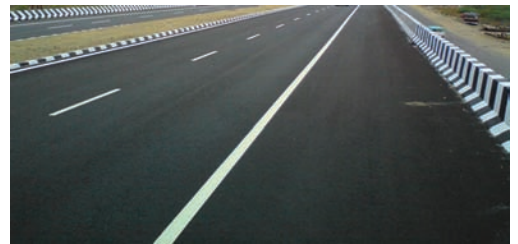


15th Annual Report 2010-2011



 **MCA & H**
IVRCL ASSETS & HOLDINGS LTD.



BOARD OF DIRECTORS

E. SUDHIR REDDY
Chairman

E.SUNIL REDDY
Vice Chairman & Managing Director

S.RAMACHANDRAN
Managing Director
(BOOT Projects)

R. BALARAMI REDDY
Director

T.N. CHATURVEDI
Director

V.MURAHARI REDDY
Director

P.R. TRIPATHI
Director

T.R.C BOSE
Director

A.S.PARDHA SARADHI
Company Secretary

STATUTORY AUDITORS

M/s. Chaturvedi & Partners
212A, Chiranjiv Towers,
43, Nehru Place,
New Delhi-110019.

M/s.S.R.Batliboi & Associates
Oval Office, 18, Ilabs Centre,
HITEC City, Madhapur,
Hyderabad - 500 081.

INTERNAL AUDITOR

T. Vijay Kumar
Chartered Accountant
Flat # 101, Jyothi Pride Apts.
P.S. Nagar, Masab Tank
Hyderabad – 500 028.

REGISTRARS & SHARE TRANSFER AGENTS

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

BANKERS

- IDBI Bank ○ HDFC Bank ○ ICICI Bank
- Indian Overseas Bank ○ Indus Ind Bank
- Karnataka Bank ○ Kotak Mahindra Bank
- State Bank of India ○ Tamilnad Mercantile Bank
- Axis Bank ○ Canara Bank

REGISTERED OFFICE

M-22/3RT,
Vijayanagar Colony,
Hyderabad – 500 057
Andhra Pradesh

CORPORATE OFFICE

MIHIR, 8-2-350/5/A/24/1-B&2,
Road No.2, Panchavati colony
Banjara Hills, Hyderabad- 500 034
Andhra Pradesh

CONTENTS

Board of Directors	1
Notice	3
Directors' Report	8
Management Discussion & Analysis	12
Report on Corporate Governance	18
Auditors' Report	29
Balance Sheet	32
Profit and Loss Account	33
Cash Flow Statement	34
Schedules	36
Consolidated Financial Statements	63

FORWARD LOOKING STATEMENT

This communication contains statements that constitute "forward looking statements" including without limitations, 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, generated market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in financial conditions 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 ASSETS & HOLDINGS LIMITED undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of IVRCL Assets & Holdings Limited will be held on Thursday, September 15, 2011 at 3.30 p. m. at KLN Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, POB 14, Hyderabad 500004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2011, 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. R.Balarami Reddy, Director, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. P.R.Tripathi, a Director, who retires by rotation and being eligible, offers himself for re-appointment.
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 Chaturvedi & Partners, Chartered Accountants, and M/s. S.R.Batlboi & Associates, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next annual general meeting and that the Board of Directors of the Company be and are hereby authorised to fix the remuneration payable to them in addition to reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company .”

SPECIAL BUSINESS:

5. **Keeping the Registers/Documents>Returns at a place other than Registered office of the Company.**

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

RESOLVED THAT pursuant to the provisions of the Section 163 and other applicable provisions if any of the Companies Act, 1956, the approval of the members of the Company be and are hereby accorded to Board

of Directors of the Company to keep all the Registers, Annual Returns prepared under section 159 of the Companies Act, 1956, together with all the documents or certificates required to be annexed or attached thereto under section 161 of the Companies Act, 1956 or any one of them at Corporate office of the Company, MIHIR, 8-2-350/5/A/24/1-B &2, Road No.2, Panchavati Colony, Banjara hills, Hyderabad- 500 034.

6. **To appoint Mr. T.R.C. Bose as Director 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 Mr. T.R.C.Bose who was appointed as an Additional Director of the Company with effect from February 12, 2011 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a member proposing his candidature for the office of director , be and is hereby appointed as a Director of the Company.”

7. **Re-appointment of Mr.E.Sunil Reddy as Managing Director 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 provisions of Section 198, 269, 309, 316, 317 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 and statutory approvals if any, consent of the Company be and is hereby accorded for re-appointment of Mr. E. Sunil Reddy as Managing Director of the Company for a further period of five years with effect from 2nd March, 2011 and no remuneration be paid to Mr.E.Sunil Reddy during his tenure as he is drawing remuneration from Hindustan Dorr Oliver Limited, as its Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, things necessary to give effect to this resolution.

By order of the Board of Directors

A.S.Pardha Saradhi
Company Secretary

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh
Date: 28.05.2011

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 the 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 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 Items 5,6 and 7 follows these notes.
4. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance of the Meeting Hall.
5. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No) for easier identification and recording of attendance at the meeting.
6. The Register of Members and Share Transfer Books of the Company shall be closed from September 12, 2011 to September 15, 2011 (both days inclusive).
7. The relevant details of Directors seeking re-appointment under Item Nos.2,3,7 and appointment under item 6 above, pursuant to Clause 49 VI.A of the Listing Agreements entered into with the Stock Exchanges are provided as an Annexure A to the notice.
8. 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 1.00p.m.upto the date of the Annual General Meeting.
9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 as amended, read with the Investor Education and Protection fund (awareness and Protection of Investors) Rules 2001, dividend which

remains unpaid or unclaimed for a period of seven years will be transferred to the Investors Education and Protection Fund. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio no. / DP ID and Client ID to the Secretarial Department, MIHIR, Road No. 2, Panchavati Colony, Banjara Hills, Hyderabad - 500 034. 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.

10. Pursuant to General Circular dated 8th February, 2011 issued by Ministry of Corporate Affairs, it is proposed by the Company to send all the communications henceforth to the shareholders through electronic mode and all the shareholders are requested to register their e-mail ids with the Depository Participant/Registrar & Share Transfer Agent of the Company.

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

Item No.5.

Keeping the Registers/Documents>Returns at a place other than Registered office of the Company

As per Section 163 of the Companies Act, 1956 the Register of Members & Debenture holders, Index of Members & Debenture holders, Annual Returns prepared under section 159 of Companies act, 1956 and all the certificates, documents required to be annexed or attached thereto under sections 160, 161 of the Companies Act, 1956 are to be kept at Registered office of the Company.

As the most of operations of the Company are being carried out from the corporate office at Banjara hills, Hyderabad, it is proposed by the Board of Directors of the Company to keep or maintain Registers, Annual Returns prepared under section 159 of Companies act, 1956 and all the certificates, documents required to be annexed or attached thereto under sections 160, 161 of the Companies Act, 1956 at Corporate office of the Company, MIHIR, 8-2-350/5/A/24/1-B &2, Road No.2, Panchavati Colony, Banjara hills, Hyderabad- 500 034 for purpose of convenience.

Approval of the shareholders is sought by way of Special

resolution in the Annual General Meeting for the aforesaid item. The Board commends the resolution for approval by the Members.

Note:

None of the Directors is interested in the above resolution.

Item No.6.

Appointment of Mr. T.R.C.Bose as Director of the Company

The Board of Directors of the Company under Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, appointed Mr. T.R.C.Bose as an Additional Director of the Company with effect from 12th February, 2011.

In terms of Section 260 of the Act, Mr. T.R.C. Bose hold office up to the date of this Annual General Meeting.

The Company has received notice(s) in writing from a member along with a deposit of Rs. 500/- , proposing the candidature of Mr. T.R.C. Bose for the office of Director of the Company under Section 257 of the Act.

Mr. T.R.C. Bose had confirmed that he is not disqualified from being appointed as Director under Section 274 (1) (g) of the Act.

Approval of the shareholders is sought by way of an Ordinary resolution in the Annual General Meeting for the appointment of Mr.T. R.C. Bose as Director. The Board commends the resolution for approval by the Members.

Note:

None of the Directors is interested in the above resolution.

Item No.7

Re-appointment of Mr.E.Sunil Reddy as Managing Director of the Company.

Mr.E.Sunil Reddy was appointed as Managing Director of the Company for a term of five years at the Extra Ordinary General Meeting held on March 27, 2006. The Board of Directors of the Company at their meeting held on May 28, 2011, upon recommendation of the Compensation Committee and subject to approval of the members of the Company accorded their approval for re-appointment of Mr.E.Sunil Reddy as Managing Director for a period of five years with effect from 2nd March, 2011.

Mr.E.Sunil Reddy is the Managing Director of Hindustan Dorr Oliver Limited and he draws remuneration from the said Company. It is proposed that no remuneration be paid by the Company to Mr.E.Sunil Reddy as he is drawing remuneration from Hindustan Dorr Oliver Limited.

Approval of the shareholders is sought by way of an Ordinary Resolution in the Annual General Meeting for the re-appointment of Mr. E. Sunil Reddy as Managing Director. The Board commends the resolution for approval by the Members.

None of the Directors is interested in the above resolution except Mr.E.Sudhir Reddy who is related to Mr.E.Sunil Reddy.

By order of the Board of Directors

A.S.Pardha Saradhi
Company Secretary

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh

Date: 28.05.2011

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

Annexure -A

Name of Director	Mr. E. Sunil Reddy	Mr. R. Balarami Reddy	Mr. P. R. Tripathi	Mr. T.R.C. Bose
Date of Birth	21.07.1961	01.07.1954	24.06.1943	15.01.1941
Date of Appointment	01.03.2006	02.05.2001	05.07.2007	12.02.2011
Expertise in Specific functional areas	He has rich experience in legal matters.	He is a fellow member of the Institute of Chartered Accountants of India, and Associate member of Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India. He practiced as Chartered Accountant for a period of 7 years earlier.	He is an expert in the areas of mine planning, operation and management of mineral projects and has 41 years of experience in the mining industry	He has 44 years of wide experience having held various senior positions and finally as Director Projects with A.P State Electricity Board presently known as Transmission Corporation of Andhra Pradesh Limited
Qualification	B.Com, B.L.	B.com, FCA, AICWA, ACS	B.E. (Hon.) A.I.S.M. (Mining) F.C.C. (Coal & Metal)	B. E. Electrical, FIEE
List of Companies in which Directorships held as on March 31, 2011	<ul style="list-style-type: none"> • IVRCL Limited • Hindustan Dorr-Oliver Limited • 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 	<ul style="list-style-type: none"> • IVRCL Limited • Hindustan Dorr-Oliver Limited • IVRCL Assets & Holdings Limited • IVRCL PSC Pipes Private Limited • IVR Enviro Projects Private Limited • IVR Hotels and Resorts Limited • IVRCL Cadagua Hoginekkal Water Treatment Company Private Limited • AP Enercon Engineers Private Limited • IVRCL Building Products Limited • First STP Private Limited <p>Foreign Companies</p> <ul style="list-style-type: none"> • IVRCL Holdings & Services Pte Limited • HDO (UK) Limited 	<ul style="list-style-type: none"> • IVRCL Limited • Hindustan Dorr Oliver Limited • Minman Consultancy Services Private Limited. • HDO Technologies Limited • IVRCL Assets & Holdings Limited • Solar Energy & Minerals Limited • Premier Explosives Limited • Dharmi Sampada Private Limited • IVR Hotels and Resorts 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 • IVRCL Ltd • IVRCL Assets & Holdings Limited

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

Annexure -A

Name of Director	Mr. E. Sunil Reddy	Mr. R. Balarami Reddy	Mr. P. R. Tripathi	Mr. T.R.C. Bose
Chairman/Member of the Mandatory Committees of the Board of Directors of the Companies in which he is a Director as on March 31, 2011	IVRCL Assets & Holdings Limited —Member, Shareholder/Investors Grievance Committee	a) IVRCL Limited -Member, Investors Grievance Committee b) Hindustan Dorr-Oliver Limited -Member, Audit Committee c) IVRCL Assets & Holdings Limited -Member, Audit Committee -Member, Shareholder/Investors Grievance Committee	a) IVRCL Limited -Member, Audit Committee -Member, Shareholders/Investors Grievances Committee. b) IVRCL Assets & Holdings Limited - Member, Audit Committee c) Hindustan Dorr Oliver Limited - Member, Audit Committee d) Premier Explosives Limited - Chairman, Audit Committee	a) Kakatiya Cements Sugar & Industries Limited - Member, Audit Committee - Member, Shareholders/Investors Grievances Committee. b) IVRCL Limited - Member, Audit Committee
Equity shares held in the Company as on March 31, 2011	0	240,000	0	0

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

The performance of the Company for the financial year ended March 31, 2011 is summarised below:

1. FINANCIAL RESULTS:

(Rupees in Lakhs)

	Year ended 31.03.2011	Year ended 31.03.2010
Operational Income	68210.98	14311.04
Other Income	273.91	197.14
EBITDA	3866.67	1121.97
Less: Interest & Financial Charges	7223.71	1868.54
Less : Depreciation/Amortization	160.88	180.05
Profit / (Loss) Before Tax (PBT)	(3517.92)	(926.62)
Provision for Tax	1155.06	(286.76)
Profit / (Loss) After Tax (PAT)	(4672.98)	(639.86)
Balance brought forward from previous year	16179.26	16819.12
Profit available for appropriation	11506.28	16179.26
Appropriation:		
Transfer to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL
Balance carried to Balance Sheet	11506.28	16179.2
Paid-up capital	19704.83	12361.36
Reserves and Surplus	219323.22	216486.15

2. REVIEW OF PERFORMANCE:

1. Standalone:

Your Company achieved a turnover of Rs. 68210.98 Lakhs with Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA) of Rs. 3866.67 Lakhs for the financial year ended 31.03.2011. The corresponding figures for the previous financial year were Rs.14311.04 Lakhs and Rs. 1121.97 Lakhs respectively. The Company incurred a net loss of Rs. 4672.98 Lakhs for the year as against Rs. 639.86 Lakhs for the previous year. The loss is mainly due to interest costs on the loans taken by the Company for funding its subsidiaries (SPVs) executing various projects on BOT/BOOT basis.

