prime Developers (Pallavaram) Private Limited)	10,000	0.10	-	-
IVRCL Raipur Bilaspur Tollways Limited ¹	50,000	0.50	-	-
IVRCL Narnual Bhiwani Tollways Limited ¹	50,000	0.50	-	-
IVR Hotels and Resorts Limited ¹	239,355	3,175.36	-	-
SPB Developers Private Limited ^{1,5}	27,605,999	1,096.65	-	-
IVRCL Multilevel Car Parking Private Limited ¹	5,100	0.05	-	-
IVRCL Lanka (Private) Limited ¹	45,037,381	188.52	-	-

Notes forming part of Financial Statements

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	No.	Amount	No.	Amount
First STP Private Limited ¹	2,850,000	35.39	-	-
IVRCL Gundugolanu Rajahmundry Tollways Limited ^{1,2}	50,000	0.50	-	-
IVRCL Patiala Bathinda Tollways Limited ^{1,2}	50,000	0.50	-	-
IVR Prime Developers (Tambram) Private Limited ¹	10,000	0.10	-	-
IVRCL International FZE (Face Value of AED 100,000)	1	1.28	1	1.28
(ii) Partnership Firms				
Bhanu IVRCL Associates (50:50 Share between the Company and Bhanu Construction Co. Limited respectively)		0.01		0.01
IVRCL -Tantia Joint Venture(AOP) (50:50 Share between the Company and Tantia Construction Co. Limited respectively)		0.20		0.20
(iii) Associate Bodies Corporate				
Viva Infrastructures Private Limited	50,000	0.50	50,000	0.50
Paresh Infrastructure Private Limited	4,900	0.05	4,900	0.05
IVR Prime IT SEZ Private Limited	10,000	0.10	10,000	0.10
IVRCL International Infrastructures & Projects LLC (Face value of Dhs.1,500 each)	49	0.91	49	0.91
IOT Utkal Energy Services Limited ^{1,5}	75,000,000	82.80	-	-
Sushee - IVRCL Arunachal Highway Limited ¹	13,000	0.13	-	-
II. Preference Shares of subsidiary company				
Salem Tollways Limited (7% Cumulative Redeemable Preference Shares of Face value of ` 100 each)	5,000,000	500.00	5,000,000	500.00
B. Others – Unquoted				
I. Equity Shares				
Telcon Ecoroad Resurfaces Private Limited (Face value of ` 100 each)	240,000	24.00	240,000	24.00
Tamilnad Mercantile Bank Limited	25	0.21	25	0.21
Rayalseema Expressway Private Limited	19,290	0.19	19,290	0.19
Telcon Construction Company Limited ⁴	4,800	-	-	-
II. Debentures				
Rayalseema Expressway Private Limited (Face value of ` 1,482 each)	88,413	131.03	88,413	131.03
III. Mutual Funds				
Union Bank of India Tax Saver Scheme ³		2.00		-
C. Provision for diminution in value of Investment		(22.70)		(0.50)
		15,842.96		6,347.00

Notes forming part of Financial Statements

Note: (₹ in million)

Aggregate amount of quoted investments	657.53	5,578.78
Aggregate market value thereof	1,426.99	11,869.47
Aggregate amount of unquoted investments	15,185.43	768.22

- Additions to existing Investments/acquisition made pursuant to the Composite Scheme of Arrangement during the period (Refer Note 27)
- Subscribed during the period
- Purchased during the period
- 4,800 equity shares of Telcon Construction Equipment Company Limited received on transfer of 'Road Laying Business' operations of Telcon Ecoroad Resurfaces Private Limited.
- Pledged against monies borrowed by subsidiaries and associate (Refer Note 43)

13. Long-Term Loans and Advances

(Unsecured, considered good)

(₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Security Deposits	75.22	64.62
(b) Capital Advances	117.15	233.44
(c) Tax Deducted at Source and Advance Tax {net of provisions ₹ 6,639.69 million (P Y ₹ 5,145.86 million)}	2,076.29	1,282.19
(d) Loans and Advances to Related Parties		
- Subsidiaries	4,678.79	4,909.90
- Associates	220.00	-
	7,167.45	6,490.15

14. Other Non-Current Assets

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Long-Term Trade Receivables		
- Considered good	5,289.46	5,679.76
- Doubtful	41.19	16.39
	5,330.65	5,696.15
Less: Provision for Doubtful Debts	41.19	16.39
	5,289.46	5,679.76
(b) Non-Current Bank Balances		
- Deposit with maturity period of more than 12 months	78.41	78.82
- Margin money	-	4.21
(c) Interest accrued on loans and advances to related parties	12.21	-
	5,380.08	5,762.79

15. Inventories

(₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) At Project sites (at cost)		
- Stores and Spares	2,723.30	2,506.38
(b) At Factory (at lower of cost and net realisable value) #		
- Stores and Spares	-	80.19
- Finished Goods	-	106.45
- Work-in-Progress	-	39.04
	2,723.30	2,732.06

Transferred to IVRCL TLT Private Limited pursuant to Scheme of Arrangement

Notes forming part of Financial Statements

16. Trade Receivables (₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Outstanding for period exceeding six months from the date they are due for payment (Refer Note 26)		
- Unsecured, considered good	9,663.58	8,956.03
- Doubtful	807.04	474.64
	10,470.62	9,430.67
Less: Provision for Doubtful Debts	807.04	474.64
	9,663.58	8,956.03
(b) Other Receivables		
- Unsecured, considered good	9,595.85	14,080.90
	19,259.43	23,036.93

17. Cash and Bank balances (₹ in million)

	As at 30.06.2012	As at 31.03.2011
(a) Cash and Cash Equivalents		
- Cash on Hand	15.28	15.40
- Balances with Banks		
- Current Accounts	714.81	1,210.40
- Term Deposits with maturity period of less than 3 months	19.39	34.67
- Earmarked Balances		
- Margin Money	6.15	1.94
- Unpaid Dividend Accounts	4.22	3.78
- Share Application Money Due for Refund	0.48	-
	760.33	1,266.19
(b) Other Bank Balances		
- Term Deposits with maturity period of more than 3 months but less than 12 months	124.38	82.31
	884.71	1,348.50

18. Short-Term Loans and Advances (Unsecured and considered good, unless otherwise specified) (₹ in million)

	As at 30.06.2012	As at 31.03.2011
a) Loans and Advances to Related Parties		
- Subsidiaries	613.90	504.92
- Associates	53.02	12.56
- Joint Ventures	647.59	401.66
- Directors	18.52	-
Doubtful Loans and Advances	126.17	36.07
	1,459.20	955.21
Less: Provision for Doubtful Advances	126.17	36.07
	1,333.03	919.14
b) Advances to Sub-contractors and Suppliers	2,699.83	2,102.37
c) Prepaid Expenses	245.21	264.33
d) Other Deposits	298.42	367.74
e) Balances with Statutory / Government Authorities	2,376.90	1,901.67
f) Others	134.12	52.83
g) Doubtful Advances	164.79	133.59
	5,919.27	4,822.53
Less: Provision for Doubtful Advances	164.79	133.59
	5,754.48	4,688.94
	7,087.51	5,608.08

Notes forming part of Financial Statements

19. Other Current Assets (₹ in million)
 (Unsecured, considered good)

	As at 30.06.2012	As at 31.03.2011
(a) Unbilled Revenue	11,648.72	9,774.48
(b) Receivable against sale of Development Rights	1,530.78	-
(c) Interest on Term Deposit with Banks	5.47	3.89
	13,184.97	9,778.37

20. Income from Operations (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Construction Revenue	61,430.58	55,686.96
(b) Share of Profit from Joint Ventures	45.17	27.18
(c) Sale of Products		
- Manufactured Goods	34.69	537.63
- Traded Goods	212.47	81.51
(d) Other Operating Income	56.69	259.12
	61,779.60	56,592.40

21. Other Income (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Profit on sale of investment	1,169.85	-
(b) Interest Income		
- Loans and Advances to subsidiaries and sub-contractors	329.63	435.25
- Term Deposits with Banks	29.63	10.31
(c) Dividend Income		
- Subsidiaries	31.84	31.84
- Long-Term Investments	0.02	-
(d) Liabilities no longer required written back	78.18	27.26
(e) Miscellaneous Income	56.43	60.57
	1,695.58	565.23

22A Raw Material Consumed (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Steel	-	630.28
(b) Zinc	-	79.86
(c) Chemicals / Consumable Stores	-	57.53
	-	767.67

B Increase / (Decrease) in Finished Goods and Work-in-progress

(` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Opening Stock		
Finished Goods - Galvanised steel structures	106.45	94.73
Work-in-progress	39.04	35.28
	145.49	130.01
Less: Transferred to IVRCL TLT Private Limited pursuant to Composite Scheme of Arrangement	145.49	-
	-	130.01
Closing Stock		
Finished Goods - Galvanised steel structures	-	106.45
Work-in-progress	-	39.04
	-	145.49
	-	15.48

C Construction Expenses

(` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Construction Stores, Spares and Materials Consumed		
- Opening Stock	2,506.38	2,215.44
- Less: Transferred to IVRCL TLT Private Limited Pursuant to Composite Scheme of Arrangement	654.27	-
	1,852.11	2,215.44
- Add: Purchases	21,421.49	19,435.28
- Less : Closing Stock	2,723.30	2,506.38
	20,550.30	19,144.34
(b) Sub-contractors' work bills	14,283.31	9,918.50
(c) Masonry and other works	11,256.91	13,296.79
(d) Indirect Taxes and Cess	2,126.13	2,095.47
(e) Machinery Hire Charges	1,889.72	1,105.91
(f) Repairs and Maintenance		
- Construction Machinery	623.30	436.90
- Others	146.86	135.54
	770.16	572.44
(g) Electricity and Water Charges	220.52	127.05
(h) Royalty	112.74	146.44
(i) Laboratory Testing Charges	35.25	36.78
	51,245.04	46,443.72

Notes forming part of Financial Statements

23. Employee Benefits Expenses (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Salaries, Wages and Bonus	2,620.20	2,021.78
(b) Contribution to Provident and Other Funds	254.36	185.16
(c) Staff Welfare Expenses	345.33	268.02
(d) Managerial Remuneration	12.87	148.68
	3,232.76	2,623.64

24. Other Expenses (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Rent Expenses	226.83	153.68
(b) Office Maintenance	234.72	170.61
(c) Rates and Taxes	76.25	65.06
(d) Travelling and Conveyance	191.29	143.51
(e) Legal and Professional Charges	266.52	212.90
(f) Insurance	212.62	137.36
(g) Communication Expenses	69.01	57.09
(h) Printing and Stationery	56.37	45.17
(i) Tender Expenses	30.09	35.18
(j) Business Promotion	15.31	9.29
(k) Auditors' Remuneration (Refer Note 30)	14.88	10.17
(l) Advertisement and Publicity	11.47	12.15
(m) Loss on Assets sold / discarded (Net)	25.61	29.26
(n) Provision for doubtful debts, advances and deposits	500.70	344.01
(o) Bad Debts Written Off	121.11	19.78
(p) Miscellaneous Expenses	31.73	25.47
	2,084.51	1,470.69

25. Finance Cost (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Interest on Term Loans and Working Capital Facilities	4,496.85	2,345.08
(b) Bank and Other Financial Charges	554.07	280.82
(c) Foreign Exchange Loss (Net)	4.50	1.21
	5,055.42	2,627.11

26. Trade Receivables outstanding for a period exceeding six months from the date they are due for payment and considered good (Refer Note 16) include receivables aggregating to :

- i) ₹ 347.02 million relating to claims receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and
- ii) ₹ 1,229.66 million (including ₹ 215.27 million which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the clients for realisations of the dues and the management is of the view that such receivables are good and fully recoverable.

Notes forming part of Financial Statements

27. Composite Scheme of Arrangement

- a) Pursuant to the Composite Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 between the Company, IVRCL Assets & Holdings Limited (IVRCL A&H), RIHIM Developers Private Limited (RDPL) and IVRCL TLT Private Limited (IVRCL TLT) and their respective shareholders, which was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its order dated July 2, 2012, effective from April 1, 2011 (the appointed date):
- all the properties, assets and liabilities of the Real Estate Undertaking of IVRCL A&H have been transferred to and vested with RDPL;
 - all the properties, assets and liabilities of Remaining Undertaking (primarily relating to Infrastructure Development Business) of IVRCL A&H have been transferred to and vested with the Company; and
 - all the properties, assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred to and vested with IVRCL TLT.
- b) In terms of Composite Scheme of Arrangement, the authorised equity share capital of the Company has been increased to ₹ 3,300.00 million consisting of 1,625,000,000 equity shares of ₹ 2 each.
- c) (i) The amalgamation of the Remaining Undertaking of IVRCL A&H with the Company has been accounted for under "Purchase Method" as prescribed by Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006. The assets and liabilities have been taken over at fair values as determined by the Board of Directors and an amount of ₹ 4,028.75 million representing the excess of assets over liabilities has been credited to Capital Reserve.
- (ii) As per the Composite Scheme of Arrangement, 149,185,366 equity shares of ₹ 10 each of IVRCL A&H held by the Company stand cancelled.
- (iii) Pursuant to the Composite Scheme of Arrangement and after considering the cancellation of shares held by the Company, 39,876,790 equity shares of ₹ 2 each of the Company are to be issued to the shareholders of IVRCL A&H in the ratio of 5 equity shares of ₹ 2 each of the Company for every 6 equity shares of ₹ 10 each held in IVRCL A&H. Notices have been given to the Stock Exchanges where the Company's equity shares are listed fixing as the Record Date for this purpose. Pending allotment an amount of ₹ 79.75 million has been included in the Share Capital Suspense Account as at June 30, 2012 (Refer Note 3A).
- (iv) The erstwhile IVRCL A&H was engaged in the business of development, operations and execution of infrastructure projects and real estate property development.
- d) In terms of the Composite Scheme of Arrangement, the assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred at values appearing in the books of accounts of the Company, with effect from April 01, 2011 without consideration. Accordingly the amount of ₹ 1,452.16 million being the book value of net assets transferred has been debited to Capital Reserve.

28. Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"

In terms of the disclosures required to be made under the Accounting Standard 7 for 'Construction Contracts' as notified in the Companies (Accounting Standards) Rules, 2006, the amounts considered in the financial statements up to the Balance Sheet date are as follows:

(₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Contract Revenue recognised as revenue during the period/ year	61,346.22	55,603.16
Aggregate amount of Contract costs incurred and recognised profits, less losses	137,250.70	162,285.47
Advances received, net of recoveries from progressive bills	10,361.06	7,292.39
Gross amount due from customers for contract works	18,894.40	22,188.23
Retention Money	6,502.73	6,417.82

Notes forming part of Financial Statements

29. Reconciliation of Basic and Diluted shares used in computing Earnings Per Share (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Profit After Tax for calculation of Basic EPS (₹ in million)	180.81	1,578.99
Profit After Tax for calculation of Diluted EPS (₹ in million)	180.81	1,583.79
Weighted average number of equity shares outstanding for calculation of Per Share (EPS)	267,009,858	267,009,858
Add: Number of shares in Share Capital Suspense	39,876,790	-
	306,886,648	267,009,858
Add: Dilutive effect of potential shares out of FCCB outstanding	-	2,055,598
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	306,886,648	269,065,456
Basic EPS (₹)	0.59	5.91
Diluted EPS (₹)	0.59	5.89

30. Auditor's Remuneration (excluding service tax) (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Audit Fees	13.20	8.90
Tax Audit Fee	0.50	0.50
Other Service	0.83	0.44
Reimbursement of expenses	0.35	0.33
	14.88	10.17

31. Contingent Liabilities (₹ in million)

	As at 30.06.2012	As at 31.03.2011
Bank Guarantees / Letters of Credit issued by the banks on behalf of the Company	43,594.65	40,459.23
Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates	7,741.44	6,587.50
Claims against the Company not acknowledged as debts	627.32	474.07
Income Tax demand under appeal	160.32	28.22
Disputed Value Added Tax / Service Tax	4,589.87	3,302.92

Estimated amount of contracts to be executed on capital account (net of advances) ₹ 283.01 million (P Y ₹ 119.76 million)

Commitment towards investment in subsidiaries ₹ 11,625.00 million

32. CIF Value of imports (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Capital Goods	143.89	55.48
Traded Goods	177.19	78.39
Construction materials and others	204.17	224.26

Notes forming part of Financial Statements

33. Expenditure / (Income) in foreign currency (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Travelling Expenses	3.34	3.09
Professional / Consultancy Charges	6.46	10.49
Tender Charges	-	0.68
Interest Expenses	94.32	15.39
FOB value of Export	(4.35)	-
Overseas Contract Revenue	(63.79)	-
Overseas Contract Expenditure	35.54	2.32

34. (a) Construction material and stores consumed (₹ in million)

	01.04.2011 to 30.06.2012		Year ended 31.03.2011	
	Value	%	Value	%
Indigenous	20,346.13	99.01	18,920.08	98.83
Imported	204.17	0.99	224.26	1.17
Total	20,550.30	100.00	19,144.34	100.00

(b) Raw Material consumed at Factory (₹ in million)

Particulars	01.04.2011 to 30.06.2012		Year ended 31.03.2011	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	-	-	767.67	100
Total	-	-	767.67	100

35. Dues to Micro and Small Enterprises

Information relating to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The required disclosures are given below.