2. Consolidated :

The Company achieved a consolidated turnover of Rs. 87612.73 Lakhs with Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA) of Rs. 13558.53 Lakhs for the financial year ended 31.03.2011. The corresponding

figures for the previous financial year were Rs.15903.17 Lakhs and Rs. 2538.69 Lakhs respectively. The Company incurred a consolidated net loss of Rs. 15330.58 Lakhs for the year as against Rs. 3116.96 Lakhs for the previous year. The loss is mainly attributable to Depreciation/Amortisation and Interest costs.

3. DIVIDEND:

Your Directors regret their inability to recommend any dividend for the financial year 2010-11.

4. CAPITAL STRUCTURE.

During the year under review, the share capital of the Company was altered by allotting 6,18,06,786 equity shares as bonus shares on 22.05.2010 to the then existing shareholders and 1,16,27,906 equity shares on 04.11.2010 to Unit Trust of India Investment Advisory Services Limited A/c. Ascent India Fund III by way of preferential allotment. Consequent to the said allotments the paid up capital of the Company increased to Rs. 19704.82 Lakhs.

5. SUBSIDIARY COMPANIES

The Company has 60 subsidiaries (excluding step down subsidiary companies) as on 31st March, 2011 and the details of investments made by the company in its various subsidiaries during the year and the value of the investments as on 31st March, 2011 have been furnished in Para 13 of Schedule 20 Notes to Accounts.

Pursuant to section 212(8) of the Companies Act, 1956 the Balance Sheet, Profit and Loss Account 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 has 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 Board of Directors at its meeting held on May 28, 2011 has given consent for not attaching the Balance sheet, profit and loss account and other documents of the subsidiary companies by way of passing the resolution and the financial information relating to the said Subsidiary companies as required in the said circular are disclosed in the Consolidated Balance Sheet forming part of this Annual Report. The annual accounts of the said subsidiary company and relevant information shall be made available to the shareholders seeking 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. Shareholders can also have access to the said details on the Company's website viz. www.ivrclah.com.

6. CONSOLIDATED FINANCIAL STATEMENTS

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 21 and 23, form part of this Annual Report.

7. ISSUE OF UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has raised Rs. 10,000 Lakhs by issuing 1,000 Unsecured Redeemable Non-convertible Debentures of Rs.10 Lakhs each, on private placement basis, pursuant to SEBI (Issue and Listing of Debt Securities) Regulations 2008. The securities have been listed on NSE under the Whole-sale Debt Market Segment (WDM).

8. FIXED DEPOSITS

The Company has not accepted has any fixed deposits and as such there is no amount outstanding as on the Balance Sheet date.

9. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. R.Balarami Reddy and Mr. P.R.Tripathi, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year under review, Mr.G. Ananth Sena Reddy had resigned as Director of the Company w.e.f 01.10.2010. The Board places on record its appreciation of the services rendered by Mr. G. Ananth Sena Reddy during his tenure as a Director. The Board of Directors appointed Mr.T.R.C.Bose as an Additional Director of the Company w.e.f. February 12, 2011. Mr.T.R.C.Bose holds the office upto the date of ensuing Annual General Meeting of the Company and is eligible for appointment as director.

The Board of Directors recommends the re-appointment of Mr. R.Balarami Reddy and Mr. P.R.Tripathi and appointment of Mr.T.R.C.Bose, as Directors.

Mr. E. Sunil Reddy's term as Managing Director expired on March 1, 2011. The Board of Directors of the Company at their meeting held on May 28, 2011 upon recommendation of the Compensation Committee and subject to approval of the members appointed Mr. E. Sunil Reddy as Managing Director of the Company for the further period of five years with effect from March 2, 2011, for which a resolution is proposed.

10. AUDITORS

M/s Chaturvedi & Partners, Chartered Accountants and M/s. S.R.Batliboi & Associates, Chartered Accountants, were appointed as Joint Statutory Auditors of the Company to hold the office from the conclusion of previous Annual General Meeting till the ensuing Annual General Meeting. It is proposed to re-appoint M/s Chaturvedi & Partners, Chartered Accountants and M/s. S.R.Batliboi & Associates, Chartered Accountants at the ensuing Annual General Meeting to hold the office from the conclusion of the ensuing Annual General Meeting until the next Annual General Meeting. The Company has received confirmation from M/s Chaturvedi & Partners, Chartered Accountants and M/s. S.R.Batliboi & Associates, Chartered Accountants to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B)

of the Companies Act, 1956. The Board of Directors recommends the re-appointment of M/s Chaturvedi & Partners, Chartered Accountants and M/s. S.R.Batliboi & Associates, Chartered Accountants, appointed as Joint Statutory Auditors of the Company.

11. 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, there were no 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 during the year under review.

12. 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-A** hereto and forms part of this report.

13. CORPORATE GOVERNANCE REPORT

Your directors adhere to the requirements set out in Clause 49 of the Listing Agreements with the Stock Exchanges. Report on Corporate Governance as stipulated in the said clause is annexed as **Annexure - B** hereto and forms part of this Report. The Chairman'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 D.Hanumantha Raju & Co, practicing Company Secretaries, confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

14. 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. However, no information is furnished as the relative Rule is not applicable to your Company.

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.

The Particulars of expenditure/Earnings in Foreign currency is furnished in item No. 24 of Schedule 20 Notes to Accounts.

15. ENVIRONMENT LAWS

The Company is taking all steps to be compliant with all Environmental Laws.

16. INSURANCE

The Company has insured all its properties to the extent required.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, It is hereby declared and 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 on 31st March, 2011, and 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.

18. QUALIFICATIONS IN THE AUDITORS REPORT ON FINANCIAL STATEMENTS.

Pursuant to Section 217(3) of the Companies Act, 1956, the Board of Directors of the Company provides here under, the explanations with regard to Qualifications in the Auditors Report on Financial Statements.

Standalone Financial Statements:

1. Clause No 4 refers to the carrying value of investments aggregating to Rs 1252.17 crores (including advances of Rs. 175.79 crores) in three subsidiaries of the Company (acquired through amalgamation at fair value determined based on the future projected cash flows of toll collections) in the backdrop of their toll collections during the

year under review, being lower than the projections .

Management believes that the lower toll collections achieved during the year are only a temporary phase and accordingly, no provision in respect of diminution in the value of investments is considered necessary.

The matter has also been referred to in the Auditors' Report on the consolidated financial statements (clause no.5)

2. Clause No. iv & v (b) of the Annexure to the Report refer to some of the contracts entered which were of special nature and in respect of which suitable alternative sources were not readily available for obtaining comparable quotations.

In case of such contracts, the terms were based on the best possible estimates which are not prejudicial to the interests of the Company.

3. Clause No ix (a) of the Annexure to the Report: The Company has generally been regular in depositing statutory dues on time with appropriate authorities, but for slight delays in a few cases.

As a part of internal control system, the compliances as to accurate and timely remittance of statutory dues are regularly monitored for adherence.

4. Clause No x of the Annexure to the Report refers to the cash loss incurred by the Company.

The cash loss is mainly on account of interest costs on the amounts borrowed by the Company for meeting its investment and sponsor loan obligations towards their subsidiaries which are SPVs executing BOT/BOOT Projects .

Consolidated Financial Statements:

Clause No 4 refers to the inclusion of financial statements of a subsidiary based on Management certified accounts.

As statutory audit of the subsidiary viz., Chennai Water Desalination Limited is in progress , unaudited financials of the company as certified by its Management have been considered for preparing consolidated financial statements.

19. GREEN INITIATIVE IN CORPORATE GOVERNANCE.

The Ministry of Corporate Affairs has recently taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and permitted the service of documents to shareholders through electronic mode The new arena of interface with the members is a welcome step as it would not only help to save the environment and facilitate fast communication but will also lead to cost saving for your Company, apart from avoiding losses/delays in postal transit. The Notices of General meetings, Annual Reports and all communications henceforth will be sent to the shareholders in electronic mode to the email address provided by them. The same will be sent in physical mode if they desire. The shareholders can have access to the documents through the Company's website viz, www.ivrclah.com.

Acknowledgements

The Directors wish to express their appreciation of the support and cooperation extended by the State Government, financial institutions, banks, suppliers, clients and the holding company. The Directors also wish to thank all the employees for their contribution and continued cooperation throughout the year.

For and on behalf of the Board

E. Sudhir Reddy
Chairman

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh

Date: 28.05.2011

MANAGEMENT DISCUSSION & ANALYSIS - ANNEXURE A TO THE DIRECTORS' REPORT

Introduction

IVRCL Assets & Holdings Limited has completed its second year of operation post amalgamation which was carried out for the purposes of having a focus on the ever increasing opportunity in the Public Private Partnership (PPP) sector of our country. The Company has successfully made efforts to transform its image from being a Real Estate Development Company to a Comprehensive Infrastructure Asset Development Company. The Company has devised its growth strategy on the pillars of Vision, Management, People and Resources. To achieve the vision, Company has put in place business verticals headed by the experienced professionals to establish the business strategy and mobilise the people and resources to drive the efficiency of the project implementation and management thereby improving the savings of the project and timely completion of the assets under development. The Company presently has projects under the business verticals of Highways, Environment & Water, Oil & Gas, Urban Infrastructure and Housing. The Company has currently under its fold about Rs. 11,000 crore of assets (*Economic Share*) under various stages of operation, construction and development. The Operational asset portfolio consists of three road projects, one water project and one environment project. The under construction asset portfolio consists of four road projects and one oil tankage project. The projects which are under initial stages of development consists of two road projects, one urban infra project and one housing project in Colombo, srilanka. During the year the Company received Letter of Award (LOA) for two state highway projects, one National highway project and one pertaining to development of Fully Automated Multi Level Car Parking Facility in the heart of the Chennai at Broadway Bus stand. During the year the Company has begun its journey of spreading its wings overseas with the first building infrastructure project by bagging the award for construction of 4100 houses for Urban Development Authority (UDA), in the city of Colombo, Sri Lanka for the total contract value of USD 90 million.

Indian Economy & Infrastructure

During 2010-11, the Indian economy showed a growth of 8.6% compared to 8% in 2009-10. The period under review has shown a remarkable resilience to both external and internal shocks. The medium to long-run prospect of the economy, including the industrial sector, continues to be positive. However, rising inflation has caused a concern for the growth of economy. The economic survey projected that the economic growth for the year 2011-2012 would be between 8.75% - 9%. With the RBI making it clear that it would maintain its anti-inflationary stance, some amount of growth will have to be sacrificed if inflation is to be brought under control in a more sustainable manner. Besides the tight monetary policy stance and risk of global events, particularly upward movement in prices of commodities like crude oil remain, posing the downside risk to GDP growth in 2011-12. In spite of the above the economy is poised to further improve and consolidate in terms of key macroeconomic indicators during the medium to long term.

One of the major requirements for economic growth is an extensive and efficient infrastructure network. The key to global competitiveness of the Indian Economy lies in building a high class infrastructure. To accelerate the pace of infrastructure development and reduce the infrastructure deficit, the Govt. has initiated a host of projects and schemes to upgrade physical infrastructure in all crucial sectors. This has not only enabled access to quality and efficient infrastructure, but also permitted the Govt. to target inclusive growth through higher spending in social sector. The XIth Five year plan (2007-2011) has estimated an investment of Rs. 21,000 billion in infrastructure. The XIIth Five Year plan is expected to focus on governance, infrastructure and inclusive growth. The projected estimates of infrastructure investment during the XII Five year plan stand at approximately Rs. 41,000 billion.

The overall contribution of construction industry in India to the GDP decreased marginally to 8.1% compared to 8.2% last year. With plans to enhance infrastructure investment the construction sector is all set to become one of the growth engines of the Indian Economy in the foreseeable future. In 2010-11, the infrastructure industry had faced challenges in the form of increased competitive bidding, rise in cost of debt due to tightening of monetary policy by the RBI to check the inflationary pressures. These challenges had resulted in reduced operating margins, slow down in capex activity and further impacted the net earnings of the infrastructure companies. The Company being the diverse infrastructure asset developer had to raise money to fund the equity at the downstream Special Purpose Vehicles (SPV) which implements the assets under various stages of construction and initial development and its earnings are subjected to the impact of increased cost of debt. The Company further believes that increased competition and extremely high interest rates will take its toll on the relatively inexperienced and new players over a period of time which in turn will result in market for PPP to be exploited by the large and stable infrastructure developers. The current scenario can only be summed up as a difficult period for the infrastructure developers which can only get better going forward in the medium term.

Sector Review**HIGHWAYS**

India has an extensive road network of 4.24 million km, the second largest in the world. The National Highways have a total length of 70,934 km and serve as the arterial road network of the country. It is estimated that more than 70% of freight and 85% of passenger traffic in the country is handled by roads. National Highways, which comprise only 2% of the total network, carry 40% of the traffic, and the state roads, which comprise 13% of the total road network, carry another 40% of the traffic. Only about 23% of the total Highways in India are 4 / 6 lane, about 54% of the national highways, 22% of the state highways are currently two-lane and the sheer potential for investments in this sector is likely to create opportunities in the core construction industry. More than 60% of the projected investment requirement for the National

Highway Development Programme (NHDP) (more than USD 60 billion) is expected to be privately financed, primarily through the BOT / DBFOT (Toll) route, offering enormous opportunities. The opportunities for private players in the road sector can be broadly categorised into Infrastructure Development and Logistics and Services. By the end of the NHDP in 2015-16, over 40% of the national highways will be at least four-lane.

The NHDP, involving the development of 50,000 km of national highways, is the largest road development programme in the country till date. Launched in 1999, the NHDP is also one of the biggest public-private partnership initiatives. The implementation of the programmes is entrusted to the National highways Authority of India (NHAI). The entire project is planned to be completed by 2015 spanned across seven phases by December 2015. Around 34,000 km of national highways will be developed under the programme over the 3 year period including the current financial year in a phased manner. Built Operate Transfer (BOT) concession contracts with an estimated Total Project Cost of approximately USD 25 million (Toll & Annuity) have been awarded under various packages till May 31, 2011 and these projects are expected to be fully operational by 2015-16.

The NHAI plans to give out construction contracts for 7,300 kms of roads in the current financial year. This is likely to turnout an opportunity of more than Rs.65, 000 crores for the developers. According to NHAI, it will put 10,000 km out to tender for guaranteeing the award target of 7,300 kms, which is 44% more than the last years 5,059 km of work.

In the recent times, NHAI has taken various initiatives of fast tracking the award of projects to achieve the ambitious target of construction 20km/a day as against 6km/day achieved during the previous financial year. The initiatives include among others,

- a. Annual pre-qualification aiming to evaluate the Technical and Financial Capacity of Applicants and deciding their eligibility of qualification for a specified threshold of project cost valid till December 2011 or such date as may be decided by the NHAI.
- b. Calling for NHAI tenders from August through e-tendering mechanism in a phased manner.
- c. Apex committee has been constituted to carry forward the process of Electronic Tolling Collection (ETC) which will facilitate thorough movement of vehicles, save fuel and time and plug revenue leakages and to improve better level of service to the commuters.
- d. Updating the existing GIS & Road Information System (RIS) based satellites imagery for planning and monitoring of national highways.
- e. 4000 km roads will be covered by March 2012 under Operation, Maintenance and Tolling (OMT) through PPP Concessions.

The list of initiatives mentioned above will yield encouraging results for speedy award of the projects and thereby resulting

in timely construction of the projects. This further requires NHAI to be efficient in clearing regulatory issues like land acquisition, utility shifting and environmental clearances which still remain a concern for project execution. With the encouraging participation and active role of the Ministry of Road, Transport and Highways in bringing changes to improve the efficiency of project award and completion, it paves the way for profitable partnership with the private sector to bridge the gap in the Road Infrastructure.

State Level Initiatives

The majority of the states including Andhra Pradesh, Gujarat, Karnataka, Maharashtra & Madhya Pradesh have recorded increased development of roads to keep in pace with the need for integrating its state road infrastructure aligned with that of the record number of road projects awarded under the NHDP. The pace of activity has also increased in state roads and some state governments have recorded good performance.

ENVIRONMENT & WATER

India to sustain its robust economic growth, it needs to address its growing water challenges and the private sector has an important role to play. The reforms in the water sector includes improving the efficiency of water usage in agriculture, industrial water and its reuse and urban water projects and decentralised distribution for rural areas by financing small water treatment plants. Over the next two to three years more participation from the private sector is expected to increase. The 11th Plan planned outlay for the water and sanitation sector was Rs.1.44 lakh crore which is an increase of 122 percent over the outlay for the 10th Plan of Rs. 0.65 lakh crore. As per the High-powered Expert Committee (HPEC) estimates on Indian Urban Infrastructure and Services, the share for water supply, sewerage, and storm water drainage and solid waste management sectors will be Rs. 8.04 lakh core for the 20 year period from 2012 to 2031. This is more than the 11th Plan outlay. In addition, the committee has separately estimated another Rs. 10.92 lakh crore for operation & maintenance during the period.

RAILWAYS

The Indian Railways (IR) is one of the largest railway systems in the world under a single management and manages more than 64,000 km of railway tracks. Railway infrastructure development includes new lines, doubling, gauge conversion and electrification works, rolling stock, safety works and information and communication technology (ICT) projects. It also involves development of stations, terminal, multi functional complexes, logistics parks and cold storage facilities. The projected investment in railways, including metro railways in the Eleventh Plan is expected to be about Rs. 200.8 billion.

The railway ministry has identified 50 stations to be promoted as world class stations. It is expected that the Indian Railways will shortly initiate projects worth Rs. 10 billion to kick-start one of India's most ambitious infrastructure projects to build dedicated freight corridors to connect North India with Mumbai and West Bengal. The freight corridor is integral to

the Rs. 4000 billion project to build an industrial corridor between Delhi and Mumbai with a series of industrial parks, airports, power plants and new townships. The eastern freight corridor would ease movement of coal and other commodities to the North and the Delhi-Mumbai route would facilitate container movement. IR's vision 2020 aims to enable growth in the container business from the current 25 mt to 210 mt by 2020. The urban rail-based mass rapid transit (MRT) system has witnessed major developments in the past one year. Metro projects worth over Rs. 460 billion with a total route length of over 240 km are currently in the planning stage in Ahmedabad, Ludhiana, Lucknow, Jaipur etc.

URBAN INFRASTRUCTURE

Urban transport projects involve building new facilities for public use like metro rail system, a new expressway, or a multi-level car parking facility. The people who directly benefit from such facilities, the potential users, create the primary demand for these facilities. When Urban Local bodies structure such projects, they regard the future payments by users for availing of these facilities as their primary revenue source for funding the development, operations and maintenance of these facilities. The direct beneficiaries of the transport system would include the potential users of a facility, that is, the people who would travel by the new public transport system, vehicle owners who would use a multi-level car park, commuters who would use the new expressway etc.

The HPEC which was formed in 2008 by the Ministry of Urban Development (MoUD) has recently submitted its report on Indian urban infrastructure and services. The report estimates an investment requirement of Rs.39.2 trillion in the urban infrastructure sector over the next 20 years (2012-31). Of the total amount, Rs.34.1 trillion will be invested in creating assets. The eight major civic sectors identified by the committee – Water supply, sewerage, solid water management, storm water drainage, urban roads, urban transport, traffic support infrastructure, and street lighting will corner Rs.31 trillion. Another Rs.4.1 trillion has been allocated for the renewal and redevelopment of slums and the remaining Rs. 1 trillion for capacity building.

POWER

The Indian Power generation industry achieved a significant milestone in fiscal year 2010-11 by recording its highest ever capacity addition. The power sector added record conventional capacities of 12,160 MW during 2010-11. This takes the total capacity addition of 34,462 MW during the Eleventh Plan period so far. The planning commission, which is currently preparing the approach paper for the Twelfth Plan, is considering increasing the target to 125,000 – 130,000 MW.

A key source of peaking power, hydro contributes significantly to the country's energy mix. India's current installed hydro capacity is 37,367 MW against the total hydro potential of 145,320 MW. The Twelfth Plan target has been tentatively set at 20,334 MW.

The private sector contribution in the total installed capacity

has risen consistently since the passage of the Electricity Act, 2003 from 8.66% in March 2003, to 21% in March 2011. This share is expected to rise further, given that private projects aggregating over 80,000 MW are under various stages of development. The private sector is expected to contribute over 30% (19796 MW) of total additions during the Eleventh plan. Going forward the contribution during the Twelfth Plan Period is expected to be about 55-60% of total capacity addition. Through the Union Government initiative of Ultra mega power projects (UMPPs), 15880 MW of private power capacity has been tied up in four projects so far. This is expected to further increase by another 48000 MW across 12 projects.

In line with the Tariff Policy, 2006, the power ministry notified that all generation and transmission projects, both public and private, have to be awarded through a competitive bidding process from January 2011. A robust transmission system is of crucial importance for evacuating power from energy-surplus to energy-deficit regions, providing ample justification for strengthening the system and creating a national grid. Given expected generation capacity additions of 100 GW in the next seven years, the transmission system must meet the challenge of dealing with increased load and network complexity. Private investment in transmission has risen with tariff-based competitive bidding now mandatory for all future projects. Over the past four years, the sector has witnessed higher growth in transmission line length and transformer capacity at the 400 kV level compared to the 220 kV level. Currently a 765 kV network is being constructed, and 1,200 kV and 800 kV HVDC lines will be set up over the next few years.

The Company is closely monitoring the Hydro Power Generation and Transmission system projects released for private sector participation on concession basis and has begun to participate into the hydro power generation and power transmission bids.

PORTS

India has an extensive coastline of around 7,500 km. There are 13 major ports and 187 non-major ports strategically located on the world's shipping routes. India has one of the largest merchant shipping fleet and is ranked 16th among the maritime countries. Ports play a vital role in the overall economic development of the country. Traditionally, ports all over the world have been owned and developed by government entities. Similarly, the Government of India dominated port development in the past but presently encourages investments from the private sector and foreign entities in port development activities and operations. About 95% by volume and 70% by Value of the country's international trade is carried on through maritime transport. The traffic handled at major ports is projected at 615.70 MT during 2011-12 as per National Maritime Development Programme (NMDP). Development of India's ports and trade related infrastructure will continue to be critical to sustain the success of accelerated growth in the Indian economy.

The Government of India is focussing on port infrastructure development in the country and is promoting private

participation and foreign direct investment (FDI). Driven by the growth in international trade, the cargo handled at Indian ports is projected to grow at 7.7 per cent per annum until 2013–14. The Maritime Agenda 2010-2020 is a perspective plan of the Ministry of Shipping for the present decade which has set the goals including to create a port capacity of around 3,200 MT to handle the expected traffic of about 2,500 MT by 2020, to bring ports at par with the best international ports in terms of performance and capacity & Implementation of the Port development projects.

The Union Government identified 23 PPP projects in port sector during the year 2011-12 with an estimated investment of Rs. 16,743.92 crore and the corresponding capacity addition of 231.63 mn mtpa. The National Maritime Development Programme has envisaged setting up of two international size shipyards. Maritime states have been requested by the Ministry of Shipping to identify suitable location for setting up of international size shipyards, one each on the East Coast and West Coast of India respectively.

OIL & GAS

Efficient and reliable energy supplies are a precondition for accelerated growth of the Indian economy. While the energy needs of the country, especially oil and gas, are going to increase at a rapid rate in the coming decades, the indigenous energy resources are limited.

Oil and gas constitute around 45 per cent of total energy consumption. At the same time, the dependence on imports of petroleum and petroleum products continues to be around 80 per cent of total oil consumption in the country. Over the period 2000–2009, oil and gas consumption grew at a 5 per cent CAGR to reach 184 million metric tonnes (MMT). This is projected to reach 368 MMT by 2025. To support the requirement of import & refining capacities, proper storage facilities and transport infrastructure are a must to meet the energy needs of our economy.

The proportion of natural gas in the total energy mix has increased to 10 per cent in 2009 from 4 per cent in 1999. The same is expected to increase to 20 per cent in 2025, playing a vital role in the country's total energy-mix. The projected production for natural gas, including coal bed methane (CBM), for 2010-11 is 53.59 billion cubic metres (BCM). The increase in natural gas production is primarily from the KG deepwater block. An adequate pipeline network would play a key role in the transmission of the Gas.

ASSETS UNDER OPERATION

HIGHWAYS

During the year Highways vertical performed well for the Company. It was awarded three new highways projects and achieved financial closure for two highway projects. During the year the Company started tolling for two national highway projects. The Company currently has 2900 Lane km under its fold with 604 Lane Kms under Operation.

Salem Tollways Limited

Design, Construction, Development, Finance, Operation and

Maintenance of existing 2-lane road into 4-lane road from KM 00.00 (Salem) to KM 53.00 (Kumarapalayam) on NH-47 in the state of Tamil Nadu. The project commenced operations from 1st July, 2010.

Kumarapalayam Tollways Limited

Design, Construction, Operation and Maintenance of existing 2-lane road into 4-lane road from KM 53.00 (Kumarapalayam) to KM 100.00 (After Chengapally) on NH-47 in the state of Tamil Nadu. The project commenced operations from 26th August, 2009.

Jalandhar Amritsar Tollways Limited

Improvement, Operation and Maintenance including strengthening and widening of existing 2-lane road into 4-lane dual carriageway from KM 407.100 to KM 456.100 of NH-1 (Jalandhar – Amritsar section) in the state of Punjab. The project commenced operations from 30th April, 2010.

ENVIRONMENT & WATER

Chennai Water Desalination Limited

The Company has, through its subsidiary, Chennai Water Desalination Limited (CWDL), completed the development of 100 MLD sea water desalination and is currently operating the Chennai Water Desalination Project, which was awarded by the CMWSSB. The primary function of the project is to draw raw sea water from the Bay of Bengal and treat and process the water to make it potable as per the specifications laid down by CMWSSB. The plant had begun the operations on 25th July, 2010.

First STP Private Limited

12 MLD sewage treatment plant was constructed for Alandur Municipality in Tamil Nadu. The plant commenced operations from the year 2002.

ASSETS UNDER CONSTRUCTION

HIGHWAYS

IVRCL Indore Gujarat Tollways Limited

Design, Engineering, Construction, Development, Finance, Operation and Maintenance of Indore - Gujarat – MP Border section of NH-59 of existing 2 lane road to 4 lane road from KM 9.500 to km 171.100, in the state of Madhya Pradesh. The total length of the project highway is 155 Km. The project is awarded by the NHAI and the concession period is for 25 years.

IVRCL Chengapally Tollways Limited

Maintenance and Management of NH-47 including section from KM 102.035 to KM 144.680 from existing 2 Lane road to 6 Lane road & 2 lane road to 4 lane road from KM 170.880 to KM 183.010, in the state of Tamil Nadu. The total length of the project highways is 54.76 Kms. The project is awarded by the NHAI and the concession period is for 27 years.