(₹ in million)

	2011-12	2010-11
Principal amount remaining unpaid as on June, 30 / March, 31	5.73	30.98
Interest due thereon as on June, 30 / March, 31	0.36	0.55
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at June,30 / March, 31	0.36	0.55
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

Notes forming part of Financial Statements

36. The Company has the following Joint Ventures (Jointly controlled operations) as on June 30, 2012 and its proportionate share is given below:

SI No.	Name of the Joint Venture	Share of Interest
1	Bhanu - IVRCL Associates	50.00%
2	IVRCL – Tantia (JV)	50.00%
3	IVRCL, SEW & Prasad Hyderabad J.V	50.00%
4	IVRCL, Navayuga & SEW Joint Venture	35.75%
5	Navayuga, IVRCL & SEW Joint Venture	35.75%
6	IVRCL – Harsha (JV)	80.00%
7	SPCL - IVRCL JV	49.00%
8	IVRCL - JL (JV)	90.00%
9	UAN Raju IVRCL Construction JV	51.00%
10	IVRCL – KBL (JV) Hyderabad	80.00%
11	IVRCL – KBL – MEIL (JV) Hyderabad	65.00%
12	IVRCL - CR18G (JV)	90.00%
13	IVRCL SEW & WPIL (JV) Hyderabad	60.00%
14	IVRCL – MBL (JV) Hyderabad	90.00%
15	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad	70.00%
16	IVRCL BATPASCO ABB & AAG (JV) Hyderabad	85.00%
17	IVRCL - CR18G Consortium (J.V)	70.00%
18	MEIL IVRCL HCC & WPIL (JV)	23.00%
19	IVRCL – KIPL (JV)	50.00%
20	IVRCL – RAJ (JV)	32.17%
21	UNITY – IVRCL Joint Venture	50.00%
22	IVRCL SAI SUDHIR (JV)	51.00%
23	CR18G - IVRCL (JV)	30.00%
24	IVRCL - SUSHEE Joint Venture	51.00%
25	IVRCL – KMB – HDO Joint Venture	70.00%
26	IVRCL-MEIL (NC-28) Joint Venture	65.00%
27	IVRCL-MEIL (NC-33) Joint Venture	65.00%
28	IVRCL - SUSHEE Consortium	51.00%
29	IVRCL – RTE Joint Venture	80.00%
30	KMB – IVRCL Joint Venture	49.00%
31	IVRCL - BPL -UCC (JV)	60.00%

Notes forming part of Financial Statements

37. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard 18 as notified in the Companies (Accounting Standards) Rules, 2006 is given below:

37.1 List of Related Parties and Relationships

SI	Name	SI	Name
A	Subsidiary (The ownership, directly or indirectly through subsidiary (ies))		
1	Hindusthan Dorr-Oliver Limited	46	IVR Prime Developers (Mylapore) Private Limited
2	IVRCL PSC Pipes Private Limited	47	Chodavaram Developers Private Limited
3	IVR Enviro Projects Private Limited	48	Simhachalam Prime Developers Private Limited
4	Chennai Water Desalination Limited	49	Siripuram Developers Private Limited
5	Salem Tollways Limited	50	Bibinagar Developers Private Limited
6	Kumarapalyam Tollways Limited	51	IVR Prime Developers (Erode) Private Limited
7	IVRCL Steel Constructions & Services Limited	52	IVR Prime Developers (Guntur) Private Limited
8	Jalandhar Amritsar Tollways Limited	53	IVR Prime Developers (Kakinada) Private Limited
9	IVRCL Indore Gujarat Tollways Limited	54	IVR Prime Developers (Araku) Private Limited
10	IVRCL Chengapalli Tollways Limited	55	IVR Prime Developers (Pudukkottai) Private Ltd
11	IVRCL Patalaganga Trucks Terminal Pvt. Limited	56	Absorption Aircon Engineer Private Limited
12	IVRCL Goa Tollways Limited	57	IVR Vaanaprastha Private Limited
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	58	IVR PUDL Resorts & Clubs Private Limited
14	Alkor Petroo Limited	59	IVR Prime Developers (Thandiarpet) Private Ltd
15	IVRCL Building Products Limited	60	IVR Prime Developers (Gummidipundy) Private Ltd
16	IVRCL Chandrapur Tollways Limited	61	IVR Prime Developers (Kodambakkam) Private Ltd
17	Sapthashva Solar Limited	62	IVR Prime Developers (Arumbakkam) Private Ltd
18	RIHIM Developers Private Limited (formerly IVR Prime Developers (Alwarpet) Private Limited)	63	IVR Prime Developers (Anna Nagar) Private Limited
19	IVRCL TLT Private Limited (formerly IVR Prime Developers (Pallavaram) Private Limited)	64	IVRCL Solar Energy Private Limited (formerly IVR Prime Developers (West Mambalam) Private Limited)
20	IVRCL Raipur Bilaspur Tollways Limited	65	IVR Prime Developers (Amalapuram) Private Ltd
21	IVRCL Narnual Bhiwani Tollways Limited	66	IVR Prime Developers (Anakapalle) Private Limited
22	IVR Hotels and Resorts Limited	67	IVR Prime Developers (Rajampeta) Private Limited
23	SPB Developers Private Limited	68	IVR Prime Developers (Tanuku) Private Limited
24	IVRCL Multilevel Car Parking Private Limited	69	IVR Prime Developers (Red Hills) Private Limited
25	IVRCL Lanka (Private) Limited	70	IVR Prime Developers (Rajahmundry) Private Ltd
26	First STP Private Limited	71	IVR Prime Developers (Tuni) Private Limited
27	IVRCL Gundugolanu Rajahmundry Tollways Ltd	72	IVR Prime Developers (Bobbilli) Private Limited
28	IVRCL Patiala Bathinda Tollways Limited	73	IVR Prime Developers (Bhimavaram) Private Ltd
29	IVR Prime Developers (Tambram) Private Limited	74	IVR Prime Developers (Adayar) Private Limited
30	IVRCL International FZE	75	IVR Prime Developers (Ananthapuram) Private Ltd
31	HDO Technologies Limited	76	IVR Prime Developers (Perumbadur) Private Ltd
32	HDO (UK) Limited	77	IVR Prime Developers (Egmore) Private Limited
33	Davymarkham Limited	78	IVR Prime Developers (Ashram) Private Limited
34	Davymarkham India Private Limited	79	IVR Prime Developers (Retiral Homes) Private Ltd
35	HDO Zambia Limited	80	IVR Prime Developers (Avadi) Private Limited
36	IVR Prime Developers (Palakkad) Private Limited	81	Geo IVRCL Engineering Limited
37	IVR Prime Developers (Guindy) Private Limited	82	Duvvda Developers Private Limited
38	IVRCL Mega Malls Limited	83	Kunnam Developers Private Limited

Notes forming part of Financial Statements

SI	Name	SI	Name
39	Agaram Developers Private Limited	84	Vedurwada Developers Private Limited
40	Mummidi Developers Private Limited	85	Rudravaram Developers Private Limited
41	Samatteri Developers Private Limited	86	Geo Prime Developers Private Limited
42	Annupampattu Developers Private Limited	87	Theata Developers Private Limited
43	Tirumani Developers Private Limited	88	Kasibugga Developers Private Limited
44	Ilavampedu Developers Private Limited	89	Vijayawada Developers Private Limited
45	Gajuwaka Developers Private Limited	90	Eluru Developers Private Limited
B Associate (Where the Company Exercises Significant influence)			
1	Viva Infrastructure Pvt. Limited	4	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	5	IVRCL International Infrastructures & Projects LLC
3	IOT Utkal Energy Services Limited	6	Sushee - IVRCL Arunachal Highway Limited
C Joint Ventures			
1	Bhanu - IVRCL Associates	17	IVRCL SEW & WPIL (JV) Hyderabad
2	IVRCL – Tantia (JV)	18	IVRCL – MBL (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
4	IVRCL, Navayuga & SEW Joint Venture	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
5	Navayuga, IVRCL & SEW Joint Venture	21	IVRCL - CR18G Consortium (J.V)
6	IVRCL – Harsha (JV)	22	MEIL IVRCL HCC & WPIL (JV)
7	SPCL - IVRCL JV	23	IVRCL – KIPL (JV)
8	IVRCL - JL (JV)	24	IVRCL – RAJ (JV)
9	UAN Raju IVRCL Construction JV	25	UNITY – IVRCL Joint Venture
10	IVRCL – KBL (JV) Hyderabad	26	IVRCL SAI SUDHIR (JV)
11	IVRCL – KBL – MEIL (JV) Hyderabad	27	CR18G - IVRCL (JV)
12	IVRCL - CR18G (JV)	28	IVRCL - SUSHEE JOINT VENTURE
13	IVRCL – KMB – HDO Joint Venture	29	IVRCL – RTE Joint Venture
14	IVRCL-MEIL (NC-28) Joint Venture	30	KMB – IVRCL Joint Venture
15	IVRCL-MEIL (NC-33) Joint Venture	31	IVRCL - BPL -UCC (JV)
16	IVRCL - SUSHEE Consortium		
D Enterprises owned or significantly influenced by key management personnel or their relatives			
1	S.V.Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A.P.Enercon Engineers Private Limited
4	Eragam Holdings Limited		
E Key Management Personnel			
1	Mr. E. Sudhir Reddy		Chairman & Managing Director
2	Mr. K. Ashok Reddy		Executive Director
3	Mr. R. Balarami Reddy		Executive Director – Finance & Group CFO
F Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy		Relative of Chairman & Managing Director
2	Mrs. E. Sujatha Reddy		Relative of Chairman & Managing Director
3	Mrs. E. Indra Reddy		Relative of Chairman & Managing Director
4	Mr. E. Siddhanth Reddy		Relative of Chairman & Managing Director
5	Mr. E. Sanjeeth Reddy		Relative of Chairman & Managing Director
6	Mr. E. Sunil Reddy		Relative of Chairman & Managing Director
7	Ms.E.Suha Reddy		Relative of Director
8	Ms.E. Soma Reddy		Relative of Director
9	Mrs. R. Vani		Relative of Executive Director - Finance & Group CFO

Notes forming part of Financial Statements

	37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Contract Revenue / Other Operational Income						
IVRCL Assets & Holdings Limited	-	5,539.68				
Salem Tollways Limited	6.68	164.98				
Kumarapalyam Tollways Limited	5.35	46.41				
Jalandar Amritsar Tollways Limited	-	113.10				
IVRCL Chengapally Tollways Limited	3,656.26	1,367.40				
IVRCL Indore Gujarat Tollways Limited	7,782.96	3,292.88				
IVRCL, SEW & Prasad Hyderabad J.V			514.55	775.73		
IVRCL, Navayuga & SEW Joint Venture			375.75	144.38		
IVRCL - JL (JV)			229.84	618.66		
IVRCL BATPASCO ABB & AAG (JV) Hyderabad			526.51	844.03		
IVRCL - KBL - MEIL (JV) Hyderabad			573.52	1,103.59		
IVRCL SAI SUDHIR (JV)			110.04	824.56		
IVRCL - KIPL (JV)			523.01	1,400.40		
IVRCL - CR18G Consortium (JV)			338.65	911.79		
IVRCL - MBL (JV) Hyderabad			853.85	463.88		
UNITY - IVRCL Joint Venture			890.90	427.05		
IOT Utikal Energy Services Limited					2,031.69	
Others	4,625.16	1,395.70	2,516.19	1,926.72		
Total	16,076.41	11,920.15	7,452.81	9,440.79	2,031.69	
Dividend Income						
Hindustan Dorr Oliver Limited	31.84	31.84				
Total	31.84	31.84				
Interest Income						
IVRCL Assets & Holdings Limited	-	281.36				
Aikor Petroo Limited	160.92	88.92				
IVRCL Building Products Limited	37.60	24.78				
UAN Raju IVRCL Construction JV			1.55	10.69		
UNITY - IVRCL Joint Venture			21.00	-		
IOT Utikal Energy Services Limited					13.57	
Total	198.52	395.06	22.55	10.69	13.57	
Interest income on mobilisation advance						
Palladium Infrastructures & Projects Limited	-	-	-	-	16.28	
Total	-	-	-	-	16.28	

Notes forming part of Financial Statements

	37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Rental Income						
Hindustan Dorr Oliver Limited	2.39	1.90				
IVRCL Assets & Holdings Limited	-	5.59				
RIHIM Developers Private Limited	0.70	-				
Others	0.17	0.14				
Total	3.26	7.63	-	-	-	-
Hire Charges Income						
Palladium Infrastructures & Projects Limited	-	-	-	-	100.38	-
Total	-	-	-	-	100.38	-
Rent Expense						
A.P Enercon Engineers Private Limited					23.32	11.39
Palladium Infrastructures & Projects Limited					2.48	-
Total	-	-	-	-	25.80	11.39
Sub contracting Work Expenses						
Hindustan Dorr Oliver Limited	5.49	30.69				
IVRCL Assets & Holdings Limited	-	1,219.14				
IVRCL, SEW & Prasad Hyderabad J.V			19.83	36.64		
Navayuga, IVRCL & SEW Joint Venture			132.90	107.14		
IVRCL – KBL – MEIL (JV) Hyderabad			537.33	1,052.38		
IVRCL - CR18G (JV)			149.96	323.79		
IVRCL SAI SUDHIR (JV)			107.23	803.82		
MEIL IVRCL HCC & WPIL (JV)			-	469.88		
UNITY – IVRCL Joint Venture			790.30	424.27		
IVRCL-MEIL (NC-28) Joint Venture			335.48	-		
IVRCL-MEIL (NC-33) Joint Venture			557.44	-		
Palladium Infrastructures & Projects Limited					2,858.71	987.79
Total	5.49	1,249.83	2,630.47	3,217.92	2,858.71	987.79
Purchase of Construction Material						
Hindustan Dorr-Oliver Limited	177.91	23.70				
IVRCL Building Products Limited	-	3.04				
Total	177.91	26.74	-	-	-	-

Notes forming part of Financial Statements

	37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (` in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Sale of Construction Material						
Palladium Infrastructures & Projects Limited					1,239.09	-
Total	-	-	-	-	1,239.09	-
Interest Expense on Mobilisation Advance						
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			22.06	19.28		
CR18G - IVRCL (JV)			19.13	24.70		
IVRCL – KIPL (JV)			2.14	28.75		
KMB – IVRCL Joint Venture			5.48	-		
Others			1.63	4.06		
Total	-	-	50.44	76.79	-	-
Advances Given						
IVRCL Assets & Holdings Limited		169.43				
Hindustan Dorr Oliver Limited	113.19	83.21				
IVRCL Indore Gujarat Tollways Limited	151.19	97.78				
RIHIM Developers Private Limited	236.09	-				
Bhanu IVRCL Associates			32.12	36.07		
IVRCL – KIPL (JV)			-	33.54		
UAN Raju IVRCL Construction JV			65.96	60.83		
IVRCL, SEW & Prasad Hyderabad J.V			58.48	42.43		
IVRCL, Navayuga & SEW Joint Venture			97.66	140.23		
IVRCL – Harsha (JV)			56.21	55.89		
UNITY – IVRCL Joint Venture			269.22	-	53.02	-
IVRCL International Infrastructures & Projects LLC						
Others	123.90	70.99	183.68	68.74		
Total	624.37	421.41	763.33	437.73	53.02	-
Advances Received						
IVRCL TLT Private Limited	280.36	-				
IVRCL – KBL (JV) Hyderabad			50.67	99.50		
IVRCL – KBL – MEIL (JV) Hyderabad			23.17	68.45		
UNITY – IVRCL Joint Venture			-	369.10		
IVRCL SEW & WPIL (JV) Hyderabad			-	12.33		
IVRCL – KIPL (JV)			56.03	-		
Others	0.83	-	3.03	30.91		
Total	281.19	-	132.90	580.29	-	-

37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Creditors for Construction Expenses						
IVRCL Building Products Limited	-	3.75				
IVRCL Assets & Holdings Limited	-	899.08				
Hindustan Dorr Oliver Limited	57.16	87.34				
SPB Developers Limited	156.98	-				
IVRCL, SEW & Prasad Hyderabad J.V			10.64	70.38		
Navayuga, IVRCL & SEW Joint Venture			3.57	40.61		
IVRCL – KBL – MEIL (JV) Hyderabad			44.43	444.21		
MEIL IVRCL HCC & WPIL (JV)			46.54	307.80		
IVRCL SAI SUDHIR (JV)			5.80	532.71		
IVRCL-MEIL (NC-28) Joint Venture			11.70	-		
Palladium Infrastructures & Projects Limited					2,382.64	971.61
Others	1.36	-	-	-	1.30	1.70
Total	215.50	990.17	122.68	1,395.71	2,383.94	973.31
Provision for Doubtful Advances						
Bhanu IVRCL Associates			32.12	36.07		
SPCL - IVRCL JV			17.02	-		
UAN Raju IVRCL Construction JV			65.96	-		
IVRCL Goa Tollways Limited	10.45	-				
Others			0.62	-		
Total	10.45	-	115.72	36.07	-	-
Trade Receivables and Retention Money Receivable						
IVRCL Assets & Holdings Limited	-	1,157.54				
Hindustan Dorr-Oliver Limited	292.88	305.68				
IVRCL Chengapally Tollways Limited	257.62	255.72				
IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	163.49	262.08				
IVRCL Chandrapur Tollways Limited	114.07	-				
IVRCL, SEW & Prasad Hyderabad J.V			454.51	638.99		
IVRCL, Navayuga & SEW Joint Venture			271.83	326.31		
IVRCL BATPASCO ABB & AAG (JV) Hyderabad			133.65	320.32		
CR18G - IVRCL (JV)			185.49	281.32		
IVRCL – KIPL (JV)			154.11	473.01		
IVRCL - KBL - MEIL (JV) Hyderabad			201.99	403.04		
IVRCL – KBL (JV) Hyderabad			120.84	252.35		

Notes forming part of Financial Statements

37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
	IVRCL - CR18G Consortium (J.V)					
IVRCL SAI SUDHIR (JV)			130.18	213.81		
MEIL IVRCL HCC & WPIL (JV)			86.08	656.30		
IOT Utkal Energy Services Limited			128.23	413.51	394.13	-
Others	37.88	175.58	452.63	809.97		
Total	865.94	2,156.60	2,319.54	4,788.93	394.13	-
Mobilisation Advance Received						
SPB Developers Limited	279.53	551.69				
IVRCL Indore Gujarat Tollways Limited	492.73	142.59				
IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	-	55.87				
IVRCL Chengapalli Tollways Limited	807.28	-				
IVRCL Chandrapur Tollways Limited	1,151.84	-				
IVRCL, SEW & Prasad Hyderabad J.V			46.18	104.74		
IVRCL - MBL (JV) Hyderabad			183.21	296.15		
CR18G - IVRCL (JV)			100.11	230.49		
IVRCL - KIPL (JV)			-	71.06		
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			419.04	157.07		
KMB - IVRCL Joint Venture			190.38	-		
Others	4.59	7.50	61.40	9.80		
Total	2,735.97	757.65	1,000.32	869.31	-	-
Mobilisation Advance Paid						
Palladium Infrastructures & Projects Limited					88.50	
Total	-	-	-	-	88.50	-
Retention Money Payable						
IVRCL Assets & Holdings Limited		58.39				
Hindustan Dorr Oliver Limited		95.70				
IVRCL, SEW & Prasad Hyderabad J.V	33.44		82.46	79.95		
IVRCL - KBL - MEIL (JV) Hyderabad			140.37	229.13		
MEIL IVRCL HCC & WPIL (JV)			68.32	68.32		
IVRCL SAI SUDHIR (JV)			86.08	51.90		
Palladium Infrastructures & Projects Limited			0.49	40.69	214.67	39.82
Others						
Total	33.44	154.09	377.72	469.99	214.67	39.82

Notes forming part of Financial Statements

37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Rent Deposit Given						
Palladium Infrastructures & Projects Limited					1.38	0.44
Indus Palms Hotels & Resorts Limited					2.64	2.64
A.P. Enercon Engineers Private Limited					2.58	2.58
Total					6.60	5.66
Loans Given						
IVRCL Assets & Holdings Limited		3,874.53				
Alkor Petroo Limited	685.06	835.37				
Jalandhar Amritsar Tollways Limited	872.40	-				
Salem Tollways Limited	1,022.72	-				
Chennai Water Desalination Limited	1,326.17	-				
IOT Utkal Energy Services Limited					220.00	-
Others	772.44	283.51				
Total	4,678.79	4,993.41			220.00	-
Investment in Equity Shares						
SPB Developers Private Limited	345.85	-				
IVRCL Indore Gujarat Tollways Limited	479.50	-				
IVRCL Chengapalli Tollways Limited	354.07	-				
IVRCL Chandrapur Tollways Limited	1,943.33	-				
IVRCL Lanka (Private) Limited	188.52	-				
Sushee IVRCL Arunachal Highways Limited					0.13	-
Alkor Petroo Limited		70.10				
IVRCL International Infrastructures & Projects LLC						0.91
Others	2.72	7.49				
Total	3,313.99	77.59			0.13	0.91



37.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on June 30, 2012. (in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Corporate Guarantee						
Alkor Petroo Limited	3,500.00	2,000.00				
IVRCL Assets & Holdings Limited	-	4,000.00				
IVRCL Indore Gujarat Tollways Limited	1,837.50	587.50				
IVRCL Chengapally Tollways Limited	1,250.00	-			1,153.94	-
IVRCL International Infrastructures & Projects LLC					1,153.94	-
Total	6,587.50	6,587.50	-	-	1,153.94	-
Bank Guarantee						
IVRCL Multilevel Car Parking Private Limited	50.00	-				
Jalandhar Amritsar Tollways Limited	127.50	-				
Salem Tollways Limited	226.94	-				
Kumarapallyam Tollways Limited	245.00	-				
Total	649.44	-	-	-	-	-

37.3 Transactions with Key Management Personnel / Relatives (in million)

Key Management Personnel / Relatives	Designation	Remuneration		Dividend		Office Rent		Rent Deposit		Advance	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
i) Mr. E. Sudhir Reddy	Chairman & Managing Director	6.00	137.07	8.59	8.40	2.67	1.53	0.50	0.50	11.40	-
ii) Mr. E. Sunil Reddy	Director	-	-	1.51	2.01	2.67	1.53	0.50	0.50	-	-
iii) Mr. K. Ashok Reddy	Executive Director	3.00	5.40	0.03	0.03	-	-	-	-	3.53	-
iv) Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	3.00	5.45	0.01	0.02	-	-	-	-	3.59	-
v) Mr. E. Ella Reddy	Director	-	-	-	-	3.32	1.29	0.51	-	-	-
vi) Relatives		-	-	2.78	3.68	2.43	1.29	0.43	-	-	-
Total		12.00	147.92	12.92	14.14	11.09	5.64	1.94	1.00	18.52	-