SPB Developers Private Limited

Government of Maharashtra (PWD) has awarded the project of four laning of Baramati to Phaltan road SH10 (Km. 42/400 to Km. 64/300) and Phaltan – Lonad to Shirwal Road SH70 (Km. 136/000 to Km. 80/000) Pune & Satara District of

Maharashtra State. The total length of the project highway is 77.90 Kms and the concession period is for 25 years.

IVRCL Chandrapur Tollways Limited

Government of Maharashtra (PWD) has awarded the project of four laning and improvement of Karanji-Wani-Ghuggus-Chandrapur (upto Padoli Junction) road of MSH-6 & 7 in Yavatmal & Chandrapur District of Maharashtra State. The total length of the project highway is 85.11 Kms and the concession period is for 30 years.

OIL & GAS

Indian Oil Tankages

IVRCL Assets & Holdings has taken a 37.5 per cent stake in the concession project for development, operation & maintenance of crude / product tankages facilities at Paradip Refinery Project, Pradip, Orissa of Indian Oil Corporation Limited (IOC) on Build, Own, Operate and Transfer (BOOT) basis and IOT Utkal Energy Services Ltd. Will be the Joint Venture Partner. The project involves installation, operation and maintenance of approx. 1.4 million kilolitres of tankages for crude oil, petroleum products.

ASSETS UNDER INITIAL DEVELOPMENT

HIGHWAYS

Sion Panvel Tollways Private Limited

Government of Maharashtra (PWD) has awarded the project of improving and maintaining the stretch between Kalamboli Junction and BARC Junction of Sion Panvel Highway ("Project Highway") from 115/800 km to 140/690 km in the State of Maharashtra to be executed as BOT (Toll) project. The scope of work includes improving the stretch to a 5+5 lane divided carriageway from the existing 3+3 lane road. The total length of the project highway is 23.09 Km and the concession period is for 17 years and 5 months.

IVRCL Goa Tollways Limited

Design, Engineering, Construction, Development, Finance, Operation and Maintenance of 4/6 laning of Maharashtra/Goa border to Panaji - Goa / Karnataka Border section of NH 17 from Km 475.040 to Km 611.00 in the state of Goa under NHDP Phase III on Design, Build, Finance, Operate & Transfer (DBFOT) Basis. We have received the Letter of Award (LOA) from the NHAI and Concession Agreement is yet to be signed.

URBAN INFRASTRUCTURE

IVRCL Multi Level Car Parking Private Limited

Corporation of Chennai (CoC) awarded the project to develop a Multi Level Car Parking Facility (Parking Facility) in Zone III of Chennai City at Broadway Bus Stand on a Design, Build, Operate and Transfer (DBOT) basis to cater to the parking demand in the area. The Concessionaire shall have to develop a Parking Facility with a minimum capacity of 610 Equivalent Car Spaces (ECS) on the Project Site. In addition to the Parking Facility the Concessionaire is provided development rights for commercial development on the Project Site in accordance with the terms and conditions of this Agreement. The Company has signed the Concession

Agreement and is under the process of achieving Financial Closure.

HOUSING

IVRCL Lanka Housing (Private) Limited

IVRCL Assets & Holdings Limited has recently been awarded a project for Construction of Housing for relocation of underserved settlements in the city of Colombo, by the Urban Development Authority (UDA), Government of Sri Lanka. The project relates to Design and Construction of total 15,000 housing units in the city of Colombo valued at approximately USD 330 million. The Company has received an order for the 1st Phase of the project for construction of 4100 housing units valued at USD 90 million. Contract Agreement has been signed with the UDA and the project is currently in the process of achieving financial closure.

STRATEGY

We acknowledge the fact that this Company needs large amounts to fund as equity for various ongoing PPP projects as well as preparing to make available sufficient funds for new projects that are expected to be awarded in the near future. Therefore it is imperative that efforts be made to unlock value which is created at various stages of project development and operation relating to the existing projects on hand. In addition the Company intends to focus on certain pre requisites which would result in prudent assessment of the opportunities, competitive bidding and efficient implementation of the projects through the following,

Continue to identify and be involved in new business opportunities:

The Company will continually seek to identify and enter into business activities that we consider to be of high growth potential and that will complement our existing infrastructure portfolio. The Company intends to continue to expand its focus and undertake projects among various segments in the infrastructure sector, including seeking opportunities to develop ports and undertake power projects. The Company will continue to rely on its Promoter Company, for its expertise to enable us to ensure quality and timely completion. The Company believe that the ability to seek out and identify new business opportunities will result in significant synergies across its business verticals.

Continue to diversify and expand our portfolio in sectors where we have existing projects.

The Company intends to continue to diversify the portfolio of projects undertaken by us in PPP Infrastructure space. The strategy is to position the Company to capitalize on the ever increasing infrastructure development opportunity in India. The Company believes that it has achieved sufficient economies of scale to improve the competitiveness of existing businesses, and along with the experience of the Promoter Company, it is well positioned for the diversification of business and the sharing of resources.

Maintain high standards of quality and project execution capabilities.

The Company intends to develop a reputation for consistently

developing infrastructure development projects known for innovation, quality and delivery in a timely manner. The Company also intends to continue to focus on reducing cost and time overruns to maximize client satisfaction. The Company also intends to continue to further enhance design, construction, and development capabilities to adapt to the technological changes and minimize operational costs.

Attract, train and retain qualified personnel

The Company appreciates that maintaining quality, minimizing costs and ensuring timely completion of construction projects depends largely on the skill and workmanship of our employees. As competition for qualified personnel and skilled labourers is increasing among construction companies in India, and as the Company pursues greater growth opportunities, the Company seeks to attract, train and retain qualified personnel and skilled labourers by increasing the focus on training the staff in advanced and basic engineering and construction technology.

RISK AND CONCERNS

Essentially a Company like IVRCL Assets & Holdings Limited is exposed to economic risk, market risks and operational risks. The Company is in the process of implementing a framework that adopts an integrated approach managing all the three types of risks across all the entities in IVRCL Assets & Holdings Limited. In the current scenario, the Company looks at the following risks and concerns,

i) Economy:

The Economic growth of the country moves in cycles of growth and downturn. The Company has a framework to address the possible downturn in the economy with the focus in containing cost through implementation of strict budgetary controls supported by the efficient Management Information System (MIS) to check the variances.

ii) Slowdown of Spending

The outlay for the XIIth five year plan is estimated to be increased from Rs. 21,000 billion to anticipated Rs. 41,000 billion symbolising the increased commitment of the Government in spending towards Infrastructure. This is an encouraging budget from the Government and the Company looks forward to participate in these opportunities available.

iii) Price Inflation Risk

The Company maintains the Project Monitoring Committee for verifying the project estimates and suggests suitable measures to hedge the input raw material prices from inflationary pressures thereby eliminating the price increase impact on the project.

iv) Increased cost of borrowing

Currently country's apex banking authority in order to check the increasing inflationary trend is tightening the monetary policy through measure of increasing cost of debt borrowed from the banks. The Company adopts

the strong risk management framework with a focus on loan portfolio assessment, assets liability management & loan pricing. The Company is considering the impact of such increased cost of borrowing in the projects to be bid for the future.

v) Retention of experienced manpower

The Company is adopting the employee friendly measures in retaining the skilled manpower resources by providing conducive work environment, necessary trainings and leadership development. The Company follows a holistic approach in retaining the talent from possible attrition.

Internal Control systems and their adequacy

The Company installed internal control systems which are considered adequate for controlling the operations of the Company. The Company is in the process of further strengthening the internal control systems through its Finance, legal, contractual and project monitoring functions to ensure that the operations adhere to the defined and established procedures and meet statutory or regulatory requirements with the underlying concession agreements.

Operational Performance

The Operational performance has been dealt within the Directors report which forms part of the Annual Report.

Human Resources & Industrial Relations

Human Resources continued to be one of the biggest assets of the Company. The Management has been paying special attention to various aspects like training, welfare and safety and thereby strengthening the human resources. Relations with the employees remained cordial throughout the year.

Outlook

While the demand for infrastructure through PPP mode for govt. continues to remain high, however the pace at which the same is thrown open has proved fairly volatile due to the fact that the world economy substantially influences the demand supply situation in our country. In addition a mature regulatory authority specific to the various sectors of infrastructures continues to evolve. Nevertheless the Company is well positioned to equip itself with a continuous stream of infrastructure development projects especially due to the vast reservoir of opportunities being made available by the Government in the medium term.

Cautionary Statement

The statements made in the Management Discussion and Analysis Report relating to the Company Vision, Sector review, projections, outlook may be defined as 'forward looking statements' within the meaning of applicable laws and regulations. The actual results may differ from what has been projected, whether expressed or implied, owing to the influence of the several factors impacting the Company's operations. These include Economic conditions, Government regulations, taxation, natural calamities etc. wherein the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE - ANNEXURE - B TO THE DIRECTORS' REPORT

Company's 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.

Board of Directors**Size and Composition of the Board**

The Company's policy is to maintain the optimum combination of Executive and Non Executive Directors. As of March 31, 2011 Company has 8 Directors of which 4 are Independent Directors. The number of Independent Directors are 50% of the total number of Directors as 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.

The Board of Directors of the Company as on March 31, 2011 are as follows,

Non-Executive Directors**A. Independent**

Mr. T.N. Chaturvedi
Mr. P.R. Tripathi
Mr. V.Murahari Reddy
Mr. T.R.C.Bose*

B. Non-Independent

Mr. R. Balarami Reddy
Mr. E. Sudhir Reddy (Promoter), Chairman

Executive Directors

Mr. E. Sunil Reddy Vice Chairman &
(Promoter) Managing Director
Mr.S.Ramachandran Managing Director
(BOOT Projects)

*Mr. T.R.C.Bose was appointed as an Additional Director on 12th February, 2011.

Intere Relationship between the Non-Executive Directors.

None of the Non-Executive Directors are related to each other except Mr.E.Sudhir Reddy who is the brother of Mr.E.Sunil Reddy.

Details of the Directors Shareholding in the Company.

The details of the shareholding of the Directors in the Company as on March 31, 2011 is as follows,

S.No.	Name of the Director	No. shares held.
1	E.Sudhir Reddy	172,250
2	E.Sunil Reddy	0
3	S.Ramachandran	2,250
4	R.Balarami Reddy	240,000
5	T.N.Chaturvedi	30,000
6	P.R.Tripathi	0
7	V.Murahari Reddy	0
8	T.R.C.Bose	0

Board Meetings.

Agenda with all the material information will be circulated to the Board in advance for facilitating meaningful and focused discussions at the meetings.

The Meetings of the Board are generally held at the Company's Corporate office at Hyderabad.

During the year under review, seven Board meetings were held and the gap between two board meetings did not exceeded four months. The dates on which the board meetings held are as follows,

14th April, 2010, 29th May, 2010, 10th August, 2010, 20th September, 2010, 4th October, 2010, 13th November, 2010 and 12th February, 2011

Director's Attendance at Board meetings and AGM held during financial year 2010-11.

The details of attendance of Director's at the Board Meetings and Annual General Meeting are as follows,

S. No.	Name of the Director	No. Board Meetings Attended	Attendance at the AGM held on September 19, 2010.
1.	E.Sudhir Reddy	6	Yes
2.	E.Sunil Reddy	7	Yes
3.	S.Ramachandran	6	Yes
4	R.Balarami Reddy	7	Yes
5.	P.R.Tripathi	7	No
6.	T.N.Chaturvedi	3	Yes
7.	V.Murahari Reddy	4	No
8.	T.R.C.Bose	0	No
9.	G.Ananth Sena Reddy**	1	Yes

** Resigned as an Independent Director from the Board w.e.f 01.10.2010.

Details of Directors.

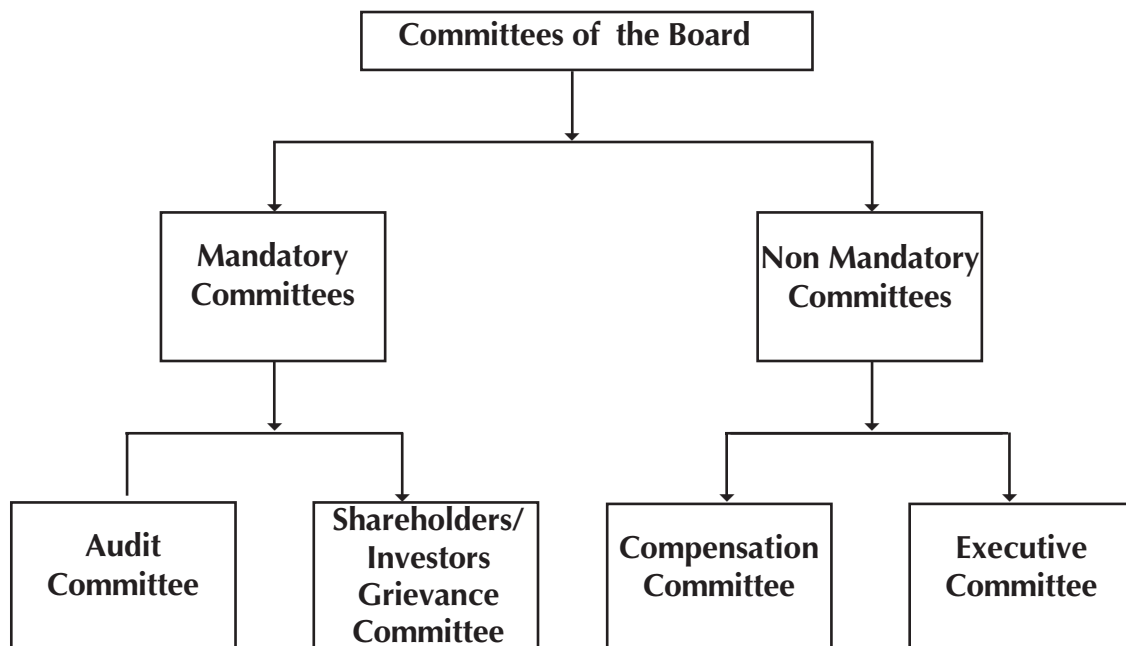
In compliance with the provisions of Clause 49 IV (G) of the Listing Agreement, the brief details, expertise and other directorships, membership in Committees of Directors in other Companies and shareholding in the Company of the Directors proposed to be re-appointed/ appointed are attached along with notice to the ensuing Annual General Meeting.