Notes forming part of Financial Statements

38. Disclosure as per clause 32 of the Listing Agreement

Advances in the nature of loans given to related Parties:

(` in million)

	Balance as on		Maxmium Outstanding	
	30.06.2012	31.03.2011	2011-12	2010-11
(A) Advances in the nature of loans where there is no repayment schedule and interest is charged				
(i) Subsidiaries				
IVRCL Assets & Holdings Limited	-	3,874.53	-	5,194.53
Alkor Petroo Limited	685.06	835.37	977.71	835.37
IVRCL Building Products Limited	237.95	200.00	237.95	226.80
(ii) Associate				
IOT Utkal Energy Services Limited	220.00	-	220.00	-
(B) Advances in the nature of loans where there is no repayment schedule and no interest is charged				
IVRCL Patalaganga Trucks Terminal Private Limited	-	83.52	83.52	83.52
Salem Tollways Limited	1,022.72	-	1,022.72	-
Kumarapalyam Tollways Limited	304.14	-	304.14	-
Chennai Water Desalination Limited	1,326.17	-	1,438.67	-
Jalandar Amritsar Tollways Limited	872.40	-	872.40	-
IVRCL Indore Gujarat Tollways Limited	125.44	-	125.44	-
IVRCL Chengapalli Tollways Limited	74.00	-	74.00	-
IOT Utkal Energy Services Limited	220.00	-	220.00	-

39. Employee Benefit Plan

a) Gratuity Plan

(` in million)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Components of Employer Expenses					
Current service cost	38.57	24.41	20.94	13.85	8.89
Interest cost	12.44	9.43	7.44	4.55	2.00
Expected return on plan assets	(9.90)	(7.18)	(4.96)	(3.30)	(0.37)
Net Actuarial (Gain) / Loss to be recognized	5.28	(5.76)	(0.69)	16.91	10.76
Total expense recognised in the Statement of Profit and Loss	46.39	20.90	22.73	32.01	21.28
Actual Contribution & Benefit Payments					
Actual Benefit Payments	(15.25)	(5.19)	(3.03)	(4.46)	(1.41)
Actual Contribution	25.54	28.97	23.75	19.21	8.89
Net Asset / (Liability) recognized in Balance Sheet					
Liability at the end of the year	160.48	120.65	98.64	75.02	45.21
Fair value of plan assets at the end of the year	115.04	96.06	65.98	41.34	24.33
Net Asset/ (Liability) recognised in the Balance Sheet	(45.44)	(24.59)	(32.66)	(33.68)	(20.88)
Change in Defined Benefit Obligations (DBO)					
Present Value of DBO at Beginning of Year	120.65	98.64	75.02	45.21	24.97
Interest Cost	12.44	9.43	7.44	4.55	2.00
Current Service Cost	38.57	24.41	20.94	13.85	8.89

Notes forming part of Financial Statements

(` in million)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Benefits Paid	(15.25)	(5.19)	(3.03)	(4.46)	(1.41)
Actuarial (Gain) / Loss on obligations	4.07	(6.64)	(1.73)	15.87	10.76
Present Value of DBO at the End of Year	160.48	120.65	98.64	75.02	45.21
Change in Fair Value of Plan Assets during the year					
Planned assets at Beginning of the year	96.06	65.98	41.35	24.34	4.62
Expected return on planned assets	9.91	7.18	4.96	3.30	0.37
Contributions	25.54	28.97	23.75	19.21	20.75
Benefit paid	(15.25)	(5.19)	(3.03)	(4.46)	(1.41)
Actuarial Gain / (Loss) on plan assets	(1.22)	(0.88)	(1.05)	(1.04)	0.01
Fair value of plan assets at the end of the year	115.04	96.06	65.98	41.35	24.34
Defined benefit plan – Gratuity Assumptions					
Discount rate	8.50%	8.25%	8.00%	8.00%	8.00%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	8.50%	8.25%	8.00%	8.00%	8.00%

b) In accordance with the payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The management understands that LIC's overall portfolio assets is well diversified and as such, the long-term return of the policy is expected to be higher than the rate of return on Central Government Bonds.

c) The expense pertaining to gratuity of ` 46.39 million (P Y ` 20.90 million) has been considered in "Contribution to Provident and Other Funds" under Note 23.

40. Segment Reporting

a) Business Segment

The Company has considered "Engineering & Construction" as one business segment for disclosure in the context of Accounting Standard 17 as notified in the Companies (Accounting Standards) Rules, 2006. The Company is engaged in the business of Engineering & Construction segment only for the period under report.

b) Geographical Segment

During the period under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

41. Employee Share based Plan – ESOP 2007 Scheme

The IVRCL – ESOP 2007 Scheme approved by the shareholders in the 20th Annual General Meeting held on September 7, 2007 to grant 4,200,000 options, convertible in to 4,200,000 shares of ` 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

42. Derivative Instruments

The details of foreign currency exposures on account of External Commercial Borrowings that have been hedged by cross currency swap are given below.

	As at 30.06.2012	As at 31.03.2011
No. of Instruments	5	3
USD Equivalent (million)	18.28	12.50
INR Equivalent (` million)	828.05	571.63

Notes forming part of Financial Statements

43. The following Investments in equity shares have been pledged in respect of loans taken by the subsidiaries and associate:

S.No.	Name of the Company	No. of Shares	Pledged in favour of
i.	Salem Tollways Limited	26,164,612	IDBI Trusteeship Limited
ii.	Kumarapalyam Tollways Limited	138,639,269	IDBI Trusteeship Limited
iii.	IVRCL Indore Gujarat Tollways Limited	8,680,374	IDBI Trusteeship Limited
		8,339,966	IFCI Limited
iv.	IVRCL Chengapalli Tollways Limited	6,416,698	IDBI Trusteeship Limited
		6,165,062	IFCI Limited
v.	IVRCL Chandrapur Tollways Limited	4,886,723	IDBI Trusteeship Limited
vi.	SPB Developers Private Limited	8,281,800	Andhra Bank
vii.	Jalandhar Amritsar Tollways Limited	4,560,000	Canara Bank
viii.	IOT Utkal Energy Services Limited	36,750,000	IDBI Trusteeship Limited

44. Operating Lease

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at June 30, 2012 are as follows:

(` in million)

	As at 30.06.2012	As at 31.03.2011
Payable not later than 1 year	177.87	-
Payable later than 1 year and not later than 5 years	417.40	-
Later than 5 years	-	-

- ii. Lease payments recognised in the Statement of Profit and Loss in respect of obligation under non-cancellable operating lease ` 44.94 million (P Y ` Nil)

45. Balances with statutory / government authorities include claims filed by the Company with Director General of Foreign Trade aggregating to ` 415.19 million (P Y ` 283.73 million) towards reimbursement of duty paid under the Deemed Exports Scheme.

46. Details of Purchase of solar material and construction equipment

(` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Solar material	138.64	-
Construction equipment	67.02	78.39

47. All amounts in the financial statements are presented in Rupees in million except per share data and as otherwise stated. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

For and on behalf of the Board

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Place : Hyderabad
Date : August 29, 2012

AUDITORS' REPORT

The Board of Directors

IVRCL Limited (formerly IVRCL Infrastructures & Projects Limited)

1. We have audited the attached Consolidated Balance Sheet of **IVRCL Limited (formerly IVRCL Infrastructures & Projects Limited)** ('the Company'), its subsidiaries and associates (collectively, 'the Group'), as at June 30, 2012, and also the Statement of Consolidated Profit and Loss and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by management on the basis of separate Financial Statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a. We did not audit the financial statements of certain subsidiaries, whose audited financial statements reflect total assets of ` 43,673.34 million as at June 30, 2012, total revenue of ` 4,598.80 million and cash outflows amounting to ` 13.70 million for the period then ended. These financial statements have been audited by others on which, we have placed reliance for the purpose of this report.
 - b. We did not audit the financial statements of certain subsidiaries, whose audited financial statements reflect total assets of ` 359.83 million as at March 31, 2012, total revenue of ` 6.55 million and cash outflows amounting to ` 0.97 million for the period then ended. These financial statements have been audited by others on which, we have placed reliance for the purpose of this report.
 - c. As stated in Note 32(ii), in case of certain associates, the financial statements as on June 30, 2012 are not available. The investment in these associates valued at ` 83.99 million in the financial statements of the Company, have not been adjusted in the Consolidated Financial Statements in the absence of their financial statements as at June 30, 2012.
 - d. As stated in Note 32(ii), in case of certain Joint Venture Entities, the financial statements as at June 30, 2012 are not available. The investment in Joint Venture Entities valued at ` 0.21 million in the financial statements of the Company, have not been adjusted in the Consolidated Financial Statements in the absence of their financial statements as at June 30, 2012.
4. The accompanying Consolidated Financial Statements include certain subsidiaries consolidated on the basis of Management certified accounts, as detailed in Note 32(i) of the financial statements, which reflect total assets of ` 3,705.64 million as at June 30, 2012, total revenue of ` 2,018.66 million and net cash outflows amounting to ` 283.78 million for the period then ended are unaudited and we did not carry out the audit. Further, as stated in Note 41(A)(i), these subsidiaries include certain foreign subsidiary (ies), accounts of which have been prepared on going concern basis based on the reasons stated therein by the management of the Company. The accompanying consolidated financial statements do not include adjustments if any, that may have been required had the financial statements of this entity been audited.
5. Without qualifying our opinion, we invite attention to Note 27 of the Consolidated Financial Statements regarding the status of trade receivables aggregating to ` 1,576.68 million, which has been classified good and in respect of which no provision has been considered necessary for reasons explained therein.
6. *Attention is invited to Note 41(B)(i) and 41(B)(iv) of the Consolidated Financial Statements in respect of Chennai Water Desalination Limited (CWDL), a subsidiary of the Company, whereby auditors of the CWDL have reported:*
 - a. *that the income accrued from operations in the current financial period on account of water capacity charges (WCC) of ` 281.15 million (Previous Year ` 159.98 million from July 25, 2010 to March 31, 2011) has been accounted as income in the books of account. The total amount receivable on this account from CMWSSB upto June 30, 2012 is ` 441.13 million. The Company has taken reasonable steps in the matter and is hopeful to recover the amount. Accordingly, the accrued income has been considered good of recovery.*

- b. *that the claims receivable from EPC contractor amounted to ` 810.00 million on which the interest not provided till June 30, 2012 in the books of account pending final documentation amounting to ` 248.41 million. If the interest on claims receivable from EPC contractor was considered as income in the books of account, the loss would have reduced by ` 248.41 million.*
7. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', Accounting Standard (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements', and Accounting Standard (AS) 27, 'Financial Reporting of Interest in Joint Venture', as notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *subject to our comments in paragraphs 3,4,5 and 6 above, the impact of which is presently not ascertainable*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at June 30, 2012;
 - (b) in the case of the statement of consolidated profit and loss, of the loss for the fifteen months period ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the fifteen months period ended on that date.

For CHATURVEDI & PARTNERS

Firm registration number: 307068E

Chartered Accountants

R N CHATURVEDI

Partner

Membership No.: 92087

Hyderabad

August 29, 2012

Consolidated Balance Sheet as at June 30, 2012

(` in million)

	Notes No.	As at 30.06.2012		As at 31.03.2011	
I Equity and Liabilities					
1 Shareholders' Funds					
(a) Share Capital	3	534.02		534.02	
(b) Share Capital Suspense	3A	79.75		-	
(c) Reserves and Surplus	4	28,147.09		26,777.14	
Minority Interest			28,760.86 2,242.91		27,311.16 6,466.94
2 Non-Current Liabilities					
(a) Long-Term Borrowings	5	32,829.11		18,160.66	
(b) Deferred Tax Liability (Net)	6	-		114.78	
(c) Other Long Term Liabilities	7	1,418.33		107.19	
(d) Long-Term Provisions	8	401.87		205.35	
			34,649.31		18,587.98
3. Current Liabilities					
(a) Short-Term Borrowings	9	24,560.35		19,371.75	
(b) Trade Payables	10	22,553.39		21,646.92	
(c) Other Current Liabilities	11	15,863.01		19,820.55	
(d) Short-Term Provisions	8	260.64		412.82	
			63,237.39		61,252.04
			128,890.47		113,618.12
II. Assets					
Non-Current Assets					
1. (a) Fixed Assets					
(i) Tangible Assets	12	14,824.35		14,024.73	
(ii) Intangible Assets		15,156.37		14,071.33	
(iii) Intangible Assets under development		23,232.36		7,987.34	
(iv) Capital work-in-progress		322.33		197.05	
			53,535.41		36,280.45
(b) Goodwill on Consolidation			1,505.19		748.80
(c) Deferred Tax Asset (Net)	6		561.98		-
(d) Non-Current Investments	13		235.96		1,096.07
(e) Long-Term Loans and Advances	14		3,367.55		1,902.34
(f) Other Non-Current Assets	15		7,755.51		8,378.19
2. Current Assets					
(a) Inventories	16	12,926.17		18,823.29	
(b) Trade Receivables	17	22,979.21		25,041.28	
(c) Cash and Bank Balances	18	1,376.90		2,408.95	
(d) Short-Term Loans and Advances	19	8,760.60		7,424.20	
(e) Other Current Assets	20	15,885.99		11,514.55	
			61,928.87		65,212.27
			128,890.47		113,618.12
Accompanying Notes forming part of the Consolidated Financial Statements	1-44				

In terms of our report attached

For Chaturvedi & Partners

Chartered Accountants

R. N. Chaturvedi

Partner

For and on behalf of the Board**E. Sudhir Reddy**Chairman &
Managing Director**R. Balarami Reddy**Executive Director -
Finance & Group CFO**B. Subrahmanyam**

Company Secretary

Place : Hyderabad
Date: August 29, 2012

Statement of Consolidated Profit and Loss for the period from April 01, 2011 to June 30, 2012
 (₹ in million)

	Notes No.	Period from 01.04.2011 to 30.06.2012	Year ended 31.03.2011
I. Income			
(a) Income from Operations	21	75,908.46	68,573.19
(b) Less : Excise Duty		334.17	186.96
(c) Net Income from Operations		75,574.29	68,386.23
(d) Other Income	22	1,627.58	353.50
Total Income		77,201.87	68,739.73
II. Expenditure			
(a) Raw Materials Consumed	23A	1,784.69	1,441.75
(b) (Increase) / Decrease in Finished Goods, WIP and Development Rights/Plot Stocks	23B	(5,289.41)	(368.55)
(c) Purchase of Traded Goods		205.66	78.39
(d) Construction Expenses	23C	65,694.01	54,565.04
(e) Employee Benefit Expenses	24	4,121.15	3,308.11
(f) Other Expenses	25	2,832.82	2,125.98
(g) Finance Costs	26	7,312.47	4,253.24
(h) Depreciation and Amortisation	12	2,100.14	1,904.93
Less : Transferred to Revaluation Reserve		0.04	0.04
Total Expenditure		78,761.49	67,308.85
III. (Loss) / Profit Before Tax (I - II)		(1,559.62)	1,430.88
IV. Tax Expenses			
(a) Current Tax expenses for current period / year		621.65	1,022.37
(b) Current Tax expenses relating to prior years'		143.24	(0.06)
(c) Deferred Tax		(693.87)	114.02
V. (Loss) / Profit for the period / year (III - IV) before Minority Interest		(1,630.64)	294.55
VI. Less : Share of Loss transferred to Minority Interest		(392.23)	(212.35)
VII. (Loss) / Profit for the period / year (V - VI) after Minority Interest		(1,238.41)	506.90
VIII. Less : Share of loss from Associate		-	0.93
IX. (Loss) / Profit for the period / year (VII - VIII)		(1,238.41)	505.97
X. Earnings per share (Face value ₹ 2 each)			
- Basic (₹)		(4.04)	1.89
- Diluted (₹)		(4.04)	1.89
Accompanying Notes forming part of the Consolidated Financial Statements	1-44		

In terms of our report attached

For Chaturvedi & Partners
 Chartered Accountants

R. N. Chaturvedi
 Partner

For and on behalf of the Board
E. Sudhir Reddy
 Chairman &
 Managing Director

R. Balarami Reddy
 Executive Director -
 Finance & Group CFO

 Place : Hyderabad
 Date: August 29, 2012

B. Subrahmanyam
 Company Secretary

Consolidated Cash Flow Statement for the Period from April 01, 2011 to June 30, 2012

(` in million)

	Period from 01.04.2011 to 30.06.2012		Year ended 31.03.2011	
A. Cash Flow from Operating Activities				
Profit Before Tax		(1,559.62)		1,430.88
Adjustment for:				
Depreciation and Amortisation	2,100.10		1,904.89	
Dividend received on Investments	(0.27)		(0.21)	
(Profit) / Loss on Sale of Fixed Assets	24.14		(28.47)	
Profit on Sale of Investments	(1,169.85)		-	
Provision for diminution in value of Investments	22.20		-	
Employees Compensation under ESOP	-		17.31	
Loss on Foreign Exchange Translation	10.04		58.35	
Interest Income	(180.52)		(82.11)	
Interest Expense	7,260.11	8,065.95	3,921.50	5,791.26
Operating Profit before Working Capital Changes		6,506.33		7,222.15
Foreign Exchange Translation adjustment		(185.83)		(2.05)
Decrease / (Increase) in Inventories	(1,342.07)		(1,310.92)	
Decrease / (Increase) in Trade Receivables	958.65		(1,720.15)	
(Increase) in Other Current Assets and Loans and Advances	(4,705.98)		(3,541.69)	
Increase in Current Liabilities	3,882.19	(1,207.21)	6,203.28	(369.48)
Cash generated from Operations		5,113.29		6,850.61
Direct Taxes paid (net of refund)		(1,467.13)		(2,172.96)
Net Cash generated from Operations		3,646.16		4,677.65
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(19,007.37)		(10,757.34)	
Proceeds from Sale of Fixed Assets	403.36		235.17	
Proceeds from Sale of Investments	2,202.10		-	
Purchase / Subscription of Investments	(320.88)		(881.96)	
Proceeds from sale of Development Rights	1,854.44		-	
Purchase of interest in subsidiaries (net)	-		454.68	
Net investment in Bank Fixed Deposit	133.92		(63.42)	
Interest Received	180.39		75.23	
Dividend received on Long-Term Investments	0.27		0.21	
Net Cash used in Investing Activities		(14,553.77)		(10,937.43)
C. Cash Flow from Financing Activities				
Proceeds from Securities Premium	-		874.13	
Proceeds from Government Grants	532.80		84.86	

Consolidated Cash Flow Statement for the Period from April 01, 2011 to June 30, 2012

(` in million)

	Period from 01.04.2011 to 30.06.2012		Year ended 31.03.2011	
Repayment of Debentures	(2,800.00)		(150.00)	
Proceeds from Issue of Debentures	2,340.00		1,000.00	
Proceeds from Long-Term Borrowings (Net of Repayment)	12,217.43		3,663.51	
Proceeds from Short-Term Borrowings (Net of Repayments)	5,188.59		5,470.25	
Interest and Finance Charges Paid	(7,289.44)		(4,529.31)	
Dividends Paid (including Dividend Distribution Tax)	(184.66)		(245.55)	
Net Cash generated from Financing Activities		10,004.72		6,167.89
Net increase in Cash and Cash Equivalents (A+B+C)		(902.89)		(91.89)
Cash and Cash Equivalents at the beginning of the period / year		2,102.88		2,194.79
Exchange differences on Translation of Foreign Currency Cash and Cash Equivalents		0.14		(0.02)
Cash and Cash Equivalents at the end of the period / year		1,200.13		2,102.88

Note :

1. The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
2. Previous year's figures have been regrouped, wherever considered necessary

In terms of our report of even date attached

For Chaturvedi & Partners

Chartered Accountants

R. N. Chaturvedi

Partner

Place : Hyderabad

Date: August 29, 2012

For and on behalf of the Board**E. Sudhir Reddy**Chairman &
Managing Director**R. Balarami Reddy**Executive Director -
Finance & Group CFO**B. Subrahmanyam**

Company Secretary

Consolidated Notes forming part of Financial Statements

1. Corporate Information

The Company is engaged in the business of development and execution of Engineering, Procurement, Construction and Commissioning (EPCC) and Lump Sum Turn Key (LSTK) facilities in various Infrastructure projects such as Water Supply, Roads and Bridges, Townships and Industrial Structures, Power Transmission, etc. for Central/State Governments, other Local Bodies and private sector.

2. Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared under the historical cost convention on an accrual basis (except for revaluation of certain Fixed Assets) in accordance with Generally Accepted Accounting Principles (Indian GAAP) and Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The Board of Directors of the Company vide resolution dated March 28, 2012, approved extension of financial year 2011-12 of the Company by a period of 3 months i.e., upto June 30, 2012. Accordingly, the annual accounts of the Company for the current financial year 2011-12 are prepared for a period of 15 months from April 01, 2011 to June 30, 2012.

Comparative Figures

In view of the Composite Scheme of Arrangement effective April 01, 2011 (Refer Note 28) and extension of financial year to a period of 15 months, the figures for the current period are strictly not comparable with those of the previous year.

During the period ended June 30, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified previous year figures in accordance with the requirements of the Revised Schedule VI.

2.2 Use of Accounting Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Principles of Consolidation

The Consolidated Financial Statements relate to IVRCL Limited (*formerly IVRCL Infrastructures & Projects Limited*) ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- ii. The BOT contracts are governed by Service concession agreements with government authorities/private parties (grantor). Under these agreements, the Company does not own the BOT asset, but gets "toll collection rights"/ other rights against the construction services rendered. Since the construction cost incurred by the Company is considered as exchanged with the grantor against above rights, profit from such contracts is considered as realized.

Accordingly, in case of BOT contracts awarded to group companies (operator), where work is subcontracted to

Consolidated Notes forming part of Financial Statements

group companies, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

- iii. In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- iv. The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- v. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
 - a. The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - b. The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- vi. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- vii. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.
- viii. The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. June 30, 2012 except in case of 6 subsidiaries where the reporting date is March 31, 2012 having no material impact on Consolidated Financial Statements.
- ix. Investments in jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard 13 - "Accounting for Investments" notified by the Companies (Accounting Standard) Rules, 2006.

2.4 Recognition of Contract Revenue and Expenses

- (i) Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.
- (ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- (iii) An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iv) Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.

2.5 Revenue from Joint Venture Contracts

- (i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.
- (ii) In Jointly Controlled Entities, the share of profits or losses are accounted as and when dividend / share of profit or loss are declared by the entities.

Consolidated Notes forming part of Financial Statements

2.6 Revenue from Sale of Goods

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under terms of the contract.

2.7 Sale of Bulk Water

The income receivable from Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) mainly Comprises Water Capacity Charges (WCC) and Water Variable Charges (WVC) provided for in the books on accrual basis.

2.8 Income from Toll Collection

Toll fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.

2.9 Revenue from Real Estate

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Residential properties include cost incurred towards development of such properties.
- ii) Freehold land purchased for the purpose of real estate development is considered as inventory.
- iii) Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised.
- iv) Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.

· Sale of land and development rights

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such land and development rights, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue recognized is net of adjustment on account of cancellations.

· Sale of flats, villas, plots

Revenue from sale of flats, villas and plots is recognised upon transfer of significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements for sale and when the buyer's investment is adequate enough to demonstrate a commitment to pay. Sale consideration is determined through agreement of sale or registration of sale deed. Revenue recognised is net of adjustment on account of cancellations.

- (i) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India in case where the seller is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method. Percentage of completion is determined on the basis of actual project cost (including cost of land) incurred thereon to total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.
- (ii) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India in case it is unreasonable to expect ultimate collection from sale of residential units, the revenue recognition is postponed to the extent of uncertainty involved. For determining whether it is not unreasonable to expect ultimate collection, Company considers the evidence of the buyer's commitment to make the complete payment. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time all significant risks and rewards of ownership are transferred to the buyer, revenue recognition is postponed to the extent of uncertainty involved.

2.10 Employee Benefits

Liability for employee benefits, both short and long-term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006.

Consolidated Notes forming part of Financial Statements

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Contributions to Gratuity fund are made to recognized funds managed by the Life Insurance Corporation of India. The Company accounts for the liability for future gratuity benefits on the basis of an independent actuarial valuation.

(ii) Compensated Absences

Liability for compensated absence is treated as other long-term liability, short-term portion of the liability is provided on an actual basis and long-term portion of the liability is provided on the basis of valuation by an independent actuary at the year end.

(iii) Superannuation

The Company has a superannuation plan, which is a defined contribution plan. Under the plan, the Company contributes up to 15% of the eligible employees' salary to the fund each year. Contributions are made to recognized funds managed by the Life Insurance Corporation of India. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iv) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's basic salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the state pension scheme, and are expensed as incurred.

2.11 Fixed Assets

a) Tangible

Fixed Assets are stated at cost / valuation less accumulated depreciation and amortisation. Direct costs inclusive of inward freight, non-claimable duties and taxes, incidental expenses including interest relating to acquisition and cost of improvements thereon are capitalised until fixed assets are ready for use. Capital Work in Progress comprises the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.

b) Intangible

Intangible assets are recognized as per criteria specified in Accounting Standard 26 "Intangible Assets". Carriage ways representing Toll Collection Rights, obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer (BOT) basis. The cost of such carriage ways comprises construction cost and other pre-operative costs incurred during the implementation phase, such carriage ways on completion are capitalized as intangible asset.

c) Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the Subsidiary Companies as on the date of investment. Goodwill is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

d) Expenditure incurred during construction period pending allocation

Incidental expenditure incurred during construction/development period is capitalised on commencement of commercial operation of the project.

2.12 Depreciation and Amortization

(i) Depreciation on fixed assets is provided on the straight-line method as per rates prescribed in Schedule XIV to the Companies Act, 1956 except the following which are depreciated based on useful life determined by the Company.

Consolidated Notes forming part of Financial Statements

- Steel Shuttering 10%
 - Wood Shuttering 33 1/3 %
- (ii) Pucca sheds and land acquired for quarrying are amortised over the period of the project on project - to - project basis.
- (iii) Intangible assets i.e., toll Collection rights are amortized over the period of concession, using revenue based amortization as prescribed in the Schedule XIV to the Companies Act, 1956. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any changes in the estimates.
- (iv) Technical Know-how is amortised over a period of five years in equal installments.
- (v) In some Subsidiaries and Joint ventures depreciation is calculated on different method by adopting different rates. The depreciation charged in respect of these entities is not significant in the context of the consolidated financial statements.

2.13 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the same is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is assessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

2.14 Government Grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Grants received during construction period in the nature of promoter's contribution are credited to capital grants and treated as shareholder's funds as per AS 12. Where the Government grants are of the nature of promoters' contributions, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve (as part of shareholders fund) which can be neither distributed as dividend nor considered as deferred income.

2.15 Foreign Currency Transactions and Foreign Operations

Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. Gains/Losses arising out of fluctuations in the exchange rates are recognised in statement of profit and loss in the period in which they arise.

Foreign branches are classified as non-integral foreign operations. The Assets and Liabilities, both monetary and non-monetary of the branch are translated at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at monthly average exchange rate. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve' account.

2.16 Derivative Instruments

In order to hedge its foreign currency exposure, the Company enters into forward option, swap contracts and other derivative financial instruments.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the statement of profit and loss immediately. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Consolidated Notes forming part of Financial Statements

2.17 Investments

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost less provision for diminution other than temporary in value of such investments. Dividend Income is accounted when the right to receive dividend is established.

2.18 Inventories

Inventories are valued at cost. Cost is determined on first-in-first-out method. Inventory of manufactured goods and raw materials are valued at lower of cost and net realisable value. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

Residential Properties includes cost incurred towards development of such properties.

Plots stock represents cost of freehold land and land development rights segregated as plot for the purpose of development of township.

Freehold land purchased for the purpose of real estate development is considered as inventory.

Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized.

Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during the construction period is inventorised to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.

2.19 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as period costs.

2.20 Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and if it is probable that these liabilities can be properly estimated. Contingent liabilities are not recognized but are disclosed in the notes where, substantial estimation is dependent on the happening of another event which cannot be adequately judged.

2.21 Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters are probable.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Consolidated Notes forming part of Financial Statements

2.22 Earnings Per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above and the weighted average number of equity shares, as computed above and the weighted average number of equity shares that would have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

2.23 Current / Non-Current Classification

The Company's activities (primarily construction activities in the infrastructure industry) have an operating cycle that exceeds a period of twelve months. The Company has chosen the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of current assets and current liabilities into current or non-current.

3. Share Capital

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of ` 2 each (Refer Note 28)	1,625,000,000	3,250.00	275,000,000	550.00
Preference shares of ` 2 each	25,000,000	50.00	25,000,000	50.00
		3,300.00		600.00
Issued, Subscribed and Paid up:				
Equity shares of ` 2 each fully paid up	267,009,858	534.02	267,009,858	534.02
	267,009,858	534.02	267,009,858	534.02

3.1 There is no change in paid-up equity share capital of the Company for the period ended June 30, 2012 and year ended March 31, 2011.

3.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ` 2 per share and each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

3.3 Details of allotment of bonus shares during 5 years immediately preceding the date of Balance Sheet

The Company had allotted 133,504,929 shares of ` 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ` 267.01 million from General Reserve.

3.4 Shareholders holding more than 5% shares of the Company

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Asian Satellite Broadcast Private Limited	20,294,000	7.60	-	-
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	16,633,913	6.23	20,930,340	7.84
E. Sudhir Reddy	14,920,594	5.59	-	-
Government Pension Fund Global	-	-	26,571,552	9.95
ICICI Prudential Life Insurance Company Limited	-	-	16,750,349	6.27

Consolidated Notes forming part of Financial Statements

3A. Share Capital Suspense

(` in million)

	As at 30.06.2012	As at 31.03.2011
Share Capital Suspense	79.75	-

39,876,790 (P Y Nil) Equity Shares of ` 2 each, fully paid, to be issued pursuant to Composite Scheme of Arrangement (Refer Note 28).

4. Reserves and Surplus

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Capital Reserve		
Opening Balance	3,817.00	4,056.29
Add: Pursuant to the Composite Scheme of Arrangement (net) (Refer Note 28)	3,296.56	-
Less : Adjustment on account of amalgamation / demerger	(3,815.77)	(239.29)
Closing Balance	3,294.79	3,817.00
(b) Business Restructuring Reserve	271.37	-
Pursuant to the Composite Scheme of Arrangement (net) (Refer Note 28)		
(c) Securities Premium Account		
Opening Balance	13,489.71	13,208.65
Add: Additions during the period / year on account of issue of shares by subsidiary	-	1,047.69
Less: Amount utilised for issue of fully paid-up bonus shares by subsidiary [#]	-	(467.97)
Less:Pursuant to the Composite Scheme of Arrangement (net)	(2,874.69)	(231.20)
Less:Provision towards redemption premium on FCCB	-	(67.46)
Closing Balance	10,615.02	13,489.71
(d) Revaluation Reserve		
Opening Balance	122.61	142.97
Less: Depreciation on revalued portion of assets	(0.04)	(20.36)
Less: Pursuant to the Composite Scheme of Arrangement (net)	(94.23)	-
Closing Balance	28.34	122.61
(e) General Reserve		
Opening Balance	3,537.93	3,181.09
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	-	400.00
Add: Pursuant to the Composite Scheme of Arrangement (net)	5,414.15	-
Less: Adjustment on account of Consolidation [@]	-	(43.16)
Less: Pursuant to the Composite Scheme of Arrangement (net)	(53.53)	-
Closing Balance	8,898.55	3,537.93
(f) Government Grant	532.80	992.78
(g) Debenture Redemption Reserve		
Opening Balance	562.50	415.29
Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	50.00	147.21
Closing Balance	612.50	562.50
(h) Foreign Exchange Translation Reserve		
Opening Balance	(2.13)	(0.08)
Add: Effect of foreign exchange variations during the period / year	(185.70)	(2.05)
Closing Balance	(187.83)	(2.13)
(h) Employee Stock Option	-	20.92

Consolidated Notes forming part of Financial Statements

(` in million)

	As at 30.06.2012	As at 31.03.2011
(i) Surplus in Consolidated Statement of Profit and Loss		
Opening Balance	4,235.82	4,459.89
Add: Pursuant to the Composite Scheme of Arrangement (net)	1,134.14	-
Add: (Loss) / Profit for the period / year	(1,238.41)	505.97
Less: Appropriations		
i) Proposed Dividend	-	160.21
ii) Corporate Dividend Tax		
- Current Year	-	25.99
- Earlier year's provision no longer required	-	(3.37)
iii) Transfer to General Reserve	-	400.00
iv) Transfer to Debenture Redemption Reserve	50.00	147.21
Total Appropriations	50.00	730.04
Closing Balance	4,081.55	4,235.82
	28,147.09	26,777.14

@ Adjustment on consolidation is on account of dilution in the shareholding

Issue of bonus shares has been adjusted from post-acquisition reserves

5. Long-Term Borrowings

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	Non-Current	Current@	Non-Current	Current@
(a) Debentures (Secured) (Refer Note 5.1 below)				
- 12.15% Redeemable, Non-Convertible Debentures	2,000.00	-	2,000.00	-
- 8.85% Redeemable, Non-Convertible Debentures	-	-	-	1,050.00
- 9.50% Redeemable, Non-Convertible Debentures	-	750.00	750.00	750.00
- 11.50% Redeemable, Non-Convertible Debentures	-	100.00	-	-
(b) Term Loans (Secured) (Refer Note 5.2 to 5.13 below)				
- From Banks	23,404.45	1,260.94	12,589.46	1,005.62
- From Financial Institutions & Others	4,932.31	425.49	2,765.53	1,624.45
(c) Earth Moving Equipment and Vehicle Loans (Secured) (Refer Note 5.14 below)				
- From Banks	172.17	55.85	-	6.20
- From Others	80.18	67.12	55.67	28.54
(d) Debentures (Unsecured)				
- Compulsory Convertible Debentures (Refer Note 5.1 (e))	2,240.00	-	-	-
- 10.10% Redeemable, Non-Convertible Debentures	-	-	-	1,000.00
	32,829.11	2,659.40	18,160.66	5,464.81

@ Amount included under Note 11 - Other Current Liabilities

5.1 **Non-Convertible Debentures** – The debentures are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders in respect of the below non-convertible debentures.

(a) 12.15% Non-Convertible Debentures

2,000 Debentures of ` 1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09.

Consolidated Notes forming part of Financial Statements

The debentures shall be redeemed at the end of five years (i.e., December 19, 2013) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

(b) 9.50% Non-Convertible Debentures

1,500 Debentures of ₹ 1,000,000 each issued to RHC Holding Private Limited during the year 2009-10. The debentures shall be redeemed in two equal installments of ₹ 750 million each at the end of 24 months (i.e. March 10, 2012) and 36 months (i.e. March 10, 2013) respectively from the date of allotment. The first installment has been redeemed within the due date. The debentures are secured by way of first ranking exclusive charge over vacant freehold urban land owned by the Company and its subsidiaries

(c) 11.50% Non-Convertible Debentures

100 Debentures of ₹ 1,000,000 each issued to Central Bank of India Employees Provident Fund Trust during the period 2011-12. The debentures shall be redeemed at the end of 367 days (i.e. August 4, 2012) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets of the Company.

(d) 8.85% Non-Convertible Debentures

1,050 Debentures of ₹ 1,000,000 each were issued to various banks during the year 2009-10. The debentures were secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company. These debentures were redeemed on the due date i.e., April 27, 2011

(e) Compulsorily Convertible Debentures

IVRCL Chengapalli Tollways Limited

Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the project of the Company. The tenure of the CCDs is 6 years from the date of disbursal. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a. if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the Company held by the Sponsor amounting to 49% of the paid-up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.

IVRCL Indore Gujarat Tollways Limited

Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the project of the Company. The tenure of the CCDs is 6 years from the date of disbursal. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a. if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the Company held by the Sponsor amounting to 49% of the paid-up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The Company is in the process of pledging 6,10,000 equity shares. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.

5.2 Term Loans from Banks

(a) Punjab & Sind Bank

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The loan is repayable in 4 equal quarterly installments of ₹ 54.60 million from the balance sheet date. The balance outstanding as at June 30, 2012 is ₹ 218.93 million.

(b) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of ECB loan. There are five disbursements obtained from the bank, the details are as follows:

Consolidated Notes forming part of Financial Statements

(` in million)

S. No	Outstanding as on 30.06.2012 (` in million)	Outstanding as on 30.06.2012 (USD in million)	Repayable in	Period of maturity w.r.t Balance sheet Date	Rate of Interest p.a
1	174.00	3.75	12 equal quarterly installments of ` 14.50 million each	3 years	8.90%
2	212.58	4.69	15 equal quarterly installments of ` 14.17 million each	3 years 7 months	9.38%
3	105.82	2.34	15 equal quarterly installments of ` 7.05 million each	3 years 8 months	9.50%
4	225.40	5.00	16 equal quarterly installments of ` 14.08 million each	3 years 11 months	9.85%
5	110.25	2.50	16 equal quarterly installments of ` 6.89 million each	4 years 1 month	9.85%
Total	828.05	18.28			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations (Refer Note 37)

5.3 Term Loans from Others

(a) SREI Equipment Finance Private Limited:

Loan I

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 11 equal quarterly installments of ` 50.00 million and last installment of ` 250.00 million, the period of maturity is 2 years 10 months from balance sheet date. The balance outstanding as at June 30, 2012 is ` 800.00 million.

Loan II

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 20 quarterly installments of ranging from ` 17.00 million to ` 40.00 million. The period of maturity from balance sheet date is 4 years 11 months. The rate of interest is IDBI Bank Base Rate plus 3.5% p.a. The balance outstanding as at June 30, 2012 is ` 200.00 million.

(b) TATA Capital Limited:

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ` 26.67 million each. The period of maturity from balance sheet date is 2 years 7 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at June 30, 2012 is ` 160.00 million.

5.4 Hindustan Dorr-Oliver Limited

External Commercial Borrowings

First charge over the land and building situated at Mumbai (the Company's Corporate office) along with other assets of the Company with current value not less than 1.25x of the facility amount. Borrowing is further secured by first charge over the existing fixed assets and current assets of Davy Markham Limited UK {a wholly owned subsidiary of HDO UK Limited (a wholly owned foreign subsidiary of the Company)}

Terms of Repayment: To be repaid in 16 equal quarterly installments with the first installment due on April 17, 2013 (i.e. at the end of 15th month from the date of disbursement) and ending on January 17, 2017.

Terms of Interest: USD 3 months LIBOR as prevailing at the start of every interest period plus margin (300 bps p.a.) payable in arrears at the end of every interest period net of withholding tax or deductions, if any.

5.5 Salem Tollways Limited

The term loan is secured by pari passu first charge on all the borrowers immovable properties present and future and intangible assets, movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future), operating cash flows, book debts, receivables including grant, revenue shortfall

Consolidated Notes forming part of Financial Statements

loan to be received from NHAI and any other revenues relating to 4 laning of Salem Kumarapalyam Chengapalli section NH-47 from Km 0 to Km 53 in the state of Tamil Nadu on BOT Toll basis, Borrowers bank account, Escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and insurance contracts.

Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.

Terms of repayment: Total Senior Debt was availed of ₹ 2,228.30 million and repayment of the loan was started from August 31, 2010 with total 138 unequal monthly installments ranging from ₹ 1.86 million to ₹ 32.50 million and the Sub Debt was availed of ₹ 200.00 million and repayment of loan was started from February 28, 2011 with total 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.17 million.