Details of Directorship, Membership and Chairmanship in other Companies for each Director of the Company as on March 31, 2011 are as follows,

Director	No. Directorships in other Companies	No. of Committees held in other Companies	
		Member	Chairman
E.Sudhir Reddy	11	2	0
E.Sunil Reddy	12	0	0
S.Ramachandran	13	0	0
R.Balarami Reddy	11	2	0
P.R.Tripathi	8	3	1
T.N.Chaturvedi	5	2	4
V.Murahari Reddy	1	1	0
T.R.C.Bose	7	3	0

Board Committees

The Board has set up various Committees such as Audit Committee, Compensation Committee, Shareholders/Investors Grievance Committee and the Executive Committee. 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 March 31, 2011 have been made by the Directors.



Audit Committee

i. Terms of Reference:

The Audit Committee was constituted in accordance with the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the Listing agreement. The role and terms of reference of Audit committee is as conceived under clause 49 of the Listing Agreement as amended from time to time.

ii. Composition:

The composition of the Audit Committee is as follows:

Chairman	Mr. T.N. Chaturvedi
Members	Mr. R. Balarami Reddy Mr. P.R. Tripathi

iii. Meetings and Attendance:

Four meetings of the Audit Committee were held on 29th May, 2010, 10th August 2010, 13th November, 2010 and 12th February, 2011.

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi	2
Mr. R. Balarami Reddy	4
Mr. P. R. Tripathi	4

The representatives of Statutory Auditors and Internal Auditor of the Company were invited to attend the Audit Committee Meetings.

Compensation Committee:

i. Terms of Reference

The terms of reference of the Compensation Committee include:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of the Company or of any applicable laws in India or overseas, including:
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; or
 - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.
3. Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of

India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

ii. Composition:

The Compensation Committee was reconstituted on 28.05.2011 and the composition of the Compensation Committee is as follows:

Chairman:	Mr. T.N. Chaturvedi
Member:	Mr. P.R.Tripathi Mr. V.Murahari Reddy

iii. Meetings and Attendance

During the year under review two Compensation Committee meetings were held on 14th April, 2010 and 29th May, 2010 during the year. Attendance of the members of the committees in the meetings held during the year is as follows,

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi - Chairman	2
Mr. R. Balarami Reddy	2
Mr. G Ananthasena Reddy**	1
Mr. V.Murahari Reddy	0
Mr. P.R.Tripathi	0

iv. 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 to its Managing Director.
- iii) Sitting fees at the rate of Rs.5,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive Independent 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.

** Resigned as an Independent Director from the Board w.e.f 01.10.2010.

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

v. Details of remuneration to all the Directors for the year 2010-11 are as follows:

1. Non Executive Independent Directors

Except sitting fee as detailed hereunder there was no remuneration paid to Non Executive Independent Directors

Non Executive Independent Directors	Rupees
Mr. T.N. Chaturvedi	35,000
Mr. P.R. Tripathi	55,000
Mr. G. Ananth Sena Reddy**	10,000
Mr.V.Murahari Reddy	20,000
TOTAL	120,000

2. Executive & Non Executive Non Independent Directors

Executive Directors

An amount of Rs.304,500 p.m was paid to Mr.S. Ramachandran, Managing Director (BOOT Projects) towards the Remuneration for the services rendered for the financial year 2010-11.

No Remuneration was paid to Mr. E. Sunil Reddy, Vice Chairman & Managing Director during the year under review.

Non Executive Non Independent Directors.

During the year under review, no remuneration was paid to Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy, Non Executive Non Independent Directors.

Shareholders / Investors Grievance Committee

i. Composition

The Shareholders / Investors Grievance was reconstituted on February 12, 2011 and the composition of the Shareholders/ Investors Grievance Committee is as follows

Chairman : Mr. V. Murahari Reddy
Members : Mr. E.Sunil Reddy
:Mr. R.Balarami Reddy

ii. Compliance Officer

Mr. A.S.Pardha Saradhi, Company Secretary is the Compliance Officer nominated in terms of Clause No. 47(a) of the Listing Agreement.

iii. Meetings and Attendance

During the year under review, the Committee met four times on 16th June, 2010, 25th June, 2010, 20th August, 2010 and 28th February, 2011 to consider the requests for rematerialisation of shares.

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi	0
Mr. R. Balarami Reddy	4
Mr.E.Sunil Reddy	4
Mr. V. Murahari Reddy	0

iv. Investors' Service

- a. No. of Complaints received / correspondence received during the financial year ended 31st March, 2011. : **18**
- b. No. of Complaints / correspondence resolved to the satisfaction of shareholders during the financial year ended 31st March, 2011. : **18**
- c. No. of pending complaints as on March 31, 2011 : **NIL**

Executive Committee:

i. Terms of Reference:

The Committee shall exercise such financial and administrative powers in the ordinary course of business which are delegated to the committee from time to time besides the following routine matters:

- a. Delegation of the authority in writing by way of Power of Attorneys or otherwise for day-to-day operations of the Company, tendering, business development and project execution duly executed by one of the Members of the Committee duly authorized by the Committee.
- b. Approve the borrowings upto Rs. 50.00 Crore between any two Board meetings.
- c. Opening and closing of bank accounts and authorising the directors and officers of the Company for operating the accounts with authority to issue cheques etc.

ii. Composition:

The Composition of the Executive Committee is as follows,

Chairman : Mr. E. Sudhir Reddy
Members : Mr. E. Sunil Reddy
Mr. R. Balarami Reddy
Mr. S.Ramachandran

ii. Meetings

The Committee met several times during the year under review for conducting the ordinary course of business.

Subsidiary Companies.

In terms of clause 49 of the Listing Agreement, Company has one materially non listed subsidiary Company and one Independent Director of the Company is on the board of that materially non listed subsidiary Company. The financial statements of the subsidiary companies were reviewed by the Audit Committee of the Company and also the minutes of the Board meetings of the subsidiaries were placed before the Board of the Company.

GENERAL BODY MEETINGS

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

Year	Location	Date & Time
12 th AGM – 2008	Prime Club House, Hill Ridge Springs, Survey No. 25, ISB Road, Gachibowli, Hyderabad – 500 032	At 4.00 P.M on September 8, 2008
13 th AGM – 2009	Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082	At 11:30 A.M on September 8, 2009
14 th AGM – 2010	Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082	At 3:30 P.M on September 18, 2010

Special Resolutions transacted at the last three Annual General Meetings.

- a. 12th Annual General Meeting of the members of the Company held on September 08, 2008
 - Variation in the remuneration of Mr. E. Sunil Reddy, Managing Director
- b. 13th Annual General Meeting of the members of the Company held on September 08, 2009
 - None
- c. 14th Annual General Meeting of the members of the Company held on September 18, 2010.
 - Variation in the remuneration payable to Mr.S.Ramachandran, Managing Director (BOOT Projects).

Postal Ballot

No Postal ballot was conducted during the last year and none of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal ballot.

Disclosures

- There has been no materially significant related party transactions 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. Whatever such minor transactions are there were disclosed in the accounts along with the financial impact of the same.
- There have been no major instances of non-compliances 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.
- The Company's financial statements are prepared as per Accounting Standard and the accounting principles generally accepted in India.

- Reconciliation of Share Capital Audit:

A practicing Company Secretary carried out a "Reconciliation of Share Capital 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 Share Capital 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.

- Pursuant to Clause 47 © of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by the Practising Company Secretary for due compliance of share transfer formalities by the Company.
- Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditor or Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in the clause and annex the certificate to the Director's report, which is sent to the shareholders annually. The Company has obtained a certificate from the practicing Company Secretary and the same is appended herewith.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company and the Company has constituted the Compensation Committee, which is a non-mandatory requirement.

- 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.

- The Company has not yet established Whistle Blower Mechanism Policy. However no personnel have been denied access to the Audit Committee.

Means of Communication

Quarterly Results

In terms of clause 41 of the Listing Agreement, the Company submits the un-audited/Audited quarterly financial results of the Company to the Stock Exchanges within the stipulated time period.

The company has published the financial results within 48 hours of the conclusion of the Board meeting at which they were adopted, in atleast one daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the language of region, where the registered office of the company is situated. The Company informs the Stock Exchanges about the date of the board meeting at which it considers the financial results at least seven days in advance of the board meeting and also issues an advertisement in at least one national newspaper and one regional language newspaper about the aforesaid Board meeting.

News Paper wherein financial results were published.

The financial results are normally published in English Newspapers like Business Standard and/or Financial Express having all India circulation and one in Vernacular language i.e. in Telugu like Eenadu and Sakshi.

The financial results for the period under review were published in the following newspapers,

Financial Results	Un-audited /Audited	News Papers
First Quarter	Un-audited	Eenadu, Business Standard
Second Quarter	Un-audited	Eenadu, Business Standard
Third Quarter	Un-audited	Andhra Prabha, Business Line
Fourth Quarter	Audited	Financial Express, Sakshi.

The financial results are also being displayed on the Company's website www.ivrclah.com

The gist of presentations made to the institutional investors or to analysts are also made available 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 has created a separate email id viz., investors@ivrclholdings.com for speedy redressal of investor grievances

General Shareholder Information:

i 15th Annual General Meeting

- Date and Time 15th September, 2011 at 3.30 p.m.
- Venue KLN Prasad Auditorium, FAPCCI Hyderabad

ii. Financial Year

The financial year of the Company is April to March.

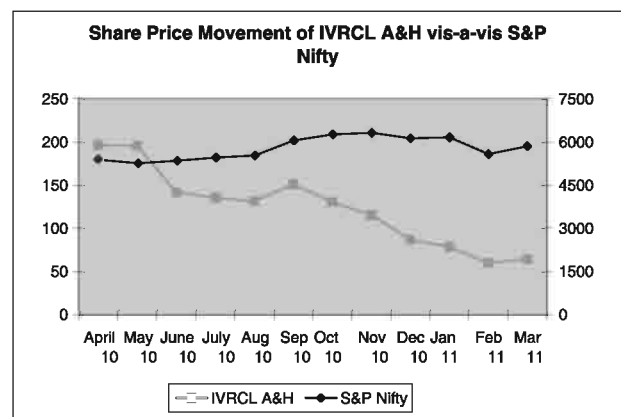
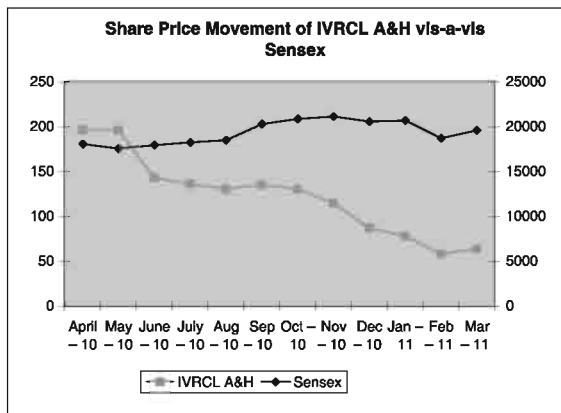
Financial calendar (tentative and is subject to change) of 2011-12 is as follows,

Financial Results	On or before
1 st Quarter – Un-audited	August 15, 2011
2 nd Quarter– Un-audited	November 15, 2011
3 rd Quarter– Un-audited	February 15, 2012
4 th Quarter– Audited	May 31, 2012

- iii. **Book Closure:** From September 12, 2011 to September 15, 2011 (Both days inclusive)
- iv. **Dividend payment date** Not Applicable as dividend is not recommended for the financial year under review.
- v. **Listed on Stock Exchange** Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Company has paid the Annual listing fee for the financial year 2011-12 to both the Exchanges.
- vi. **Stock Code:** 532881 (BSE Scrip Code)
IVRCLAH (NSE)

vii. Market Price Data:

Month	The Bombay Stock Exchange Ltd				National Stock Exchange of India Ltd			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April – 10	196.00	172.00	18047.86	17276.80	196.40	172.25	5399.65	5160.00
May – 10	195.95	108.00	17536.66	15960.15	195.50	108.10	5278.70	4786.45
June – 10	142.80	111.15	17919.62	16318.39	142.00	111.10	5366.76	4961.05
July – 10	136.00	121.25	18237.56	17395.58	135.50	122.00	5477.50	5225.60
Aug – 10	130.50	120.00	18475.27	17819.99	131.50	120.00	5549.80	5348.90
Sep – 10	135.00	117.00	20267.98	18027.12	151.00	108.00	6073.50	5403.05
Oct – 10	130.40	107.20	20854.55	19768.96	130.50	110.10	6284.10	5937.10
Nov – 10	114.60	75.05	21108.64	18954.82	115.50	71.30	6338.50	5690.35
Dec – 10	86.95	70.05	20552.03	19074.57	87.00	71.60	6147.30	5721.55
Jan – 11	78.00	55.15	20664.80	18038.48	78.90	55.00	6181.05	5416.65
Feb – 11	58.00	45.00	18690.97	17295.62	60.00	46.10	5599.25	5177.77
Mar – 11	63.95	50.15	19575.16	17792.17	64.50	50.25	5872.00	5348.20



viii. Registrar and Share Transfer Agents :

M/s. KARVY Computershare Private Limited
 Karvy House, 46, Avenue 4, Street No.1, Banjara
 Hills, Hyderabad - 500 034

ix. Share Transfer System

: Shareholders can send their queries regarding Transfer /
 Dematerialisation of shares and any other correspondence
 relating to the shares of the Company to the above mentioned
 address of the Company's Registrar and Share Transfer Agents.