5.6 Kumarapalyam Tollways Limited

The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets both present and future, movables including plant & machinery, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets, machinery spares, excluding crushers, operating cash flows, book debts, receivables, including grant, revenue shortfall loan to be received from NHAI and any other revenues whatsoever nature and wherever arising present and future subject to charge of working capital lenders on operating cash flows subject to the amount of their loans not exceeding ₹ 20.00 million. Borrowers bank account including without limitation the escrow account, major maintenance reserve account, DSRA and each of any other accounts required to be created by the Borrower under any project document or contract, first charge on all intangible assets, security interest in project document and contracts, and insurance proceeds.

Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.

Terms of repayment: Senior Debt availed of ₹ 3,189.46 million carrying interest with reset clause. Repayment of the loan commenced from September 15, 2009 with 138 unequal monthly installments ranging from ₹ 2.66 million to ₹ 39.87 million and the Sub Debt availed of, was ₹ 200.00 million carrying interest with reset clause. Repayment of loan commenced from March 15, 2010 with 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.67 million.

5.7 Jalandhar Amritsar Tollways Limited

The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets, both present and future, movables including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets (present & future) operating cash flows, book debts and receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues of whatsoever nature and wherever arising, present and future bank accounts including without limitation the escrow account and debt service reserve account and each of the other accounts required to be created by the borrower under any project document or contract, all intangibles present and future. A first charge by way of assignment or creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever in the project document and contracts, clearances, letter of credit, guarantees, performance bond and liquidity damages provided by any party to the project documents and all insurance contract and insurance proceeds.

Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.

Terms of repayment: Senior Debt availed of, was ₹ 1,570.00 million and repayment of the loan commenced from December 31, 2009 with 34 unequal quarterly installments ranging from ₹ 5.90 million to ₹ 34.00 million and the sub debt availed of, was ₹ 794.80 million and repayment of loan commenced from June 30, 2010 with 32 unequal quarterly installments ranging from ₹ 4.10 million to ₹ 31.79 million.

5.8 IVRCL Chengapalli Tollways Limited

Except project assets, the term loan is secured by pari passu first charge on all the borrowers movables and immovable, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future), operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 6 laning from Km 102.035 to Km 144.680 on the Chengapalli to start of Coimbatore bypass and 4 laning from Km 170.880 to Km 183.010 on the end of Coimbatore bypass to Tamilnadu / Kerala border section of NH-47 on BOT Toll basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the Borrower under any project document or contract and insurance contracts.

Consolidated Notes forming part of Financial Statements

Pledge of 51% of the shares of the Company held by the sponsors up to the second anniversary of the Commercial Operation Date (COD) and 26% thereafter.

Interest payable to lenders on monthly basis at rates linked to their respective base rates plus applicable spread (except Andhra Bank whose applicable interest rate shall be linked to the base rate of lead bank). The interest rates shall be subject to annual reset from scheduled COD or actual COD whichever is earlier.

Terms of repayment: Term loans are repayable in 44 unequal quarterly installments commencing from April 01, 2017 ranging from ₹ 5.00 million to ₹ 350.00 million

5.9 SPB Developers Private Limited

A first charge of all book debts, operating cash flows, revenues and receivables of the Company, present and future including by way of a charge on the escrow account, retention account, debt service reserve account and other reserves and Bank accounts of the Company, wherever maintained.

A first charge on the escrow account. Debt service reserve account and other reserves and any other Bank accounts of the Company, wherever maintained.

A first charge on all intangibles of the Company including but not limited to Goodwill, uncalled capital present and future.

Pledge of 51% of shares of the Company held by the Sponsors up to the third anniversary of the COD and 26% of shares of the Company thereafter. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/agreement including Shareholder Agreement, Joint Venture Agreement, Financing Agreement with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge Section 19 of Banking Regulations Act to be ensured.

Interest payable to lender on monthly basis @ 11% (fixed) p.a. during construction period and 10.50% (fixed) p.a. after construction period and interest will be reset after three years from the date of first disbursement and every three years thereon.

Terms of repayment: Term loan drawn up to June 30, 2012 is ₹ 1,119.60 million out of total term loan of ₹ 1,910.30 million. Repayment of term loan will commence from March 31, 2014 with 44 quarterly unequal installments ranging from ₹ 4.78 million to ₹ 76.41 million.

5.10 IVRCL Chandrapur Tollways Limited

The term loan is secured pari passu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, goodwill, rights, undertakings and all other movable assets (present and future) except project assets, immovable property both present and future, operating cash flows, book debts, toll collection, receivables, revenue to be received from Government of Maharashtra, Public Works Department (PWD) and any other revenues relating to four laning and improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 & 7 in Yavatmal and Chandrapur District length 85.112 Kms in the state of Maharashtra on a BOT basis, Borrower's bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.

Interest payable to lenders on monthly basis linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall remain fixed till the COD. The interest rate and spread shall be reset on COD and every year thereafter.

Terms of repayment: Term loans are repayable in 49 quarterly installments of unequal amounts commencing from September 30, 2013, ranging from ₹ 3.10 million to ₹ 125.60 million. The term loan drawn up to June 30, 2012 is ₹ 1,380.00 million out of total term loan of ₹ 3,139.90 million.

5.11 Chennai Water Desalination Limited

A first charge by way of mortgage of all the immovable properties of the Company, present and future.

First charge by way of hypothecation of all movable (tangible and intangible) including movable plant and machinery, machinery spares, tools and accessories, furniture, vehicles and all other movable assets present and future.

First charge on all book debts, operating cash flow, revenues and receivables, uncalled capital of the Company, present and future including by way of a charge on the Trust and Retention Account II Debt Service Reserve Account and other reserve and bank accounts of the Company subject only to the charge of working capital lenders for their loans to the extent of ₹ 100.00 million to the project on the operating cash flows.

Consolidated Notes forming part of Financial Statements

Terms of Interest: Interest payable to domestic lenders on monthly basis and foreign lenders on quarterly basis. The interest rates on domestic loan shall be subject to annual reset. Interest rate on foreign lenders carrying of LIBOR+2.25%.

Terms of repayment: Loan from Indian lenders availed of, was ₹ 3,000.00 million. Repayment of the loan commenced from May 31, 2010 with 117 monthly equal installments and the loan from foreign lender availed of, was Euro 14.06 million. Repayment of loan commenced from December 31, 2009 with 40 quarterly equal installments.

5.12 IVRCL Indore Gujarat Tollways Limited

The term loan is secured by pari passu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future) operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Indore to Gujarat-MP border section of NH-59 from Km 9.500 to Km 171.100 in the state of Madhya Pradesh on a DBFOT basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.

Pledge of 51% of the shares of the borrower held by the sponsors up to the second anniversary of the COD and 26% thereafter. The Company is in the process of pledging 6,34,950 equity shares.

Interest payable to lenders on monthly basis is linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall be fixed till scheduled COD or actual COD whichever earlier. The interest rate shall be reset on earlier of actual COD or Scheduled COD and every year thereafter.

Terms of repayment: The term loans are repayable in 46 quarterly installments of unequal amounts commencing from March 31, 2014, ranging from ₹ 28.57 million to ₹ 794.23 million. The term loan drawn up to June 30, 2012 is ₹ 9,209.98 million (₹ 3,051.30 million) out of total term loan of ₹ 11,427.80 million.

5.13 Alkor Petroo Limited

Indian rupee term loan from bank carries interest @ 12.50%. The loan is repayable in 10 equal quarterly installments after a moratorium period of 2.5 years from the date of first disbursement i.e April 4, 2014. The loan is secured by assignment of Company's interest in Block 6 and Block 8 in Egypt. Further, the loan has been guaranteed by the corporate guarantee of IVRCL Limited, the holding company.

5.14 Equipment Loans from Banks and Non-Banking Financial Companies (NBFCs)

Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 12 to 60 months and carry interest rate ranging from 9.00% to 13.5% p.a.

6. Deferred Tax Asset / (Liability) (Net) (₹ in million)

	As at 30.06.2012		As at 31.03.2011	
(a) Deferred Tax Liability				
- Depreciation		(288.92)		(421.11)
(b) Deferred Tax Asset				
- Compensated Absences and Gratuity	74.77		67.65	
- Doubtful debts, Advances and Deposits	369.61		214.36	
- Business Loss / Unabsorbed Depreciation	55.85		11.59	
- Expenses relating to Amalgamation	4.40		-	
- Others	346.27	850.90	12.73	306.33
Net Deferred Tax Asset / (Liability)		561.98		(114.78)

7. Other Long-Term Liabilities (₹ in million)

	As at 30.06.2012	As at 31.03.2011
Amounts Payable in respect of Development Rights	-	107.19
Deferred Credit Liability payable	1,295.50	-
Interest accrued but not due on borrowings	47.96	-
Retention Money	74.87	-
	1,418.33	107.19

Consolidated Notes forming part of Financial Statements

8. Provisions

(` in million)

	As at 30.06.2012		As at 31.03.2011	
	Long-term	Short-term	Long-term	Short-term
(a) Gratuity	8.36	56.83	8.81	34.78
(b) Compensated Absences	89.39	162.89	56.64	158.68
(c) Resurfacing Obligation	304.12	-	139.90	-
(d) Expected loss on Contracts	-	13.60	-	33.16
(e) Payable on Derivatives	-	8.28	-	-
(f) Provision for Notional Loss / (Gain) on derivative contracts	-	17.30	-	-
(g) Provision for Tax	-	1.74	-	-
(h) Proposed Dividend	-	-	-	160.21
(i) Tax on Proposed Dividend	-	-	-	25.99
	401.87	260.64	205.35	412.82

9. Short-Term Borrowings

(` in million)

	As at 30.06.2012		As at 31.03.2011	
Secured				
Loans repayable on demand from Banks:				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 9.1)	12,118.52		6,368.18	
(b) Project Specific Working Capital Loans (Refer Note 9.3)	9,139.93		3,943.72	
		21,258.45		10,311.90
Unsecured				
(a) Short-Term Loans from Banks (Refer Note 9.4)	1,800.00		5,806.67	
(b) Commercial Paper (Refer Note 9.2)	1,100.00		3,250.00	
(c) Working Capital Demand Loans from Banks	401.90		3.18	
		3,301.90		9,059.85
		24,560.35		19,371.75

9.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and certain Plant & Machinery and equipment valuing ` 137.32 million and ` 1.23 million not charged to other lenders. Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ` 101.53 million and lien of the Fixed Deposit of ` 4.20 million. The loans are Second Charged on current assets of the specific-funding projects on reciprocal basis. The borrowings carry interest rate ranging from 9.05% to 14.40% p.a.

9.2 Commercial Paper

The amount of Commercial Papers outstanding as at June 30, 2012 is ` 1,100.00 million (` 3,250.00 million). The maximum amount outstanding during the year was ` 7,400.00 million (` 7,000.00 million).

The borrowings carry interest rate ranging from 8.30% to 12.50% p.a.

9.3 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loans from Banks are secured by hypothecation of book debts and inventory of respective projects except for the following projects:

1. Indira Sagar Project – Secured by Book-debts, Inventory and Other Current Assets
2. Transmission Line Towers Factory – Secured by Total Assets (Refer Note:27)

Consolidated Notes forming part of Financial Statements

(` in million)

S.No	Name of the Project	Name of the Bank	As at 30.06.2012	As at 31.03.2011
1.	Indira Sagar Project	Karur Vysya Bank	345.07	274.56
2.	Transmission Line Towers Factory	IDBI Bank	-	195.87
3.	Punasa Lift Irrigation Project	Andhra Bank	-	567.05
4.	Guru Gobind Refinery Project	Andhra Bank	-	379.98
5.	CGPL -Mundra Project	Syndicate Bank	-	472.92
6.	Lower Goi Project	Punjab & Sind Bank	186.00	253.41
7.	PGCIL-Seoni-Nandanwadi Project	Punjab & Sind Bank	-	112.00
8.	PHED-Buxar, Maner & Bidupur Projects	IndusInd Bank	165.07	2.67
9.	IOTL Paradeep Project	IndusInd Bank	78.19	7.96
10.	Allahabad Sewerage Project	Barclays Bank	283.23	0.16
11.	Ambattur Package II & III Projects	IDBI Bank	343.24	332.58
12.	CNNL Packages	Andhra Bank	336.45	82.40
13.	BWSSB - 6A & 6B	Export Import Bank of India	188.50	188.50
14.	Natrip - Pitampur & Chennai - GARC Projects	DBS Bank	830.00	494.86
15.	CGPL - Mundra Project	IDBI Bank	591.20	578.80
16.	Hogenakkal-Pkg-2 Project	DBS Bank	500.00	-
17.	NIT - Patna	DBS Bank	280.00	-
18.	Koyana Power Project	DBS Bank	1,115.74	-
19.	Ranchi Water Supply Project	ING Vysya Bank	386.23	-
20.	DSIIDC-Delhi-Project	ING Vysya Bank	944.43	-
21.	Valsad Hospital Project	ING Vysya Bank	433.88	-
22.	NHAI-Bhogpur Project	ICICI Bank Limited	402.44	-
23.	RVNL-Pkg-1& 2 Projects	ICICI Bank Limited	221.19	-
24.	SSNNL-Gujarat Project	ICICI Bank Limited	414.95	-
25.	GCPCL-Mallavaram	Tamilnad Mercantile Bank Ltd.	295.34	-
26.	HSCC-Delhi Project	Yes Bank Limited	92.02	-
27.	BCPL-Assam Project	Yes Bank Limited	9.22	-
28.	GMDA-5,6 & 7 Packages	Lakshmi Vilas Bank Limited	399.43	-
	Total		8,841.82	3,943.72

9.4 Short-Term Loans from Banks (Unsecured)

(a) Punjab & Sind Bank

- The rate of interest is Base Rate plus 1% p.a.
- Due and payable in 1 installment
- The balance outstanding as at June 30, 2012 is ` 300.00 million

(b) Bank of Nova Scotia

- The rate of interest is 11.75% p.a.
- Loan is repayable in 1 installment within 90 days from the date of disbursement
- The balance outstanding as at June 30, 2012 is ` 500.00 million

(c) Union Bank of India

- The rate of interest is Base Rate plus 1.50% p.a.
- Loan is repayable in 1 installment within 12 months from the date of disbursement
- The balance outstanding as at June 30, 2012 is ` 1,000.00 million

- (d) The Company has delayed in repayment of short-term borrowings of ` 300.00 million. The principal amount which was due on June 9, 2012 has been repaid on July 4, 2012.

Consolidated Notes forming part of Financial Statements

Hindustan Dorr-Oliver Limited

Secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), The loan is further secured by fixed assets situated at company's works at Vatva, Ahmedabad (Gujarat) and flats situated in Ahmedabad and Mumbai. The cash credit is repayable on demand and carries interest @11% to13% p.a.

As per the Scheme of the Arrangement, more fully described in Note No.28 Cash Credit facility available with the Company has been transferred to its Wholly Owned Subsidiary Company based upon its utilization for the manufacturing undertaking. In order to obtain the separate cash credit facility from the bankers, the parties to the Scheme of Arrangement are in process of filing the certified copy of the said Order with the respective bankers.

IVRCL TLT Private Limited

Secured by hypothecation of inventories, book debts, other current assets and all present and future fixed assets of the Company except assignment of lease rights of the lease hold land (on which the movables/immovable of the Company are located).

As per the Scheme of Arrangement, working capital demand loan from IDBI Bank Limited has been transferred by its holding company i.e IVRCL Limited based upon its utilization for the manufacturing undertaking.

In order to obtain the separate loan from IDBI Bank Limited the Company is in the process of filing the certified copy of the said order.

10. Trade Payables (` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Dues to Micro and Small Enterprises	23.71	44.28
(b) Other Trade Payables	22,529.68	21,602.64
	22,553.39	21,646.92

11. Other Current Liabilities (` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	2,659.40	5,464.81
(b) Interest accrued but not due on Borrowings	63.19	64.59
(c) Interest accrued and due on Borrowings	76.59	52.14
(d) Amounts payable in respect of Development Rights	1,446.53	3,903.46
(e) Payables on purchase of Fixed Assets	450.11	288.28
(f) Advances received from Contractee-Clients	9,006.90	7,412.00
(g) Payable to Related Parties - Joint Ventures	132.90	580.29
(h) Accrued salaries and Employee Benefits	478.77	454.67
(i) Claims Payable	177.90	66.73
(j) Unearned Revenue	52.56	5.24
(k) Statutory Remittances	1,120.84	1,409.49
(l) Security Deposit	0.46	14.60
(m) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956 - Not due		
- Unclaimed Public Deposit (including interest)	0.46	0.51
- Unclaimed Dividends	6.59	5.05
- Unpaid Application Money Received	0.48	0.48
(n) Interest on amounts due to Micro and Small Enterprises	0.36	0.55
(o) Others	188.97	97.66
	15,863.01	19,820.55

12. Consolidate Fixed Assets

(₹ in million)

	Gross Block				Depreciation / Amortisation							Net Block			
	As at 01.04.2011	Additions			Adjustment / Deletions			As on 01.04.2011	For the Period	Adj. through Demerger	Foreign Exchange Adjustment	Adj./ Deletion	Upto 31.06.2012	As at 30.06.2012	As at 31.03.2011
		During the period	Adj. through Demerger	Foreign Currency Adjustment	Adj./ Deletion	As on 30.06.2012									
		96.39	76.79	-	5.93	1,343.27									
Land - Freehold	1,176.02	96.39	-	-	1,343.27	-	-	-	-	-	-	-	1,343.27	1,176.02	
Land - Leasehold	111.15	0.53	-	(46.94)	930.02	36.79	3.71	15.90	-	(32.20)	81.18	81.18	848.84	74.36	
Buildings	1,479.55	192.79	0.26	104.08	1,568.52	346.15	-	205.99	-	0.04	482.36	482.36	1,086.16	1,133.40	
Plant & Machinery	12,149.62	1,432.46	29.98	404.35	13,207.71	1,871.31	-	1,143.40	-	14.33	2,858.06	2,858.06	10,349.65	10,278.31	
Motor Vehicles	1,449.73	298.07	-	193.98	1,553.82	466.34	-	258.69	-	32.51	692.52	692.52	861.30	983.39	
Furniture	219.65	25.57	1.33	7.54	239.01	103.21	-	29.92	-	0.89	128.84	128.84	110.17	116.44	
Office Equipment	226.59	19.91	-	10.47	236.03	87.81	-	18.76	-	-	100.41	100.41	135.62	138.78	
Computers	272.30	16.03	0.37	2.70	286.00	148.27	-	52.21	-	0.32	196.66	196.66	89.34	124.03	
Total	17,084.61	2,081.75	848.19	682.11	19,364.38	3,059.88	3.71	1,724.87	15.58	256.59	4,540.03	4,540.03	14,824.35		
Previous Year	9,189.29	8,381.09	-	485.77	17,084.61	2,253.82	-	1,085.12	-	-	279.06	3,059.88	-	14,024.73	
Intangible															
Software	99.98	29.01	-	7.43	121.56	53.47	-	22.77	-	-	4.94	71.30	50.26	46.51	
Goodwill	6.90	-	-	-	6.90	6.90	-	-	-	-	-	6.90	-	-	
Technical Knowhow	9.81	-	-	-	9.81	9.81	-	-	-	-	-	9.81	-	-	
Carriage Ways	15,007.45	1,412.20	-	-	16,419.65	982.63	-	330.91	-	-	1,313.54	1,313.54	15,106.11	14,024.82	
Total	15,124.14	1,441.21	-	7.43	16,557.92	1,052.81	-	353.68	-	-	4.94	1,401.55	15,156.37		
Previous Year	4,540.38	10,583.76	-	-	15,124.14	231.14	-	821.67	-	-	-	1,052.81	-	14,071.33	
Grand Total	32,208.75	3,522.96	848.19	689.54	35,922.30	4,112.69	3.71	2,078.55	15.58	261.53	5,941.58	5,941.58	29,980.72		
Previous Year	13,729.67	18,964.85	-	485.77	32,208.75	2,484.96	-	1,906.79	-	-	279.06	4,112.69	-	28,096.06	

Note:

- Land-Freehold includes
 - 18.79 Million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - 50.66 million (P.Y. 50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
 - 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - 150.20 million in respect of which the conveyance deed is yet to be executed
 - Leasehold premises of ₹ 27.50 (P.Y. ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 is paid upfront with no further significant obligations.

In case of subsidiary companies

- Depreciation amounting to ₹ 8.77 million (₹ 1.32 million) for the period ended June 30, 2012 transferred to expenditure incurred during construction period pending allocation.
- Depreciation is excluding of ₹ 30.33 million pertaining to Goodwill written off during the period.
- Depreciation is net of ₹ 29.50 million pertaining to earlier years
- Negative grant aggregating to ₹ 1,295.50 million payable to NHAI during the 13th and 15th year of the concession period in terms of clause 23.3 of chapter V of concession agreement dated November 30, 2005 has been capitalized with carriage ways in compliance of AS-29.

Adjustments include ₹ 116.86 million and ₹ 46.94 million regrouped from Motor Vehicles to Plant & Machinery and Lease hold land to Buildings respectively

Consolidated Notes forming part of Financial Statements

13. Non-Current Investments

(` in million)

	As At 30.06.2012		As At 31.03.2011	
Long Term Investments				
Investment in equity instruments				
In Partnership Firms		0.21		0.21
In Associate Bodies Corporates – Unquoted	83.99		925.34	
Less : Share in loss from associate for the year	-		0.93	
		83.99		924.41
Other bodies corporates				
Quoted	16.56		16.52	
Unquoted	24.90		24.43	
Less : Provision for diminution in value of Investment	22.73		0.53	
		18.73		40.42
Investment in Debentures		131.03		131.03
Investment in Mutual Funds		2.00		-
		235.96		1,096.07

14. Long-Term Loans and Advances

(Unsecured, considered good)

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Security Deposits	100.91	114.23
(b) Capital Advances	902.47	234.45
(c) Tax Deducted at Source and Advance Tax (Net of provisions)	2,134.41	1,553.66
(d) Balance with government authorities	9.76	-
(e) Loans and Advances to Related Parties - Associates	220.00	-
(f) Doubtful Loans and Advances	30.30	-
	3,397.85	1,902.34
Less: Provision for Doubtful Loans and Advances	30.30	-
	3,367.55	1,902.34

15. Other Non-Current Assets

(Unsecured and considered good, unless otherwise specified)

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Long-Term Trade Receivables		
- Considered good	7,264.14	7,824.44
- Doubtful	41.19	16.39
	7,305.33	7,840.83
Less: Provision for Doubtful Debts	41.19	16.39
	7,264.14	7,824.44
(b) Non-Current Bank Balances		
- Deposit with maturity period of more than 12 months	79.01	79.42
- Margin money	-	4.21
(c) Claims Receivable	400.00	470.00
(d) Interest accrued other than on investments	12.36	0.12
	7,755.51	8,378.19

Consolidated Notes forming part of Financial Statements

16. Inventories

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) At Project sites - (at cost)		
- Stores and Spares	2,757.27	2,547.77
- Work-in-Progress	184.47	-
(b) At Factory - (at lower of cost and net realisable value)		
- Raw Material, Stores and Spares	493.60	551.69
- Finished Goods	111.83	109.01
- Work-in-Progress	638.23	403.62
(c) Property Development Rights	-	7,339.56
(d) Freehold Land	4,636.21	4,144.68
(e) Development Rights for Land	2,571.55	2,301.73
(f) Plots Stock	238.87	258.66
(g) Residential Properties	75.29	75.29
(h) Development work-in-progress	1,218.85	1,091.28
	12,926.17	18,823.29

17. Trade Receivables

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Outstanding for period exceeding six months from the date they are due for payment (Refer Note 27)		
- Unsecured, considered good	11,278.16	9,412.62
- Doubtful	807.04	474.64
	12,085.20	9,887.26
Less: Provision for Doubtful Debts	807.04	474.64
	11,278.16	9,412.62
(b) Other Receivables		
- Unsecured, considered good	11,701.05	15,628.66
- Doubtful	2.70	-
	11,703.75	15,628.66
Less: Provision for Doubtful Debts	2.70	-
	11,701.05	15,628.66
	22,979.21	25,041.28

18. Cash and Bank balances

(` in million)

	As at 30.06.2012	As at 31.03.2011
(a) Cash and Cash Equivalents		
- Cash on Hand	24.99	22.52
- Balances with Banks		
- Current Accounts	1,027.69	1,716.29
- Term Deposits with maturity period of less than 3 months	126.49	347.23
- Earmarked Balances		
- Margin Money	15.07	11.12
- Unpaid Dividend Accounts	5.41	5.24
- Share Application Money Due for Refund	0.48	0.48
	1,200.13	2,102.88
(b) Other Bank Balances		
- Term Deposits with maturity period of more than 3 months but less than 12 months	176.77	306.07
	1,376.90	2,408.95

Consolidated Notes forming part of Financial Statements

19. Short-Term Loans and Advances

(Unsecured and considered good, unless otherwise specified)

(` in million)

	As at 30.06.2012	As at 31.03.2011
a) Loans and Advances to Related Parties		
- Associates	53.02	12.56
- Joint Ventures	647.59	401.66
- Directors	28.77	-
Doubtful Loans and Advances	126.17	36.07
	855.55	450.29
Less: Provision for Doubtful Advances	126.17	36.07
	729.38	414.22
b) Advances to Sub-contractors, Suppliers and others	4069.43	3849.58
c) Prepaid Expenses	348.33	309.29
d) Other Deposits	468.92	422.57
e) Advance Tax (Net)	258.73	137.22
f) Balances with Statutory / Government Authorities	2,885.81	2,291.32
Doubtful Advances	164.79	133.59
	8,196.01	7,143.57
Less: Provision for Doubtful Advances	164.79	133.59
	8,031.22	7,009.98
	8,760.60	7,424.20

20. Other Current Assets

(Unsecured, considered good)

(` in million)

	As at 30.06.2012	As at 31.03.2011
a) Unbilled Revenue	13,793.75	11,132.94
(b) Receivable against Sale of Development Rights	1,530.78	-
(c) Claims Receivable	545.70	340.00
(d) Retention Money	8.86	22.59
(e) Interest on Term Deposit with Banks	6.90	19.02
	15,885.99	11,514.55

21. Income from Operations

(` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Construction Revenue	62,199.06	54,875.15
(b) Sale of Systems, equipment, services and Spares	7,769.56	10,807.60
(c) Sale of Villas, Flats and Plots	236.10	32.23
(d) Income from Toll Collection	1,272.56	740.25
(e) Sewerage Treatment Revenue	20.40	16.51
(f) Sale of Land and Development Rights	-	51.01
(g) Sale of Bulk Water	2,039.60	1,143.28
(h) Share of Profit from Joint Ventures	45.17	27.18
(i) Sale of Products	2,144.87	539.35
(j) Other Operating Income	181.14	340.63
	75,908.46	68,573.19

Consolidated Notes forming part of Financial Statements

22. Other Income (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Profit on sale of investment	1,169.85	89.28
(b) Dividend Income on Long-Term Investments	0.27	0.21
(c) Interest Income on Term Deposits with Banks	45.09	35.31
(d) Interest Income from Advances to sub-contractors and others	135.43	46.80
(e) Liabilities no longer required written back	103.25	40.95
(f) Income from Mutual Funds	0.57	-
(g) Profit on sale of Fixed Assets (net)	-	99.64
(h) Foreign Exchange Gain	47.06	-
(i) Miscellaneous Income	126.06	41.31
	1,627.58	353.50

23. A. Raw Material Consumed (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Opening Stock	504.41	394.57
Add: Purchases	1,680.58	1,551.59
Less : Closing Stock	400.30	504.41
	1,784.69	1,441.75

B. (Increase) / Decrease in Finished Goods, Work-in-progress and Development Rights / Plot Stocks (₹ in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Opening Balance	1,945.66	1,318.91
Less : Adjusted on account of Composite Scheme of Arrangement (Refer Note 28)	1,036.68	-
Less : Transferred to Capital Work-in-progress	14.71	10.07
Add : Transferred to Plot Stock from Freehold Land and Development Rights	-	268.27
	894.27	1,577.11
Closing Balance	6,183.68	1,945.66
	(5,289.41)	(368.55)

C. Construction Expenses (₹ in million)

	01.04.2011 to 30.06.2012		Year ended 31.03.2011	
(a) Construction Stores, Spares and Materials Consumed				
- Opening Stock	2,524.53		2,254.49	
- Add: Purchases	28,461.82		27,486.82	
- Less : Closing Stock	2,739.02	28,247.33	2,524.53	27,216.78
(b) Development Expenditure (Refer Note 28)		5,084.48		241.75
(c) Sub-contractors' work bills		13,753.29		8,615.47
(d) Masonry and other works		11,259.64		13,295.99
(e) Operation and Maintenance Expenses		772.03		721.06
(f) Manufacturing Expenses		616.89		250.47
(g) Resurfacing Expenses		164.22		123.80
(h) Indirect Taxes and Cess		2,169.85		2,095.48
(i) Machinery Hire Charges		1,893.82		1,106.05
(j) Repairs and Maintenance				
- Construction Machinery	625.38		436.90	
- Others	177.40	802.78	151.01	587.91
(k) Electricity and Water Charges		781.68		127.06
(l) Royalty		112.74		146.44
(m) Laboratory Testing Charges		35.26		36.78
		65,694.01		54,565.04

Consolidated Notes forming part of Financial Statements

24. Employee Benefits Expenses (` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Salaries, Wages and Bonus	3,421.41	2613.11
(b) Contribution to Provident and Other Funds	293.87	220.81
(c) Staff Welfare Expenses	404.02	311.79
(d) Managerial Remuneration	27.03	190.32
(e) Employee Compensation Expense under ESOP	-	17.31
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(25.18)	(45.23)
	4,121.15	3,308.11

25. Other Expenses (` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Rent Expenses	316.39	244.48
(b) Office Maintenance	259.58	177.44
(c) Rates and Taxes	102.29	96.19
(d) Travelling and Conveyance	291.98	240.29
(e) Legal and Professional Charges	399.79	338.03
(f) Insurance	238.57	149.28
(g) Communication Expenses	85.54	70.03
(h) Printing and Stationery	68.52	56.52
(i) Tender Expenses	31.62	49.47
(j) Business Promotion	15.34	9.65
(k) Auditors' Remuneration	14.88	10.17
(l) Advertisement and Publicity	25.56	32.87
(m) Loss on Assets sold / discarded (Net)	24.14	71.18
(n) Provision for doubtful debts, advances and deposits	533.71	344.01
(o) Bad Debts Written Off	131.92	77.62
(p) Net loss on foreign currency transactions and translations	91.18	57.14
(q) Preliminary Expenses	0.29	4.03
(r) Miscellaneous Expenses	214.45	103.78
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(12.93)	(6.20)
	2,832.82	2,125.98

26. Finance Cost (` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(a) Interest on Term Loans and Working Capital Facilities	6,590.49	3,921.52
(b) Bank and Other Financial Charges	669.62	312.69
(c) Foreign Exchange Loss	52.36	19.03
	7,312.47	4,253.24

27. Trade Receivables outstanding for a period exceeding six months from the date they are due for payment and considered good (Refer Note 17) include receivables aggregating to :

- i. ` 347.02 million relating to claims receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered

Consolidated Notes forming part of Financial Statements

realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and

- ii. ₹ 1,229.66 million (including ₹ 215.27 million which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the clients for realisations of the dues and the management is of the view that such receivables are good and fully recoverable.

28. A. Composite Scheme of Arrangement

a) Pursuant to the Composite Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 between the Company, IVRCL Assets & Holdings Limited (IVRCL A&H), RIHIM Developers Private Limited (RDPL) and IVRCL TLT Private Limited (IVRCL TLT) and their respective shareholders, which was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its order dated July 2, 2012, effective from April 1, 2011 (the appointed date):

- (i) all the properties, assets and liabilities of the Real Estate Undertaking of IVRCL A&H have been transferred to and vested with RDPL;
 - (ii) all the properties, assets and liabilities of Remaining Undertaking (primarily relating to Infrastructure Development Business) of IVRCL A&H have been transferred to and vested with the Company; and
 - (iii) all the properties, assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred to and vested with IVRCL TLT.
- b) In terms of Composite Scheme of Arrangement, the authorised equity share capital of the Company has been increased to ₹ 3,300.00 million consisting of 1,625,000,000 equity shares of ₹ 2 each.
- c) (i) The amalgamation of the Remaining Undertaking of IVRCL A&H with the Company has been accounted for under "Purchase Method" as prescribed by Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006. The assets and liabilities have been taken over at fair values as determined by the Board of Directors and an amount of ₹ 4,028.75 million representing the excess of assets over liabilities has been credited to Capital Reserve.
- (ii) As per the Composite Scheme of Arrangement, 149,185,366 equity shares of ₹ 10 each of IVRCL A&H held by the Company stand cancelled.
- (iii) Pursuant to the Composite Scheme of Arrangement and after considering the cancellation of shares held by the Company, 39,876,790 equity shares of ₹ 2 each of the Company are to be issued to the shareholders of IVRCL A&H in the ratio of 5 equity shares of ₹ 2 each of the Company for every 6 equity shares of ₹ 10 each held in IVRCL A&H. Notices have been given to the Stock Exchanges where the Company's equity shares are listed fixing as the Record Date for this purpose. Pending allotment an amount of ₹ 79.75 million has been included in the Share Capital Suspense Account as at June 30, 2012 (Refer Note 3A).
- (iv) The erstwhile IVRCL A&H was engaged in the business of development, operations and execution of infrastructure projects and real estate property development.
- d) In terms of the Composite Scheme of Arrangement, the assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred at values appearing in the books of accounts of the Company, with effect from April 01, 2011 without consideration. Accordingly the amount of ₹ 1,452.16 million being the book value of net assets transferred has been debited to Capital Reserve.

B) Demerger carried out in Subsidiary Company (Hindustan Dorr-Oliver Limited)

The Scheme of Arrangement ("the scheme") between the Hindustan Dorr-Oliver Limited (The "Company") and HDO Technologies Limited (a wholly owned subsidiary of the Company) and their respective shareholders to transfer manufacturing undertaking of the Company to the wholly owned subsidiary Company has been sanctioned by the Hon'ble High Court of Bombay vide its order dated July 18, 2012 and is effective from April 1, 2011.

Pursuant to the scheme all the properties, assets and liabilities of the Manufacturing Undertaking of the Company have been transferred to and vested with wholly owned subsidiary HDO Technologies Limited with effect from April 1, 2011. The scheme has, accordingly, been given effect to in these financials statement as under:

- i. Net assets of ₹ 1,782.45 Million have been transferred at the values appearing in the books of the Company as at April 1, 2011 and assets and liabilities of manufacturing undertaking have been reduced from the total value of assets and liabilities of the Company. The difference between the value of shares of HDO Technologies Limited and the book value of net assets transferred is debited to the reserves in the order specified in the scheme.
- ii. The transferee Company were to allot 1,000,000 equity share of ₹ 10 each which have been recorded at their fair value determined by the Board.

Consolidated Notes forming part of Financial Statements

C) Amalgamation carried out in Subsidiary Company (IVR Hotels and Resorts Limited)

The Company has entered with the following subsidiaries into a Scheme of Arrangement in the nature of amalgamation with the Company. Scheme of Arrangement was sanctioned by the Honorable High Court of Judicature at Hyderabad vide its order dated September 16, 2011.

- i) Gamaa Developers Private Limited
- ii) Hariapuram Developers Private Limited
- iii) IVR Prime Developers (Nellore) Private Limited
- iv) Papankuzhi Developers Private Limited

The salient provisions of the Scheme as approved by the Honorable High Court are as follows:

- i) The Scheme of amalgamation became effective on April 01, 2011, the appointed date
- ii) The assets, liabilities, rights and obligations of the erstwhile above mentioned subsidiaries have been transferred to and vested with the Company with effect from April 01, 2011 and have been recorded at their book values, under the pooling of interests method prescribed by Accounting Standard-14 "Accounting for Amalgamation".
- iii) As the transferor companies are wholly owned subsidiaries of the Company, the amalgamation does not involve any consideration.
- iv) The transferor companies shall stand dissolved without going through the process of winding up.

Pursuant to the Scheme of Amalgamation above, the development rights for land of Company towards the lands owned by the above mentioned subsidiaries were transferred from "Development Rights for Land" to "Free hold land" amounting to ₹ 401.64 million under Inventory and ₹ 67.75 million under Fixed Assets.

29. Intra-group turnover and profits on BOT construction contracts

The revenue and profit in respect of intra-group BOT construction contracts during the year is ₹ 15,405.63 million and ₹ 4,465.02 million respectively. These intra-group transactions and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

30. Reconciliation of Basic and Diluted shares used in computing Earnings Per Share

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
(Loss)/Profit After Tax for calculation of Basic EPS (₹ in million)	(1,238.41)	505.97
(Loss)/Profit After Tax for calculation of Diluted EPS (₹ in million)	(1,238.41)	505.97
Weighted average number of equity shares outstanding for calculation of Per Share (EPS)	267,009,858	267,009,858
Add: Number of shares in Share Capital Suspense	39,876,790	-
	306,886,648	267,009,858
Add: Dilutive effect of potential shares out of FCCB outstanding	-	2,055,598
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	306,886,648	269,065,456
Basic EPS (₹)	(4.04)	1.89
Diluted EPS (₹)	(4.04)	1.89

31. Contingent Liabilities

(₹ in million)

	As at 30.06.2012	As at 31.03.2011
Bank Guarantees / Letters of Credit issued by the banks on behalf of the Company	52,338.05	48,204.44
Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates	7,875.29	8,089.59
Claims against the Company not acknowledged as debts	760.64	1,052.62
Income Tax demand under appeal	214.73	79.67
Disputed Value Added Tax/ Sales Tax / Service Tax	4,671.17	3,383.12
Disputed Central Excise, Customs Duty, Cess and Stamp Duty	14.26	6.63

Consolidated Notes forming part of Financial Statements

Estimated amount of contracts to be executed on capital account (net of advances) ` 10,579.89 million (` 28,987.08 million)

Commitment towards investment in subsidiaries ` 11,625.00 million (` 8,003.10 million)

In case of RIHIM Developers Private Limited, the Company had entered into Joint Development Agreements (JDAs) during the year 2006 with various individual plot owners to jointly develop a property situated at "Cyber Enclave", Hi-tech City, Hyderabad. As per JDAs, the Company was required to amalgamate all the plots pertaining to "Cyber Enclave" and complete the development as per specified plan within a period of thirty months from the date of respective JDAs. As per terms and conditions of the agreement, all the plot owners have an obligation to enter into JDA to facilitate amalgamation of plots without which development cannot be completed. In case of delay in completion of the project by the Company, it would indemnify the loss occurring to the individual land owners as per agreed terms for the delayed period.

As at June 30, 2012, certain plot owners of Cyber Enclave have still not entered into the JDA with the Company. Accordingly, development of the property could not be completed by the Company and necessary permission and clearances from various authorities are pending.

The Company believes that plot owners will get the right to claim compensation for delayed period only when delay is caused by the Company. Since the Company has performed all the obligations on its part, payment of compensation to land owners for delay in the project is not probable. The liability, if any, that may arise on account of delay in development of the above property is not presently ascertainable.

Based on internal assessment and legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on June 30, 2012.