Distribution of Shareholding as on 31.03.2011

Category (Amount)	Shareholders		Equity	
	Number	% to Total	No. of Shares	% to Total
Upto - 5000	55488	95.66	49262390	2.50
5001 - 10000	1244	2.14	9096170	0.46
10001 - 20000	603	1.04	8736330	0.44
20001 - 30000	232	0.40	5852440	0.30
30001 - 40000	100	0.17	3537480	0.18
40001 - 50000	49	0.08	2234170	0.11
50001 - 1 00000	129	0.22	9352920	0.47
10001 and above	161	0.28	1882410740	95.53
TOTAL	58006	100.00	197048264	100.00

Categories of Shareholders as on 31.03.2011

Category	No. of Shares	% of Shareholding
Promoters	163301146	82.87%
Mutual Funds	775349	0.39%
Banks, Financial Institutions and Insurance Companies	372343	0.19%
Foreign Institutional Investors	6021673	3.06%
Venture Capital Fund	11627906	5.90%
Private Corporate Bodies	3554517	1.80%
Indian Public	10961476	5.56%
NRIs/OBCs	355217	0.18%
Others	78637	0.04%
Total	197048264	100.00%

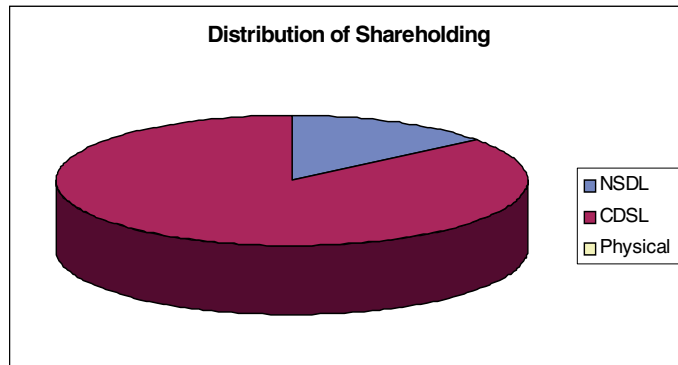
Evolution of Capital of the Company

Sl. No.	Date of Allotment	No. Equity Shares	Face Value (Rs.)	Nature of Consideration	Mode of Allotment	Cumulative No. equity Shares	Cumulative Paid-up Share Capital
1	30.6.1996	500	10	cash	Subscribers to the Memorandum	500	5,000
2	29.01.2001	1,00,000	10	cash	Preferential Allotment to IVRCL	1,00,500	10,05,000
3	24.01.2002	9,00,000	10	cash	Allotment to IVRCL	10,00,500	1,00,05,000
4	20.01.2003	68,00,000	10	cash	Allotment to IVRCL	78,00,500	7,80,05,000
5	12.07.2004	2,21,99,500	10	cash	Allotment to IVRCL	3,00,00,000	30,00,00,000
6	31.03.2006	1,00,00,000	10	cash	Allotment to IVRCL	4,00,00,000	40,00,00,000
7	29.09.2006	1,00,00,000	10	cash	Pursuant to the conversion of equity warrants allotted to Soma Hotels & Resorts Limited, on preferential basis	5,00,00,000	50,00,00,000
8	8.08.2007	1,41,50,000	10	cash	Initial Public issue Offer	6,41,50,000	64,15,00,000
9	26.02.2010	5,94,63,572	10	Non-cash	By virtue of Amalgamation of IVR Strategic Resources & Services Limited, IVRCL Water Infrastructure Limited with the Company	12,36,13,572	123,61,35,720
10	22.05.2010	6,18,06,786	10	Non -cash	Issue of Bonus shares	18,54,20,358	185,42,03,580
11	04.11.2010	1,16,27,906	10	Cash	Preferential issue of shares	19,70,48,264	197,04,82,640

x. 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.

Shares aggregating to 99.99 percent of the share capital have been dematerialized as on 31.03.2011. Shares of the Company are actively traded in the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, and hence have good liquidity. The ISIN Number of Equity Shares of the Company with NSDL, CDSL is INE414I01018.



xii. Outstanding ADRs/GDRs/ Warrants or any Convertible instruments.

There are no outstanding instruments which are convertible at a later ate into equity shares.

xiii. Address for Correspondence:

Investors Correspondence

Physical/Electronic mode:

M/s. KARVY Computershare Private Limited
Kary House, 46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad- 500 034

Shareholders General Correspondence

Company Secretary

IVRCL Assets & Holdings Limited
MIHIR, 8-2-350/5/A/24/1-B &2,
Road no. 2, Panchavati colony,
Banjara Hills, Hyderabad – 500 034

Code of Conduct for Directors and Senior Management:

The Board at its meeting held on 31st October, 2007 has adopted the Code of Conduct for Directors and Senior Management ('the Code'). This Code is a comprehensive Code applicable to all Directors, Executives as well as Non-Executive and Senior Management in (G1, G2 and G3 grades). The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme –

“The Company’s Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.”

A copy of the Code has been put on the Company’s website: www.ivrclah.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 Vice Chairman and Managing Director is provided beneath.

For and on behalf of the Board

E. Sudhir Reddy
Chairman

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh
Date: 28.05.2011

DECLARATION

We 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 financial year 2010-11:

E. Sunil Reddy

Vice Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of IVRCL Assets & Holdings Limited**

We have examined the compliance of conditions of Corporate Governance by IVRCL Assets & Holdings Limited, for the period ended on March 31, 2011 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 examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor 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 by the Directors and Management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place : Hyderabad

Date : 28.05.2011

For D. Hanumantha Raju & Co.,
Company Secretaries

D. Hanumantha Raju
Proprietor
FCS:4044 CP:1709

AUDITORS' REPORT

To

The Members of IVRCL Assets & Holdings Limited

1. We have audited the attached Balance Sheet of IVRCL Assets & Holdings Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date 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 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 misstatement. 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. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.
4. *As more fully discussed in note 14 to the schedule 20 of the financial statements, the Company has invested Rs. 12,521,655,107 (including loans given aggregating to Rs. 1,757,852,357) as at March 31, 2011 in three of its subsidiaries engaged in Road Built, Operate, Transfer ('BOT') Projects. These subsidiaries had been acquired through amalgamation at fair values, determined based on the future projected cash flows of toll collections. Toll collections of the subsidiaries of the current year are substantially lower than the above projected cash flows. Management believes that the reduction in toll collections is temporary and accordingly no provision in respect of diminution in the value of investments is necessary. However, having regard to the uncertainty in achieving future cash flows, we are unable to comment on the carrying value of the aforesaid investments and consequential effects, if any, on the accompanying financial statements.*
5. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 *except for our comments in para 4 above*;
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - vi. *Subject to the our comments in para 4 above, the impact of the which is presently not ascertainable*, 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:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.: 93649

Place: Hyderabad
Date: May 28, 2011

For **CHATURVEDI & PARTNERS**
Firm registration number: 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.: 92087

Place: Hyderabad
Date: May 28, 2011

Annexure referred to in paragraph 3 of our report of even date

Re: IVRCL Assets & Holdings Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) The Company had taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3,894,533,787 and the year-end balance of loan taken from such party was Rs. 3,874,533,787.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan is not prima facie prejudicial to the interest of the Company.
- (g) In respect of the loan taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) *In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the contracts entered are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is generally 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. Read with above, during the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.*
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs for purchase and sale of construction contracts and services entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, *we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.*
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, customs duty, excise duty and other material statutory dues have generally been regularly deposited with the appropriate authorities *except for income tax, wealth tax, professional tax, service tax and works contract tax where there have been slight delays in few cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the

Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) *Without considering the impact of our observations in paragraph 4 of the audit report, which is presently not ascertainable, the Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current and immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has created security charge in the year in respect of the 1500 debentures of Rs. 1,000,000 each issued during the previous year. The Company has issued unsecured debentures during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money by public issue during the year ended March 31, 2011.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.: 93649

Place: Hyderabad
Date: May 28, 2011

For **CHATURVEDI & PARTNERS**
Firm registration number: 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.: 92087

Place: Hyderabad
Date: May 28, 2011

BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	1,970,482,640	1,236,135,720
Reserves and surplus	2	21,932,321,726	21,648,615,329
		<u>23,902,804,366</u>	<u>22,884,751,049</u>
Loan funds			
Secured loans	3	3,000,000,000	3,000,000,000
Unsecured loans	4	4,874,533,787	1,653,854,825
		<u>7,874,533,787</u>	<u>4,653,854,825</u>
Total		<u>31,777,338,153</u>	<u>27,538,605,874</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	192,389,753	190,012,466
Less: Accumulated depreciation / amortization		58,215,578	42,364,171
		<u>134,174,175</u>	<u>147,648,295</u>
Investments			
Deferred tax assets (net)	20(5)	-	119,198,002
Current assets, loans and advances			
Inventories	7	12,140,734,636	11,437,678,666
Sundry debtors	8	1,379,223,998	398,889,165
Cash and bank balances	9	7,535,416	172,536,235
Other current assets	10	21,266,398	762,120,051
Loans and advances	11	3,998,658,440	1,743,532,954
	(A)	<u>17,547,418,888</u>	<u>14,514,757,071</u>
Less: Current liabilities and provisions			
Current liabilities	12	5,872,240,146	4,914,919,761
Provisions	13	8,237,204	2,309,123
	(B)	<u>5,880,477,350</u>	<u>4,917,228,884</u>
Net current assets (A-B)		<u>11,666,941,538</u>	<u>9,597,528,187</u>
Total		<u>31,777,338,153</u>	<u>27,538,605,874</u>
Notes to Accounts	20		

The schedules referred to above and Notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered AccountantsFor **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered AccountantsFor and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**per **Vikas Kumar Pansari**
Partner
Membership No.93649per **R N Chaturvedi**
Partner
Membership No.92087**S. Ramachandran**
Managing Director
(BOOT Projects)**R. Balarami Reddy**
DirectorPlace : Hyderabad
Date : May 28, 2011**A.S. Pardha Saradhi**
Company Secretary

PROFIT AND LOSS ACCOUNT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	Schedules	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME			
Income from operations	14	6,821,097,861	1,431,104,334
Other income	15	27,391,178	19,713,839
		<u>6,848,489,039</u>	<u>1,450,818,173</u>
EXPENDITURE			
Cost of sales	16	6,349,167,449	1,258,413,109
Personnel expenses	17	31,881,516	17,300,414
Administrative and other expenses	18	80,773,531	62,907,168
Interest and finance charges	19	722,371,113	186,854,004
Depreciation/amortization	5	16,087,901	18,005,046
		<u>7,200,281,510</u>	<u>1,543,479,741</u>
Loss before tax		(351,792,471)	(92,661,568)
Provision for tax			
Taxes of earlier years written back (net)		(6,217,592)	-
Deferred tax (credit)/charge	20(5)	121,723,845	(28,675,733)
Total tax expense		<u>115,506,253</u>	<u>(28,675,733)</u>
Loss for the year		<u>(467,298,724)</u>	<u>(63,985,835)</u>
Balance brought forward from previous year		<u>1,617,926,606</u>	<u>1,681,912,441</u>
Balance carried to Balance Sheet		<u>1,150,627,882</u>	<u>1,617,926,606</u>
Earnings per share			
	20(22)		
Basic and diluted earnings per share (Rs.)		(2.46)	(0.35)
Weighted average number of equity shares		190,135,235	185,420,358
Nominal value per equity share		10	10
Notes to Accounts	20		

The schedules referred to above and Notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 28, 2011

CASH FLOW STATEMENT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. Cash flow from operating activities		
Net Loss Before Taxation	(351,792,471)	(92,661,568)
Adjustment for :		
Depreciation and amortisation	16,087,901	18,005,046
Loss on sale of assets	408,209	189,761
Interest expenses	722,296,988	186,802,147
Liabilities no longer required written back	(13,072,105)	(6,790,594)
Interest income	(6,166,487)	(2,678,925)
Operating Loss Before Working Capital Changes	367,762,035	102,865,867
Movements in working capital		
Decrease / (Increase) in inventories	(469,665,995)	(559,458,133)
Decrease / (Increase) in sundry debtors	(980,334,833)	(59,890,383)
Decrease / (Increase) in loans and advances	48,373,085	359,880,399
Decrease / (Increase) in other current assets	746,737,789	(708,661,202)
Increase / (Decrease) in current liabilities and provisions	522,037,490	1,121,659,462
Cash from operations	234,909,571	256,396,010
Direct taxes paid	(191,001,621)	(9,788,617)
Net cash flow from operating activities	43,907,950	246,607,393
B. Cash flows from investing activities		
Purchase of fixed assets	(3,288,657)	(1,475,137)
Proceeds from sale of fixed assets	266,667	1,414,150
Loan given to subsidiary	(2,229,379,357)	(518,124,767)
Purchase of investments in subsidiaries	(2,202,211,000)	(1,186,650,735)
Proceeds from sale of investments in subsidiaries	76,219,950	-
Share application money given to subsidiaries	(52,900,001)	-
Investments in short term deposits (net)	10,246,500	20,074,255
Interest received	282,351	3,157,089
Net cash used in investing activities	(4,400,763,547)	(1,681,605,145)
C. Cash flows from financing activities		
Proceeds from issue of shares (net of expenses of Rs. 6,056,307)	1,493,943,567	-
Refund of share application money	-	(36,000)
Proceeds from long term borrowings (net of expenses of Rs. 8,591,526)	991,408,474	2,979,101,694
Proceeds from short term borrowings	272,942,373	-
Repayment of short term borrowings	(272,942,373)	(3,047,264)
Proceeds from unsecured loan from Holding company	3,930,500,000	1,625,502,908

CASH FLOW STATEMENT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Repayment of unsecured loans to Holding company	(1,709,821,038)	(2,571,648,083)
Interest paid	(503,923,573)	(469,057,775)
Dividend paid (including tax)	(6,152)	(34,292)
Net cash from financing activities	4,202,101,278	1,560,781,188
Net increase/(decrease) in cash and cash equivalents	(154,754,319)	125,783,436
Cash and cash equivalents, beginning of the year	162,224,735	36,361,448
Add: On Amalgamation	-	79,851
	162,224,735	36,441,299
Cash and cash equivalents at the end of the year	7,470,416	162,224,735
Components of cash and cash equivalents		
Cash on hand	81,834	50,333
Balances with scheduled banks on:		
- current accounts ¹	6,825,546	151,605,214
- fixed deposit accounts	65,000	20,311,500
- unpaid dividend account ²	563,036	569,188
Cash and bank balances as per Schedule 9	7,535,416	172,536,235
Less: Fixed deposits not considered as cash equivalents	(65,000)	(10,311,500)
Cash and Cash Equivalents in Cash Flow Statement	7,470,416	162,224,735

Notes:

1. Includes Rs. 484,870 (previous year: Rs. 484,870) on account of unpaid share application money not available for use by the Company, as they represent corresponding liabilities.
2. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 28, 2011

SCHEDULES TO THE BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 1: Share capital		
Authorised		
270,000,000 (Previous Year: 160,800,000) equity shares of Rs.10 each	2,700,000,000	1,608,000,000
	<u>2,700,000,000</u>	<u>1,608,000,000</u>
Issued, subscribed and paid up	1,970,482,640	1,236,135,720
197,048,264 (Previous Year - 123,613,572) Equity Shares of Rs.10 each fully paid up		
Notes:		
1. Paid up equity shares include 59,463,572 (Previous year: 59,463,572) shares, that were allotted as fully paid up pursuant to a Scheme of amalgamation, for consideration other than cash. (Refer note no. 3 of Schedule 20)		
2. Pursuant to Scheme of amalgamation, the authorised equity share capital of the Transferor Companies has got merged with the authorised share capital of the Company (Refer note no. 3 of Schedule 20)		
3. Of the above 61,806,786 (Previous year: Nil) Equity shares of Rs.10 each are allotted as fully paid up bonus shares by capitalisation of Securities Premium of Rs. 618,067,860 (Previous year: Rs. Nil)		
4. Of the above paid up equity shares, 149,195,366 (Previous Year: 99,463,577) equity shares are held by IVRCL Limited (Formerly known as IVRCL Infrastructures & Projects Limited), the Holding Company		
	<u>1,970,482,640</u>	<u>1,236,135,720</u>
Schedule 2: Reserves and surplus		
General reserve	175,794,872	175,794,872
Capital reserve (Refer note no. 3 of schedule 20)	12,531,527,143	12,531,527,143
Securities premium account		
Balance as per last account	7,323,366,708	7,337,322,597
Add: Received on Preferential allotment of equity shares	1,383,720,814	-
Less: Issue of bonus shares	618,067,860	-
Less: Debenture/ share issue expenses	14,647,833	13,955,889
[net of deferred tax Rs. Nil (Previous year: Rs. 6,942,417)]		
	<u>8,074,371,829</u>	<u>7,323,366,708</u>
Profit and Loss Account balance	1,150,627,882	1,617,926,606
	<u>21,932,321,726</u>	<u>21,648,615,329</u>
Schedule 3: Secured loans		
Debentures (Refer note no. 4 of Schedule 20)	1,500,000,000	1,500,000,000
(1,500 (Previous Year: 1,500) 9.5% Secured Redeemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in two equal installments at the end of 2nd and 3rd year from the date of allotment viz., March 10, 2010.) (Secured by first ranking charge by way of equitable mortgage over vacant freehold urban land owned by the company, the subsidiaries and/or any other individual or entity acceptable to the debenture trustee and by irrevocable and unconditional corporate guarantee given by Holding Company)		
Other loans		
- from financial institution	1,500,000,000	1,500,000,000
(Secured by pledge of 49% of shares held by the Company in equity share capital of Salem Tollways Limited, Kumarapalayam Tollways Limited and Jalandhar Amritsar Tollways Limited and by irrevocable and unconditional corporate guarantee given by Holding Company)		
	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Schedule 4: Unsecured loans		
Loan from Holding Company	3,874,533,787	1,653,854,825
[Repayable within one year Rs. 650,000,000 (Previous year: Rs. 1,300,000,000)]		
Debentures (Refer note no. 4 of Schedule 20)	1,000,000,000	-
(1,000 (Previous Year: Nil) 10.10% Unsecured Redeemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in one installment at the end of 18 months from the date of allotment viz., June 25, 2010.) [Repayable within one year Rs. 1,000,000,000 (Previous year: Rs. Nil)]		
	<u>4,874,533,787</u>	<u>1,653,854,825</u>

SCHEDULES TO THE BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

Schedule 5: Fixed Assets

Particulars	Gross Block			Depreciation / amortization			Net Block			
	As at April 01, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	Upto April 01, 2010	For the year	Deletions/ Adjustments	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold land	6,061,000	-	-	6,061,000	-	-	-	-	6,061,000	6,061,000
Buildings	64,493,313	-	-	64,493,313	3,785,999	1,041,338	-	4,827,337	59,665,976	60,707,314
Leasehold improvements	46,931,353	-	-	46,931,353	22,623,221	9,555,755	-	32,178,976	14,752,377	24,308,132
Plant and machinery	2,082,970	-	-	2,082,970	325,999	96,447	-	422,446	1,660,524	1,756,971
Furniture and fixtures	14,910,030	-	-	14,910,030	2,961,610	857,458	-	3,819,068	11,090,962	11,948,420
Office equipment	24,855,318	349,984	-	25,205,302	3,341,785	1,178,303	-	4,520,088	20,685,214	21,513,533
Motor vehicles	26,941,908	1,771,693	911,370	27,802,231	7,404,768	2,666,755	236,494	9,835,029	17,967,202	19,537,140
Computers	3,736,574	1,166,980	-	4,903,554	1,920,789	691,845	-	2,612,634	2,290,920	1,815,785
Total	190,012,466	3,288,657	911,370	192,389,753	42,364,171	16,087,901	236,494	58,215,578	134,174,175	147,648,295
Previous year	190,644,415	1,522,547	2,154,496	190,012,466	24,909,710	18,005,046	550,585	42,364,171	147,648,295	

SCHEDULES TO THE BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 6: Investments		
<i>(Refer Note no's. 13 and 14 of Schedule 20)</i>		
Long term investments (at cost, trade, unquoted, fully paid up)		
In Associates	923,760,000	-
In Subsidiaries	19,052,462,440	17,674,231,390
	<u>19,976,222,440</u>	<u>17,674,231,390</u>
Schedule 7: Inventories (At lower of cost and net realisable value)		
<i>(Refer note no's. 16 and 17 of schedule 20)</i>		
Residential properties	75,285,999	71,151,724
Freehold land	459,093,032	117,499,979
Work in progress	841,111,061	820,374,785
Development rights for Land <i>(Refer Note no. 18 of Schedule 20)</i>	3,425,680,138	3,322,477,747
Property development rights <i>(Refer Note no. 19 of Schedule 20)</i>	7,339,564,406	7,106,174,431
	<u>12,140,734,636</u>	<u>11,437,678,666</u>
Schedule 8: Sundry debtors <i>(Refer note no. 10 of schedule 20)</i>		
Debts outstanding for a period exceeding six months (unsecured, considered good) ¹	106,905,595	44,846,232
Other debts		
Secured, considered good	-	271,937,374
Unsecured, considered good ¹	1,272,318,403	82,105,559
Note:		
1. Includes retention money of Rs. 17,631,781 (Previous year: Rs. Nil) in debts outstanding for a period exceeding six months and Rs. 41,646,480 (Previous year: Rs. 9,001,601) in other debts	<u>1,379,223,998</u>	<u>398,889,165</u>

SCHEDULES TO THE BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 9: Cash and bank balances		
Cash on hand	81,834	50,333
Balances with scheduled banks		
On current accounts ¹	6,825,546	151,605,214
On unpaid dividend account	563,036	569,188
On fixed deposit accounts ²	65,000	20,311,500
Notes:		
1. Includes on account of unpaid share application money Rs. 484,870 (Previous year: Rs. 484,870)		
2. Deposits under lien - Rs. 65,000 (Previous year: Rs. 411,500)		
	<u>7,535,416</u>	<u>172,536,235</u>
Schedule 10: Other current assets (Unsecured, considered good)		
Unbilled revenue	15,242,468	761,980,257
Interest accrued on deposits and others	6,023,930	139,794
	<u>21,266,398</u>	<u>762,120,051</u>
Schedule 11: Loans and advances (Unsecured, considered good)		
Loans to subsidiaries (Refer note no's. 10, 11 and 14 of schedule 20)	2,744,359,357	514,980,000
Share application money to subsidiaries (Refer note no. 10 of schedule 20)	52,900,001	-
Advances recoverable in cash or in kind or for value to be received * (Refer note no. 10 of schedule 20)	31,458,143	179,354,246
Other deposits	6,030,244	5,888,225
Advances given for purchase of land	668,340,991	991,964,121
Mobilisation advance given (Refer note no. 10 of schedule 20)	216,612,632	-
Balances with customs, excise, etc.	42,826,681	-
Advance tax (net of provisions)	236,130,391	51,346,362
	<u>3,998,658,440</u>	<u>1,743,532,954</u>
* Includes due from a director of the Company [Maximum amount outstanding during the year Rs. 128,636 (Previous year: Rs. Nil)]	63,479	-
Schedule 12: Current liabilities		
Sundry Creditors		
- total outstanding dues of Micro, Small and Medium Enterprises	-	-
- others	949,361,928	457,903,875
Dues to Holding Company	169,801,402	511,344,027
Advance from customers	164,056,079	140,683,634
Mobilisation advance received	254,937,124	-
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
(a) Unpaid dividend	563,036	569,188
(b) Unpaid application money received for allotment of securities and due for refund	484,870	484,870
Interest accrued but not due on loans	178,074,904	15,631,232
Other liabilities	80,668,976	47,254,136
Retention money payable	63,638,494	19,715,184
Amounts payable in respect of development rights (Refer note no. 19 of schedule 20)	<u>4,010,653,333</u>	<u>3,721,333,615</u>
	<u>5,872,240,146</u>	<u>4,914,919,761</u>
Schedule 13: Provisions		
Provision for gratuity (Refer note no. 15(b) of schedule 20)	5,672,952	702,309
Provision for compensated absences	2,564,252	1,606,814
	<u>8,237,204</u>	<u>2,309,123</u>

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Schedule 14: Income from operations		
Sale of land and development rights [net of cancellations Rs. 2,450,000 (Previous year: Rs.2,520,000)]	51,008,620	654,911,673
Sale of flats, villas and plots [net of cancellations Rs. 35,944,882 (Previous year: Rs. 391,165,678)]	(4,245,932)	(376,374,078)
Project Management Consultancy Services	116,006,840	-
Construction revenue	6,658,328,333	1,152,566,739
	<u>6,821,097,861</u>	<u>1,431,104,334</u>
Schedule 15: Other income		
Interest on bank deposits [Gross, tax deducted at source: Rs. 14,202 (March 31, 2010: Rs. 280,000)]	144,491	2,678,925
Interest others	6,021,996	-
Liabilities/provisions no longer required written back	13,072,105	6,790,594
Miscellaneous Income	8,152,586	10,244,320
	<u>27,391,178</u>	<u>19,713,839</u>
Schedule 16: Cost of sales		
Cost of sale of land	-	87,440,951
Cost of development rights [net of cancellations Rs. 7,713,026 (Previous year: Rs. 12,524,822)]	65,021,640	167,139,740
Decrease / (increase) in inventories		
<u>Opening stock</u>		
Residential properties	71,151,724	71,103,162
Work-in-progress	820,374,785	856,506,195
<u>Closing stock</u>		
Residential properties	75,285,999	71,151,724
Work-in-progress	841,111,061	820,374,785
	<u>(24,870,551)</u>	<u>36,082,848</u>
Cost of development [net of cancellations Rs. 11,996,431 (Previous year Rs. 234,470,340)]	22,783,663	(130,046,637)
Construction cost (sub-contractor expenses)	6,286,232,697	1,097,796,207
	<u>6,349,167,449</u>	<u>1,258,413,109</u>

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Schedule 17: Personnel expenses		
Salaries, wages and bonus [net of reimbursements Rs. 23,352,320 (Previous year: Rs. Nil)] (Refer note no. 20 of schedule 20)	24,640,703	15,721,519
Less: Amount transferred to work-in-progress	-	348,032
	<u>24,640,703</u>	<u>15,373,487</u>
Contribution to provident and other funds (Refer note no. 15(a) of schedule 20)	4,989,638	1,148,197
Retirement benefits	1,766,424	-
Staff welfare expenses	484,751	778,730
	<u>31,881,516</u>	<u>17,300,414</u>
Schedule 18: Administrative and other expenses		
Rent	9,907,881	6,736,077
Rates and taxes	11,758,203	14,793,164
Insurance	700,505	868,078
Repairs and maintenance - others	429,567	2,461,135
Advertisement expenses	1,556,879	303,017
Travelling expenses	10,601,190	1,264,056
Communication cost	701,823	446,869
Printing and stationery	1,480,545	931,771
Legal and professional charges	18,326,290	27,969,766
Directors sitting fee	120,000	85,000
Remuneration to auditors (Refer note no. 23 of schedule 20)	5,434,328	2,877,800
Vehicle maintenance	1,442,424	871,771
Office maintenance	4,138,824	2,600,311
Business promotion expenses	355,347	151,268
Loss on sale of fixed assets	408,209	189,761
Subscription & membership fee	127,575	-
Tender charges	12,767,231	-
Miscellaneous expenses	516,710	357,324
	<u>80,773,531</u>	<u>62,907,168</u>
Schedule 19: Interest and finance charges		
Interest on fixed loans	443,773,986	302,526,532
Less: Amount transferred to property development rights	(46,016,090)	(124,313,426)
	<u>397,757,896</u>	<u>178,213,106</u>
Interest on debentures	219,979,452	8,589,041
Interest on others	254,137,277	266,024,727
Less: Amount transferred to property development rights	(149,577,637)	(266,024,727)
	<u>104,559,640</u>	<u>-</u>
Bank charges	74,125	51,857
	<u>722,371,113</u>	<u>186,854,004</u>

SCHEDULES - 20 NOTES TO ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

1. Nature of operations

IVRCL Assets & Holdings Limited (the "Company") is a Company registered under the Companies Act, 1956. The Company, through Special Purpose Vehicles (SPV), is engaged in the business of Development, Operations & Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space in the verticals of Highways, Water [including desalination], Tankages, Multi level parking facilities for Central and State Governments, local bodies and private sector in the country. In addition, the Company is engaged in the business of development of projects relating to townships, mega malls, real estate property development; etc.