32. (i) The list of subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Sl. No	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2011-12	2010-11	
	Subsidiaries through direct, indirect control	2011-12	2010-11	
1	Hindustan Dorr-Oliver Limited	55.28%	55.28%	India
2	IVRCL PSC Pipes Private Limited	66.43%	66.43%	India
3	IVR Enviro Projects Private Limited	97.49%	97.49%	India
4	Chennai Water Desalination Limited	75.00%	75.00%	India
5	Salem Tollways Limited	100.00%	100.00%	India
6	Kumarapalyam Tollways Limited	100.00%	100.00%	India
7	IVRCL Steel Constructions & Services Limited ⁴	100.00%	100.00%	India
8	Jalandhar Amritsar Tollways Limited	100.00%	100.00%	India
9	IVRCL Indore Gujarat Tollways Limited	100.00%	100.00%	India
10	IVRCL Chengapalli Tollways Limited	100.00%	100.00%	India
11	IVRCL Patalaganga Trucks Terminal Pvt. Limited ⁴	100.00%	100.00%	India
12	IVRCL Goa Tollways Limited ⁴	100.00%	100.00%	India
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	60.00%	60.00%	India
14	Alkor Petroo Limited	64.03%	84.91%	India
15	IVRCL Building Products Limited	60.00%	60.00%	India
16	IVRCL Chandrapur Tollways Limited	100.00%	100.00%	India
17	Sapthashva Solar Limited ^{1,2}	51.00%	-	India
18	RIHIM Developers Private Limited (formerly IVR Prime Developers (Alwarpet) Private Limited)	100.00%	100.00%	India

Consolidated Notes forming part of Financial Statements

Sl. No	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2011-12	2010-11	
	Subsidiaries through direct, indirect control			
19	IVRCL TLT Private Limited (formerly IVR Prime Developers (Pallavaram) Private Limited)	100.00%	100.00%	India
20	IVRCL Raipur Bilaspur Tollways Limited ^{1, 2}	100.00%	-	India
21	IVRCL Narnual Bhiwani Tollways Limited ^{1,2}	100.00%	-	India
22	IVR Hotels and Resorts Limited	66.88%	66.88%	India
23	SPB Developers Private Limited	100.00%	100.00%	India
24	IVRCL Multilevel Car Parking Private Limited ¹	51.00%	51.00%	India
25	IVRCL Lanka Private Limited ²	100.00%	-	India
26	First STP Private Limited	95.00%	95.00%	India
27	IVRCL Gundugolanu Rajahmundry Tollways Limited ^{1, 2}	100.00%	-	India
28	IVRCL Patiala Bathinda Tollways Limited ^{1, 2}	100.00%	-	India
29	IVR Prime Developers (Tambram) Private Limited ⁴	100.00%	100.00%	India
30	IVRCL International FZE ¹	100.00%	100.00%	United Arab Emirates
31	HDO Technologies Limited	55.28%	55.28%	India
32	HDO (UK) Limited ¹	55.28%	55.28%	United Kingdom
33	Davymarkham Limited ¹	55.28%	55.28%	United Kingdom
34	Davymarkham India Private Limited	55.28%	55.28%	India
35	HDO Zambia Limited ²	55.28%	-	Zambia
36	IVR Prime Developers (Palakkad) Private Limited ⁴	60.00%	60.00%	India
37	IVR Prime Developers (Guindy) Private Limited ⁴	60.00%	60.00%	India
38	IVRCL Mega Malls Limited ¹	100.00%	100.00%	India
39	Agaram Developers Private Limited ¹	100.00%	100.00%	India
40	Mummidi Developers Private Limited ¹	100.00%	100.00%	India
41	Samatteri Developers Private Limited ¹	100.00%	100.00%	India
42	Annupampattu Developers Private Limited ¹	100.00%	100.00%	India
43	Tirumani Developers Private Limited ¹	100.00%	100.00%	India
44	Ilavampedu Developers Private Limited ¹	100.00%	100.00%	India
45	Gajuwaka Developers Private Limited ¹	100.00%	100.00%	India
46	IVR Prime Developers (Mylapore) Private Limited ¹	100.00%	100.00%	India
47	Chodavaram Developers Private Limited ¹	100.00%	100.00%	India
48	Simhachalam Prime Developers Private Limited ¹	100.00%	100.00%	India
49	Siripuram Developers Private Limited ¹	100.00%	100.00%	India
50	Bibinagar Developers Private Limited ¹	100.00%	100.00%	India
51	IVR Prime Developers (Erode) Private Limited ¹	100.00%	100.00%	India
52	IVR Prime Developers (Guntur) Private Limited ¹	100.00%	100.00%	India
53	IVR Prime Developers (Kakinada) Private Limited ¹	100.00%	100.00%	India
54	IVR Prime Developers (Araku) Private Limited ¹	100.00%	100.00%	India
55	IVR Prime Developers (Pudukkottai) Private Limited ¹	100.00%	100.00%	India
56	Absorption Aircon Engineer Private Limited ¹	100.00%	100.00%	India
57	IVR Vaanaprastha Private Limited ¹	66.67%	66.67%	India
58	IVR PUDL Resorts & Clubs Private Limited ¹	66.67%	66.67%	India
59	IVR Prime Developers (Thandiarpet) Private Limited ¹	100.00%	100.00%	India
60	IVR Prime Developers (Gummidipundy) Private Limited ¹	100.00%	100.00%	India
61	IVR Prime Developers (Kodambakkam) Private Limited ¹	100.00%	100.00%	India
62	IVR Prime Developers (Arumbakkam) Private Limited ¹	100.00%	100.00%	India

Consolidated Notes forming part of Financial Statements

Sl. No	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2011-12	2010-11	
	Subsidiaries through direct, indirect control			
63	IVR Prime Developers (Anna Nagar) Private Limited ¹	100.00%	100.00%	India
64	IVRCL Solar Energy Private Limited (formerly IVR Prime Developers (West Mambalam) Private Limited)	100.00%	100.00%	India
65	IVR Prime Developers (Amalapuram) Private Limited ¹	100.00%	100.00%	India
66	IVR Prime Developers (Anakapalle) Private Limited ¹	100.00%	100.00%	India
67	IVR Prime Developers (Rajampeta) Private Limited ¹	100.00%	100.00%	India
68	IVR Prime Developers (Tanuku) Private Limited ¹	100.00%	100.00%	India
69	IVR Prime Developers (Red Hills) Private Limited ¹	100.00%	100.00%	India
70	IVR Prime Developers (Rajahmundry) Private Limited ¹	100.00%	100.00%	India
71	IVR Prime Developers (Tuni) Private Limited ¹	100.00%	100.00%	India
72	IVR Prime Developers (Bobbilli) Private Limited ¹	100.00%	100.00%	India
73	IVR Prime Developers (Bhimavaram) Private Limited ¹	100.00%	100.00%	India
74	IVR Prime Developers (Adayar) Private Limited ¹	100.00%	100.00%	India
75	IVR Prime Developers (Ananthapuram) Private Limited ¹	100.00%	100.00%	India
76	IVR Prime Developers (Perumbadur) Private Limited ¹	100.00%	100.00%	India
77	IVR Prime Developers (Egmore) Private Limited ¹	100.00%	100.00%	India
78	IVR Prime Developers (Ashram) Private Limited ¹	100.00%	100.00%	India
79	IVR Prime Developers (Retiral Homes) Private Limited ¹	100.00%	100.00%	India
80	IVR Prime Developers (Avadi) Private Limited	100.00%	100.00%	India
81	Geo IVRCL Engineering Limited ¹	100.00%	100.00%	India
82	Duvvda Developers Private Limited ¹	100.00%	100.00%	India
83	Kunnam Developers Private Limited ¹	100.00%	100.00%	India
84	Vedurwada Developers Private Limited ¹	100.00%	100.00%	India
85	Rudravaram Developers Private Limited ¹	100.00%	100.00%	India
86	Geo Prime Developers Private Limited ¹	100.00%	100.00%	India
87	Theata Developers Private Limited ¹	100.00%	100.00%	India
88	Kasibugga Developers Private Limited ¹	100.00%	100.00%	India
89	Vijayawada Developers Private Limited ¹	100.00%	100.00%	India
90	Eluru Developers Private Limited ¹	100.00%	100.00%	India
91	IVRCL Assets & Holdings Limited ³	-	75.72%	India
92	IVRCL Holdings & Services Pte. Limited ³	-	100.00%	Singapore
93	Sion Panvel Tollways Private Limited ³	-	51.00%	India
94	Papankuzhi Developers Private Limited ³	-	100.00%	India
95	Haripuram Developers Private Limited ³	-	100.00%	India
96	Gamaa Developers Private Limited ³	-	100.00%	India
97	IVR Prime Developers (Nellore) Private Limited ³	-	100.00%	India
98	GSVK Manpower Supply & Services Private Limited ³	-	100.00%	India

1. Consolidated based on Management certified accounts

2. Acquired / Incorporated during the period

3. Merged / amalgamated / sold / closed during the period

4. Consolidated based on audited financial statements of March 31, 2012

(ii) Associates and Joint Ventures not included in consolidation

S.No	Name of the Company / Joint Venture	Share of Interest
1	Bhanu-IVRCL Associates	50.00%
2	IVRCL - Tantia (JV)	50.00%
3	IVR Prime IT SEZ Private Limited	50.00%
4	Paresh Infrastructures Private Limited	49.00%
4	VIVA Infrastructures Private Limited	50.00%
5	IVRCL International Infrastructures & Projects LLC	49.00%
6	IOTL Utkal Energy Services Limited	37.50%
7	Sushee - IVRCL Arunachal Highway Limited	26.00%

Consolidated Notes forming part of Financial Statements

33. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard 18 as notified in the Companies (Accounting Standards) Rules, 2006 is given below:

33.1 List of Related Parties and Relationships

A Associate (Where the Company Exercises Significant influence)			
1	Viva Infrastructure Pvt. Limited	4	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	5	IVRCL International Infrastructures & Projects LLC
3	IOT Utkal Energy Services Limited	6	Sushee - IVRCL Arunachal Highway Limited
B Joint Ventures			
1	Bhanu - IVRCL Associates	17	IVRCL SEW & WPIL (JV) Hyderabad
2	IVRCL – Tantia (JV)	18	IVRCL – MBL (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
4	IVRCL, Navayuga & SEW Joint Venture	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
5	Navayuga, IVRCL & SEW Joint Venture	21	IVRCL - CR18G Consortium (J.V)
6	IVRCL – Harsha (JV)	22	MEIL IVRCL HCC & WPIL (JV)
7	SPCL - IVRCL JV	23	IVRCL – KIPL (JV)
8	IVRCL - JL (JV)	24	IVRCL – RAJ (JV)
9	UAN Raju IVRCL Construction JV	25	UNITY – IVRCL Joint Venture
10	IVRCL – KBL (JV) Hyderabad	26	IVRCL SAI SUDHIR (JV)
11	IVRCL – KBL – MEIL (JV) Hyderabad	27	CR18G - IVRCL (JV)
12	IVRCL - CR18G (JV)	28	IVRCL - SUSHEE JOINT VENTURE
13	IVRCL – KMB – HDO Joint Venture	29	IVRCL – RTE Joint Venture
14	IVRCL-MEIL (NC-28) Joint Venture	30	KMB – IVRCL Joint Venture
15	IVRCL-MEIL (NC-33) Joint Venture	31	IVRCL - BPL -UCC (JV)
16	IVRCL - SUSHEE Consortium		
C Enterprises owned or significantly influenced by key management personnel or their relatives			
1	S.V.Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A.P.Enercon Engineers Private Limited
4	Eragam Holdings Limited	8	Sudesha Infra & Trade Private Limited
D Key Management Personnel			
1	Mr. E. Sudhir Reddy	4	Mr.E.Sunil Reddy
2	Mr. K. Ashok Reddy	5	Mr.S.C.Sekaran
3	Mr. R. Balarami Reddy	6	Mr.D.P.Mishra
E Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy	Relative of Chairman & Managing Director	
2	Mrs. E. Sujatha Reddy	Relative of Chairman & Managing Director	
3	Mrs. E. Indira Reddy	Relative of Chairman & Managing Director	
4	Mr. E. Siddhanth Reddy	Relative of Chairman & Managing Director	
5	Mr. E. Sanjeeth Reddy	Relative of Chairman & Managing Director	
6	Ms.E.Suha Reddy	Relative of Director	
7	Ms.E. Soma Reddy	Relative of Director	
8	Mrs. R. Vani	Relative of Executive Director - Finance & Group CFO	

Consolidated Notes forming part of Financial Statements

33.2 Disclosure of transactions between the Company and related parties and the status of outstanding balances as on June 30, 2012 (in million)

	Joint Venture		Associates & Others	
	2011-12	2010-11	2011-12	2010-11
Contract Revenue / Other Operational Income	7,452.81	9,440.79	2,031.69	3,899.36
Interest Income	22.55	10.69	13.57	-
Interest income on mobilisation advance	-	-	16.28	-
Hire Charges Income	-	-	100.38	-
Rent Expense	-	-	29.04	16.45
Sub contractor's work bills	2,630.47	3,217.92	3,225.20	1,968.19
Sale of Construction Material	-	-	1,239.09	-
Interest on mobilisation advance	50.44	76.79	-	-
Advances Given	763.33	437.73	53.02	-
Advances Received	132.90	580.29	-	-
Creditors for Construction Expenses	122.68	1,395.71	2,510.21	1,600.57
Provision for Doubtful Advances	115.72	36.07	-	-
Trade Receivables and Retention Money Receivable	2,319.54	4,788.93	394.13	-
Mobilisation Advance received	1,000.32	869.31	-	633.74
Mobilisation Advance paid	-	-	88.50	80.01
Retention Money Payable	377.72	469.99	214.67	39.82
Rent Deposit	-	-	6.60	5.66
Loans given	-	-	220.00	18.86
Investment in Equity Shares	-	-	0.13	750.91
Corporate Guarantee	-	-	1,153.94	-

33.3 Transactions with Key Management Personnel / Relatives (in million)

Key Management Personnel/ Relatives	Designation	Remuneration		Dividend		Office Rent		Rent Deposit		Advance	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Mr. E. Sudhir Reddy	Chairman & Managing Director	6.00	137.07	8.59	8.40	2.67	1.53	0.50	0.50	11.40	-
Mr. E. Sunil Reddy	Director	7.09	36.07	1.51	2.01	2.67	1.53	0.50	0.50	10.11	-
Mr. K. Ashok Reddy	Executive Director	3.00	5.40	0.03	0.03	-	-	-	-	3.53	-
Mr. R. Balarami Reddy	Executive Director	-	-	-	-	-	-	-	-	-	-
- Finance & Group CFO		3.00	5.45	0.01	0.02	-	-	-	-	3.59	-
Mr. E. Ella Reddy	Director	-	-	-	-	3.32	2.64	0.51	-	-	-
Mr. S. Ramachandran	Managing Director (BOOT) (Subsidiary)	-	4.04	-	-	-	-	-	-	-	-
Mr. S.C.Sekarana	Executive – Director	6.42	5.45	-	-	-	-	-	-	0.14	-
Mr.D.P.Mishra	Manager (Subsidiary)	0.15	0.12	-	-	-	-	-	-	-	-
Relatives		-	-	2.78	3.68	2.43	2.42	0.43	-	-	-
Total		25.66	193.60	12.92	14.14	11.09	8.12	1.94	1.00	28.77	-

Consolidated Notes forming part of Financial Statements

34. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

Particulars	2011-12	2010-11
Components of Employer Expenses		
Current service cost	49.61	30.56
Interest cost	17.32	12.94
Expected return on plan assets	(11.69)	(9.12)
Net Actuarial (Gain) / Loss to be recognized	(3.86)	(5.24)
Total expense recognised in the Statement of Profit and Loss	51.38	29.14
Actual Contribution & Benefit Payments		
Actual Benefit Payments	(19.10)	(7.87)
Actual Contribution	29.02	34.83
Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	214.03	172.96
Fair value of plan assets at the end of the year	148.84	124.25
Experience Adjustment / Non-management Fund	-	5.12
Net Asset/ (Liability) recognised in the Balance Sheet	(65.19)	(43.59)
Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at Beginning of Year	172.96	140.87
Adjustment pursuant to Composite Scheme of Arrangement	(5.88)	-
Interest Cost	17.32	12.94
Current Service Cost	49.61	30.56
Benefits Paid	(19.10)	(4.50)
Actuarial (Gain) / Loss on obligations	(0.88)	(6.91)
Present Value of DBO at the End of Year	214.03	172.96
Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	124.25	89.85
Expected return on planned assets	11.69	9.12
Contributions	29.02	34.83
Benefit paid	(19.10)	(7.87)
Actuarial Gain / (Loss) on plan assets	2.98	(1.68)
Fair value of plan assets at the end of the year	148.84	124.25
Defined benefit plan – Gratuity Assumptions		
Discount rate	8.50%	8.25%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.50%	8.25%

b) In accordance with the payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The management understands that LIC's overall portfolio assets is well diversified and as such, the long term return of the policy is expected to be higher than the rate of return on Central Government Bonds.

c) The expense pertaining to gratuity of ₹ 51.38 million (₹ 29.14 million) has been considered in "Contribution to Provident and Other Funds" under Note 24.

Consolidated Notes forming part of Financial Statements

35. Segment Reporting

Information about Primary Business Segments

(` in million)

Particulars	Engineering & Construction	Real Estate & Others	Manufacturing	Eliminations	Total
Revenue:					
Total External Sales	73,562.16 <i>68,489.95</i>	236.11 <i>83.24</i>	2,110.19 -	- -	75,908.46 <i>68,573.19</i>
Add : Inter segment sales	1,810.59 <i>8,075.15</i>	- -	937.90 -	(2,748.49) <i>(8,075.15)</i>	- -
Total Revenue	75,372.75 <i>76,565.10</i>	236.11 <i>83.24</i>	3,048.09 -	(2,748.49) <i>(8,075.15)</i>	75,908.46 <i>68,573.19</i>
Segment result before interest, exceptional items and tax					5,752.85 <i>5,684.12</i>
Less: Interest					7,312.47 <i>4,253.24</i>
Profit before Exceptional items and tax					(1,559.62) <i>1,430.88</i>
Exceptional items:					- -
Profit Before Tax					(1,559.62) <i>1,430.88</i>
Tax					71.02 <i>1,136.33</i>
Profit After tax					(1,630.64) <i>294.55</i>
Segment Assets	120,018.35 <i>105,043.92</i>	10,618.46 <i>17,197.12</i>	4,549.48 -	(8,598.95) <i>(10,467.79)</i>	126,587.34 <i>111,773.25</i>
Unallocated Corporate Assets					2,303.13 <i>1,844.87</i>
Total Assets					128,890.48 <i>113,618.12</i>
Segment Liabilities	43,139.97 <i>37,914.42</i>	749.75 <i>4,324.12</i>	3,035.75 -	(9,227.41) <i>(5,561.64)</i>	37,698.06 <i>36,676.90</i>
Unallocated Corporate Liabilities					60,188.64 <i>43,163.12</i>
Total Liabilities					97,886.68 <i>79,840.02</i>
Segment Depreciation	1,935.31 <i>1,903.05</i>	8.30 <i>1.84</i>	156.49 -	- -	2,100.10 <i>1,904.89</i>
Non - Cash Expenses other than Depreciation					56.38 <i>47.19</i>

Consolidated Notes forming part of Financial Statements

Segment information of manufacturing unit pertaining to previous year has not been given being impracticable pursuant Composite Scheme of Arrangement.

Geographical Segment

During the period under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

36. Employee Share based Plan – ESOP 2007 Scheme

The IVRCL – ESOP 2007 Scheme approved by the shareholders in the 20th Annual General Meeting held on September 7, 2007 to grant 4,200,000 options, convertible in to 4,200,000 shares of ₹ 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

37. Derivative Instruments

The details of foreign currency exposures on account of External Commercial Borrowings that have been hedged by cross currency swap are given below.

	As at 30.06.2012	As at 31.03.2011
No. of Instruments	5	3
USD Equivalent (million)	18.28	12.50
INR Equivalent (₹ million)	828.05	571.63

38. Provision for resurfacing obligation

subsidiaries, has a contractual obligation to periodically maintain, replace or restore infrastructure at the end of each five years or earlier as per the terms of the concession agreement. The Company has recognised the provision in accordance with Accounting Standard-29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. (₹ in million)

Particulars	As on April 1, 2011	Additions during the Period	Amount used during the Period	Amounts reversed During the Period	As on June 30, 2012
Provision for resurfacing obligation	139.90	164.22	-	-	304.12
	139.90	164.22	-	-	304.12

39. Operating Lease

i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at June 30, 2012 are as follows: (₹ in million)

	As at 30.06.2012	As at 31.03.2011
Payable not later than 1 year	177.87	-
Payable later than 1 year and not later than 5 years	417.40	-
Later than 5 years	-	-

ii. Lease payments recognised in the Statement of Profit and Loss in respect of obligation under non-cancellable operating lease ₹ 44.94 million (P Y ₹ Nil)

40. Balances with statutory / government authorities include claims filed by the Company with Director General of Foreign Trade aggregating to ₹ 415.19 million (P Y ₹ 283.73 million) towards reimbursement of duty paid under the Deemed Exports Scheme.

41. Specific Notes relating to subsidiaries

A. Hindustan Dorr-Oliver Limited

i) The Subsidiary Company, HDO (UK) Limited, and its wholly owned subsidiary, DavyMarkham Limited, during the year, suffered losses which resulted an increase in accumulated losses exceeding the consolidated net worth of the Subsidiary Company as at the balance sheet date. The Holding Company has plans to support growth plans of the Subsidiary company which, management believe, will result into increase in its revenue and consequently profitability and net worth. Accordingly, the financial statements of Subsidiary Company, which have been prepared on "Going Concern" basis, are considered for consolidation. The said Subsidiary Company is confident of achieving the target and in the opinion of the Company, the carrying value of Goodwill represents its recoverable amount and no provision for impairment is considered necessary at this stage for the reasons stated above.

Consolidated Notes forming part of Financial Statements

ii) Un-hedged foreign currency exposure

Particulars	Currency	As at June 30, 2012		As at March 31, 2011	
		(in million)	INR (in million)	(in million)	INR (in million)
Payables					
Loans	USD	20.00	1,116.60	-	-
Interest payable on Loan	USD	0.26	14.57	-	-

Particulars of derivative instruments outstanding

Particulars	Purpose	As at June 30, 2012	As at March 31, 2011
		(in million)	(in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month USLIBOR and pay a fixed rate equal to 6.50% p.a. on the notional amount	USD 20.00	-

B) Chennai Water Desalination Limited

i) Income from Operations: The income in respect of Water Capacity Charges (WCC) has been recognized in the books of account on accrual basis, and an amount of ₹ 281.15 million (₹ 159.98 million) (from July 25, 2010 to March 31, 2011) representing differential amount of WCC from April 01, 2011 to June 30, 2012, to be received as per Schedule V of Bulk Water Purchase agreement, has been considered as receivable pending receipt of the amount from CMWSSB. The total amount receivable on this account from CMWSSB up to June 30, 2012 is ₹ 441.13 million.

ii) Net notional loss on Mark to Market (MTM) Valuation of Derivative Contracts:

Date	Name of the Bank	Currency (\$ million)	Conversion Rate	INR (₹ million)	Gain/Loss
Currency swap:					
30.06.2012	ICICI Bank Limited	-	-	22.10	Notional loss
30.06.2012	Standard Chartered Bank Ltd.	0.09	55.30	(4.80)	Notional gain
	Net loss on Currency swap			17.30	

iii) Un-hedged foreign currency exposure

Particulars	Currency	As at June 30, 2012		As at March 31, 2011	
		(in million)	INR (in million)	(in million)	INR (in million)
Payables					
Loans	EURO	10.54	747.67	11.95	755.73
Interest payable on Loan	EURO	0.08	5.67	0.001	0.07

Particulars of derivative instruments outstanding

Particulars	Purpose	As at 30.06.12	As at 31.03.2011
		in million	in million
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month EURIBOR and pay a fixed rate equal to 2.46% p.a. on the notional amount.	EURO 10.54	EURO 11.95
Currency Swap	Hedge against principal instalment outflow on foreign currency loan. Swap the EURO principal payments to USD.	EURO 0.35	EURO 0.35
	Hedge against principal instalment outflow on foreign currency loan. Swap the USD payments to INR.	USD 0.45	USD 0.45

Consolidated Notes forming part of Financial Statements

- iv) Interest of ` 248.41 million calculated at Indian lenders' interest rates applicable to the company, on the claims receivable from EPC contractor, has not been charged, pending final documentation.
- v) In terms of clause no.4 of the O&M agreement (as amended) dt.January 05, 2007, the O&M contractor is liable to pay liquidated damages @ 7.5% on their annual O&M contract price, on account of any shortfall in the quantity produced by them from the date of commercial operations (COD). The same amounting to ` 35.42 million (INR equivalent to Euros 0.56 million) for the period from 25.07.2010 to 24.07.2011, has been accounted as receivable from the contractor.

C IVR Hotels & Resorts Limited

- i) During the previous year, the Company had finalized the business plan for development of Golf Course and Club House on 97.43 acres of land and township on 50 acres of land. Upon development, the Golf Course and club house will be available for use on payment of fees. Accordingly, the cost of freehold land and land development rights of ` 612.63 million pertaining to proposed Golf Course and Club House had been transferred from 'Inventory' to 'Fixed Assets'. Also an amount of ` 312.11 million representing the cost of freehold land and land development rights pertaining to the township had been transferred to 'Plot stock' under 'Inventory' in the previous year.

In respect of the balance land parcels, the Company is into initial stage of project implementation. As per Company's business plan, the projects will have multiple properties consisting of integrated townships, golf course, golf club, service apartments and mega malls which will be classified under Fixed Assets, Investment Properties and Inventories, as the case may be, based on ultimate end use pattern as per final business plan of the Company. Pending such reclassification, the cost incurred on development of projects in respect of balance land parcels is included under the head 'Inventory'.

- ii) The Company has incurred an aggregate cost of ` 3,867.18 million as at June 30, 2012, on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The said land parcels / projects are being carried in the books at cost, which in the opinion of the Management is lower than the Net Realisable Value / Value in use, based on the assessment carried out by the Management. Accordingly, no adjustment has been made to the carrying value of these land parcels / projects.

42. Development rights for land

Inventories include Earnest Money Deposits paid towards consideration for acquiring development rights of land as per Development Agreements amounting to ` 2,571.56 million (` 2,301.73 million).

43. Details of purchase of solar material and construction equipment (` in million)

	01.04.2011 to 30.06.2012	Year ended 31.03.2011
Solar material	138.64	-
Construction equipment	67.02	78.39

44. All amounts in the financial statements are presented in Rupees in million except per share data and as otherwise stated. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

For and on behalf of the Board

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Place : Hyderabad
Date : August 29, 2012

(in million)

S. No.	Name of the Subsidiary Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1 & 2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Hindusthan Dorr-Oliver Limited	144.01	1,741.14	11,911.38	10,026.23	16.52	7,293.05	(462.82)	(159.51)	(303.31)	-
2	IVRCL PSC Pipes Private Limited	2.51	(2.08)	78.67	78.24	-	2.67	(0.44)	-	(0.44)	-
3	IVR Enviro Projects Private Limited	30.00	(20.91)	55.91	46.82	-	-	(5.10)	5.19	(10.29)	-
4	Chennai Water Desalination Limited	1,729.83	(952.05)	5,611.94	4,834.16	-	2,081.06	(611.64)	-	(611.64)	-
5	Salem Tollways Limited	1,013.03	1,505.91	6,116.56	3,597.62	-	401.88	(195.72)	-	(195.72)	-
6	Kumarapalyam Tollways Limited	334.04	(56.53)	3,979.74	3,702.23	-	476.05	(185.70)	-	(185.70)	-
7	IVRCL Steel Constructions & Services Limited	0.50	(0.02)	190.09	189.61	-	0.03	0.01	-	0.01	-
8	Jalandhar Amritsar Tollways Limited	468.99	461.55	5,065.19	4,134.65	-	404.39	(131.06)	-	(131.06)	-
9	IVRCL Indore Gujarat Tollways Limited	182.65	1,639.38	12,581.80	10,759.77	-	-	-	-	-	-
10	IVRCL Chengapalli Tollways Limited	128.60	1,152.88	5,979.02	4,697.54	-	-	-	-	-	-
11	IVRCL Patalaganga Trucks Terminal Pvt. Limited	0.10	2.76	129.16	126.30	-	6.52	3.99	2.76	1.23	-
12	IVRCL Goa Tollways Limited	0.50	-	10.98	10.48	-	-	-	-	-	-
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	0.10	8.56	173.34	164.68	-	964.93	8.10	2.54	5.56	-
14	Alkor Petroo Limited	87.85	(49.53)	1,651.66	1,613.34	-	0.85	0.32	0.09	0.23	-
15	IVRCL Building Products Limited	0.10	(126.22)	121.35	247.47	-	0.84	38.69	-	38.69	-
16	IVRCL Chandrapur Tollways Limited	197.47	1,772.71	3,518.64	1,548.46	-	-	-	-	-	-
17	Sapthashva Solar Limited	1.02	2.51	60.13	56.60	-	246.64	2.51	-	2.51	-
18	RIHIM Developers Private Limited (formerly IVR Prime Developers (Alwarpet) Private Limited)	0.10	5,320.58	5,792.72	472.04	-	47.96	(93.50)	-	(93.50)	-
19	IVRCL TLT Private Limited (formerly IVR Prime Developers (Pallavaram) Private Limited)	0.10	95.32	1,002.68	907.26	-	1,533.44	(168.93)	7.05	(175.98)	-
20	IVRCL Raipur Bilaspur Tollways Ltd	0.50	-	4.63	4.13	-	-	-	-	-	-
21	IVRCL Narnaul Bhiwani Tollways Ltd	0.50	-	0.55	0.05	-	-	-	-	-	-
22	IVR Hotels and Resorts Limited	3.58	4,550.03	4,830.67	277.06	-	195.62	16.93	6.57	10.36	-
23	SPB Developers Private Limited	276.06	1,129.58	2,683.86	1,278.22	-	-	-	-	-	-
24	IVRCL Multilevel Car Parking Private Limited	0.10	-	0.81	0.71	-	-	-	-	-	-
25	IVRCL Lanka Private Limited	188.52	0.51	235.82	46.79	-	0.58	0.58	0.07	0.51	-
26	First STP Private Limited	30.00	24.93	135.18	80.25	-	21.19	7.90	1.50	6.40	-
27	IVRCL Gundugolanu Rajahmundry Tollways Limited	0.50	-	0.53	0.03	-	-	-	-	-	-
28	IVRCL Patiala Bathinda Tollways Limited	0.50	-	0.70	0.20	-	-	-	-	-	-

Financial Information of Subsidiary Companies

(in million)

S. No.	Name of the Subsidiary Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1 & 2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
29	IVR Prime Developers (Tambaram) Private Limited	0.10	(0.10)	23.33	23.33	-	-	(0.02)	-	(0.02)	-
30	IVRCL International FZE	1.28	(0.58)	0.70	-	-	-	(0.16)	-	(0.16)	-
31	HDO Technologies Limited	10.50	1,193.32	3,675.54	2,471.72	-	1,726.87	(231.21)	(75.31)	(155.90)	-
32	HDO (UK) Limited (Consolidated)	73.51	(655.80)	1,066.22	1,648.51	-	1,771.96	(301.85)	-	(301.85)	-
33	Davymarkham India Private Limited	0.10	(0.02)	0.10	0.02	-	-	(0.02)	-	(0.02)	-
34	HDO Zambia Limited	0.05	(26.70)	0.06	26.71	-	-	(26.70)	-	(26.70)	-
35	IVR Prime Developers (Palakkad) Private Limited	0.10	(1.82)	2.99	4.71	-	-	(0.02)	-	(0.02)	-
36	IVR Prime Developers (Guindy) Private Limited	0.10	(1.50)	3.28	4.68	-	-	(0.02)	-	(0.02)	-
37	Mummididi Developers Private Limited	0.10	(0.14)	64.87	64.91	-	-	(0.02)	-	(0.02)	-
38	Samaltheri Developers Private Limited	0.10	(0.14)	54.66	54.70	-	-	(0.02)	-	(0.02)	-
39	IVR Prime Developers (Amalapuram) Private Limited	0.10	(0.12)	3.09	3.11	-	-	(0.02)	-	(0.02)	-
40	IVR Prime Developers (Guntur) Private Limited	0.10	(0.12)	36.38	36.40	-	-	(0.02)	-	(0.02)	-
41	Absorption Aircon Engineer Private Limited	0.37	(0.51)	110.46	110.60	-	-	(0.02)	-	(0.02)	-
42	IVR Prime Developers (Thandiarpet) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
43	IVR Prime Developers (Gummidipundi) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
44	IVR Prime Developers (Kodambakkam) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
45	IVR Prime Developers (Arumbakkam) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
46	IVR Prime Developers (Anna Nagar) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
47	IVRCL Solar Energy Private Limited	0.50	(0.11)	0.41	0.02	-	-	(0.03)	-	(0.03)	-
48	Bibinagar Developers Private Limited	0.10	(0.09)	22.83	22.82	-	-	(0.02)	-	(0.02)	-
49	IVR Prime Developers (Anakapalle) Private Limited	0.10	(0.10)	0.02	0.02	-	-	(0.02)	-	(0.02)	-
50	IVR Prime Developers (Rajampeta) Private Limited	0.10	(0.10)	0.02	0.02	-	-	(0.02)	-	(0.02)	-
51	IVR Prime Developers (Tanuku) Private Limited	0.10	(0.10)	0.02	0.02	-	-	(0.02)	-	(0.02)	-
52	IVR Prime Developers (Red Hills) Private Limited	0.10	(0.10)	59.85	59.85	-	-	(0.02)	-	(0.02)	-

(in million)

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53	IVR Prime Developers (Rajahmundry) Private Limited	0.10	(0.10)	0.02	0.02	-	-	(0.02)	-	(0.02)	-
54	IVR Prime Developers (Tuni) Private Limited	0.10	(0.10)	28.20	28.20	-	-	(0.02)	-	(0.02)	-
55	IVR Prime Developers (Bobbili) Private Limited	0.10	(0.09)	33.21	33.20	-	-	(0.02)	-	(0.02)	-
56	IVR Prime Developers (Bhimavaram) Private Limited	0.10	(0.09)	23.00	22.99	-	-	(0.02)	-	(0.02)	-
57	Simhachalam Prime Developers Private Limited	0.10	(0.12)	91.07	91.09	-	-	(0.02)	-	(0.02)	-
58	Agaram Developers Private Limited	0.10	(0.14)	34.92	34.96	-	-	(0.02)	-	(0.02)	-
59	Siripuram Developers Private Limited	0.10	(0.12)	35.78	35.80	-	-	(0.02)	-	(0.02)	-
60	IVR Prime Developers (Araku) Private Limited	0.10	(0.12)	0.93	0.95	-	-	(0.02)	-	(0.02)	-
61	IVR Prime Developers (Erode) Private Limited	0.10	(0.12)	2.07	2.09	-	-	(0.02)	-	(0.02)	-
62	IVR Prime Developers (Kakinada) Private Limited	0.10	(0.12)	0.01	0.03	-	-	(0.02)	-	(0.02)	-
63	IVR Prime Developers (Pudukkottai) Private Limited	0.10	(0.12)	0.01	0.03	-	-	(0.02)	-	(0.02)	-
64	IVR Vaanaprastha Private Limited	0.15	(0.26)	14.10	14.21	-	-	(0.05)	-	(0.05)	-
65	IVR PUJDL Resorts & Clubs Private Limited	0.15	(0.21)	113.15	113.21	-	-	(0.05)	-	(0.05)	-
66	IVRCL Megamalls Limited	0.50	(0.29)	32.50	32.29	-	-	(0.02)	-	(0.02)	-
67	Annapampattu Developers Private Limited	0.10	(0.14)	23.89	23.93	-	-	(0.02)	-	(0.02)	-
68	Ilavampedu Developers Private Limited	0.10	(0.14)	20.08	20.12	-	-	(0.02)	-	(0.02)	-
69	Chodavaram Developers Private Limited	0.10	(0.12)	28.46	28.48	-	-	(0.02)	-	(0.02)	-
70	Gajuwaka Developers Private Limited	0.10	(0.12)	176.15	176.17	-	-	(0.02)	-	(0.02)	-
71	Tirumani Developers Private Limited	0.10	(0.12)	91.75	91.77	-	-	(0.02)	-	(0.02)	-
72	IVR Prime Developers (Adayar) Private Limited	0.10	(0.10)	20.97	20.97	-	-	(0.02)	-	(0.02)	-
73	IVR Prime Developers (Ananthapuram) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
74	IVR Prime Developers (Perambalur) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-

Financial Information of Subsidiary Companies

(in million)

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75	IVR Prime Developers (Egmore) Private Limited	0.10	(0.09)	24.85	24.84	-	-	(0.02)	-	(0.02)	-
76	IVR Prime Developers (Ashram) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
77	IVR Prime Developers (Retiral Homes) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
78	IVR Prime Developers (Mylapore) Private Limited	0.10	(0.09)	0.03	0.02	-	-	(0.02)	-	(0.02)	-
79	Duvvda Developers Private Limited	0.10	(0.12)	130.89	130.91	-	-	(0.02)	-	(0.02)	-
80	Eluru Developers Private Limited	0.10	(0.12)	104.85	104.87	-	-	(0.02)	-	(0.02)	-
81	Geo IVRCL Engineering Limited	0.50	(0.12)	43.20	42.82	-	-	0.02	-	0.02	-
82	Geo Prime Developers Private Limited	0.10	(0.12)	178.53	178.55	-	-	(0.02)	-	(0.02)	-
83	Kasibugga Developers Private Limited	0.10	(0.12)	127.66	127.68	-	-	(0.02)	-	(0.02)	-
84	Kunnam Developers Private Limited	0.10	(0.14)	143.72	143.76	-	-	(0.02)	-	(0.02)	-
85	Rudravaram Developers Private Limited	0.10	(0.12)	142.86	142.88	-	-	(0.02)	-	(0.02)	-
86	Theata Developers Private Limited	0.10	(0.12)	172.29	172.31	-	-	(0.02)	-	(0.02)	-
87	Vedurwada Developers Private Limited	0.10	(0.12)	164.95	164.97	-	-	(0.02)	-	(0.02)	-
88	Vijayawada Developers Private Limited	0.10	(0.12)	212.56	212.58	-	-	(0.02)	-	(0.02)	-



IVRCL LIMITED

Registered Office : M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P.,India.

PROXY FORM

25th ANNUAL GENERAL MEETING

Folio No:..... DP ID:.....Client ID:..... No. of Shares

I/Weof.....in the district of
.....being a member/members of the above named company, hereby appoint

Mr / Ms / Kum.....in the district of
.....as my/our proxy to vote for me/us on my/our behalf

at the Twenty Fifth Annual General Meeting of the Company to be held on Monday the 24th December, 2012 at 10.00 a.m.

at "K.L.N. Prasad Auditorium" The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House,
11-6-841, Red Hills, Hyderabad – 500004 and at any adjournment thereof.

Signed thisday of 2012

Address

Signature

Affix
Re.1
Revenue
Stamp

Note: The proxy form duly completed must be deposited at Regd.Office:M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P., India, not less than 48 hours before the time for commencement of the meeting. A proxy need not be a member.



IVRCL LIMITED

Registered Office : M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P.,India.

ATTENDANCE SLIP

Folio No:..... DP ID:.....Client ID:..... No. of Shares

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company to be held at "K.L.N.Prasad Auditorium", The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500004 on Monday, the 24th December, 2012 at 10.00 a.m.

.....
Full Name of the Shareholder
(in block Letters)

.....
Signature

.....
Full Name of the Proxy
(in block Letters)
(To be filled if the Proxy attends
instead of the member)

.....
Signature

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. Please carry a copy of the Annual Report.