2. Significant Accounting Policies

a) Method of accounting

The accompanying financial statements are prepared under the historical cost convention, on accrual basis, in conformity in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and results of operations during the reporting period. Examples of such estimates include computation of percentage of completion for projects in progress, project cost estimates, road traffic estimates, discount rates, income taxes, provision for bad and doubtful debts and advances. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Inventories

- i) Residential properties include cost incurred towards development of such properties.
- i Freehold land purchased for the purpose of real estate development is considered as inventory
- ii) 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.
- iii) Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.

Inventories are valued at lower of cost and net realizable value. 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 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.

d) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation, amortisation and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e) Depreciation

Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as estimated by the management which coincides with the rates prescribed under Schedule XIV to the Companies Act, 1956

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

except for leasehold improvements, which are amortized over the primary period of lease of 4 years. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

f) Revenue Recognition

i) Recognition of revenue from real estate projects

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

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. Sale consideration is determined through agreement of sale or registration of sale deed. Revenue recognised is net of adjustment on account of cancellations.

However, 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.

ii) Construction Revenue

Revenue from long term construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard (AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006 (as amended). Percentage of completion is determined on the basis of survey of work performed. 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.

iii) Project Management Consultancy Services

Revenues from Project Management Consultancy Services are recognised pro-rata over the period of the contract as and when services are rendered as per the terms of agreement.

iv) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

g) Unbilled Revenue

Unbilled revenue disclosed under Schedule 10 – "Other Current Assets" represents revenue recognized based on "Percentage of completion method" over and above the amount due as per the payment plans agreed with the customers.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual basis. Long term investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**i) 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 (AS) 15 "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

- i) Retirement benefits in the form of Provident and Superannuation funds are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

j) Foreign currency translation**Foreign currency transactions****(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

k) Income taxes

Tax expense consists of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

i) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) **Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) **Segment Reporting Policies**

i) **Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business.

ii) **Inter segment Transfers**

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) **Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv) **Unallocated items**

Includes general corporate income and expense items which are not allocated to any business segment.

o) **Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

p) **Leases**

Operating leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**q) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Land

Advances for purchase of land include deposits paid by the Company to the seller towards right for development of land. The deposit will get adjusted against seller's share of constructed area. Further, advance for purchases of land also includes, amount paid by the Company to the seller/ intermediary towards outright purchase of land, which gets adjusted on transfer of legal title to the Company after obtaining clear and marketable title, free from all encumbrances, and then transferred to Inventory.

3. Amalgamation

During the previous year, the Company entered into a Scheme of Amalgamation (the "Scheme") with IVR Strategic Resources & Services Limited (ISRSL) and IVRCL Water Infrastructures Limited (IWIL) ("transferor companies"). The transferor companies were engaged in the business of executing various Road and Water BOT projects. The Scheme was sanctioned by the Honourable High Court of Judicature at Hyderabad vide its Order dated February 26, 2010.

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

- a) The Scheme of Amalgamation became effective on April 01, 2009, the appointed date.
- b) The assets, liabilities, rights and obligations of erstwhile ISRSL and IWIL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting prescribed by Accounting Standard 14 – "Accounting for amalgamations".
- c) In consideration of amalgamation of ISRSL and IWIL with the Company, 59,463,572 equity shares of Rs 10 each fully paid up amounting to Rs. 594,635,720 were issued to the equity share holders of ISRSL and IWIL whose names were registered in the register of members of ISRSL and IWIL respectively on record date.
- d) Excess of fair value of net assets taken over by the Company over the face value of equity shares issued amounting to Rs. 12,531,527,143 has been credited to Capital Reserve Account in accordance with the Scheme. Had the Scheme not prescribed this accounting treatment, the aggregate amount of Rs. 12,531,527,143 would have credited to Securities Premium account during the previous year instead of Capital Reserve Account in accordance with Accounting Standard 14 - "Accounting for amalgamations"

4. Issue of Debentures**Secured debentures:**

During the previous year, the Company had issued 1,500 secured redeemable non-convertible debentures of face value of Rs. 1,000,000 each, carrying rate of interest of 9.5% per annum payable on a quarterly basis with a tenor of 3 years.

The Company has not created a Debenture Redemption Reserve in respect of such debenture to the extent of Rs. 165,667,808 (Previous year: Rs. 8,989,726) under Section 117C of the Companies Act, 1956 due to losses incurred during the current and previous year. The Company has executed the trust deed and has created charge on the security.

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. Nil (Previous year: Rs. 13,955,889) have been debited to Securities Premium Account net of deferred tax adjustment amounting to Rs. Nil (Previous year: Rs 6,942,417).

Unsecured debentures:

During the current year, the Company has issued 1,000 unsecured redeemable non-convertible debentures of face value of Rs. 1,000,000 each, carrying rate of interest of 10.1% per annum payable on a quarterly basis with a tenor of 18 months. The Company has not created a Debenture Redemption Reserve in respect of such debenture to the extent of Rs. 127,853,881 (Previous year: Rs. Nil) under Section 117C of the Companies Act, 1956 due to losses incurred during the current year.

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. 8,591,526 (Previous year: Rs. Nil) have been debited to Securities Premium Account

5. Deferred Tax Assets (net)

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability		
Differences in depreciation as per tax books and financial books	(2,549,878)	(2,716,990)
Total Deferred Tax Liability	(2,549,878)	(2,716,990)
Deferred Tax Asset		
Provision for bonus and exgratia	409,148	137,697
Provision for gratuity and leave encashment	2,140,730	767,091
Effect of initial public offer expenses	-	53,601,023
Effect of amalgamation expenses	-	7,130,252
Unabsorbed depreciation	-	5,879,360
Carry forward business loss	-	54,399,569
Total Deferred Tax Assets	2,549,878	121,914,992
Deferred Tax Assets (net)		119,198,002

Notes:

- In previous year, based on estimated margins on unexecuted committed construction contracts in hand, the Company expected to generate sufficient taxable income in future years to enable it to utilize all deferred tax assets and accordingly deferred tax assets were recognized on virtual certainty principles. However, having regard to the losses incurred in the current year, the carrying amount of deferred tax assets is reviewed and the Company has written down the carrying amount of deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which the deferred tax asset can be realized.
- During the current year, the Holding Company has transferred certain employees to the Company pursuant to which liability of Rs. 5,078,108 was transferred net of deferred tax asset of Rs. 2,525,843.

6. Disclosures under Accounting Standard 7 – Construction Contracts

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Contract Revenue recognised during the year	6,658,328,333	1,152,566,739
Contract costs incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	7,330,479,381	1,325,850,855
Advances received for contracts in progress	222,304,408	-
Retention due from customers for contracts in progress	41,646,480	9,001,601
Gross amounts due from customers for contract works	15,242,468	761,980,257
Gross amounts due to customers for contract works	-	-

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**7. Contingent Liabilities**

- a) Claims against the Company not acknowledged as debts Rs. 564,376,848 (Previous year: Rs. 294,424,976) for interest on delayed payments.
- b) During the year 2006, Company had entered into Joint Development Agreements (JDAs) 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 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 per agreed terms for the delayed period.

As at March 31, 2011, 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 March 31, 2011.

8. Leases

Operating Lease Obligations: The Company has taken office premises under operating leases. These are generally cancellable in nature. There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments recognized as expense in profit and loss account for the year aggregate to Rs. 9,907,881 (Previous year: Rs. 6,736,077)

9. Construction Material and Stores Consumed

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Value	%	Value	%
Indigenous	-	-	341,839	100.00
Imported	-	-	-	-
Total	-	-	341,839	100.00

10. Dues from Companies under the same Management

Particulars	As at March 31, 2011		As at March 31, 2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Debtors				
Sundry debtors				
IVRCL Chandrapur Tollways Limited	407,109,905	407,356,344	-	-
SPB Developers Private Limited	217,009,174	243,852,290	-	-
IVR Hotels and Resorts Limited	73,394,353	73,394,353	73,103,958	76,410,000
IVRCL Limited (Formerly IVRCL Infrastructures & Projects Limited)	59,278,261	59,278,261	9,001,601	9,001,601
IVRCL Indore Gujarat Tollways Limited	39,947,769	39,947,769	-	-

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2011		As at March 31, 2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Advances recoverable in cash or in kind or for value to be received				
IVR PUDL Resorts & Clubs Private Limited	185,763	239,763	239,763	139,430,814
IVR Vaanaprastha Private Limited	119,574	119,574	105,801	83,901,838
Absorption Aircon Engineers Private Limited	48,371	48,371	21,916	21,916
Chennai Water Desalination Limited	19,593	1,140,263	-	-
Jalandhar Amritsar Tollways Limited	-	2,616,393	-	-
Salem Tollways Limited	-	2,374,654	-	-
Kumarapalayam Tollways Limited	-	1,033,969	-	-
IVR Prime Developers(Tambaram) Private Limited	1,044,243	1,044,243	-	-
IVRCL Chandrapur Tollways Limited	-	604,533	-	-
SPB Developers Private Limited	57,748	2,042,061	-	-
IVRCL Indore Gujarat Tollways Limited	102,933	6,530,277	3,250,000	3,250,000
IVRCL Chengapally Tollways Limited	1,271,693	2,358,926	-	-
Sion Panvel Tollways Private Limited	441,420	441,420	-	-
IVRCL Goa Tollways Limited	-	5,452,509	-	-
IVRCL Multi Level Car Parking Private Limited	123,426	123,426	-	-
Alkor Petroo Limited	1,673	1,673	-	-
IVRCL Building Products Limited	2,205	2,338,572	-	-
IVR Prime Developers (Palakkad) Private Limited	355	355	-	-
IVR Prime Developers (Guindy) Private Limited	555	555	-	-
Annupampattu Developers Private Limited	11,393	11,393	-	-
Ilavampedu Developers Private Limited	11,393	11,393	-	-
Agaram Developers Private Limited	11,593	11,593	-	-
Samatteri Developers Private Limited	11,593	11,593	-	-
Mummidi Developers Private Limited	11,393	11,393	-	-
Loans to subsidiaries				
Chennai Water Desalination Limited	968,237,000	995,937,000	404,980,000	404,980,000
Jalandhar Amritsar Tollways Limited	659,544,503	660,201,886	110,000,000	110,000,000
Salem Tollways Limited	982,017,928	982,017,928	-	-
Kumarpalyam Tollways Limited	116,289,926	116,289,926	-	-
IVR Prime Developers(Tambaram) Private Limited	18,270,000	18,270,000	-	-
Share application money to subsidiaries				
IVRCL Chandrapur Tollways Limited	1,000,000	27,350,000	-	-
IVRCL Chengapally Tollways Limited	41,850,000	848,000,000	-	-
Sion Panvel Tollways Private Limited	450,000	450,000	-	-
IVRCL Goa Tollways Limited	9,600,001	9,600,001	-	-
Mobilisation advance given				
IVRCL Limited (formerly IVRCL Infrastructures & Projects Limited)	136,602,632	489,795,918	-	-

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**11. Disclosure as per clause 32 of the listing agreement**

Loans and advances in the nature of loans given to subsidiaries:

Particulars	Relationship	As at March 31, 2011		As at March 31, 2010	
		Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Chennai Water Desalination Limited	Subsidiary	968,237,000	995,937,000	404,980,000	404,980,000
Jalandhar Amritsar Tollways Limited	Subsidiary	659,544,503	660,201,886	110,000,000	110,000,000
Salem Tollways Limited	Subsidiary	982,017,928	982,017,928	-	-
Kumarpalyam Tollways Limited	Subsidiary	116,289,926	116,289,926	-	-
IVR Prime Developers (Tambaram) Private Limited	Subsidiary	18,270,000	18,270,000	-	-

12. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard AS-18 "Related Party Disclosures" notified by Companies (Accounting Standards) Rules, 2006, (as amended).

12.1 List of Related Parties**A. Holding Company**

IVRCL Limited (Formerly IVRCL Infrastructure and Projects Limited)

B. Subsidiary Companies – the ownership directly or indirectly through subsidiaries

Sl. No.	Name of the Subsidiary	Sl. No.	Name of the Subsidiary
1	IVR Hotels and Resorts Limited	24	IVR Prime Developers (Egmore) Private Limited
2	Mummidhi Developers Private Limited	25	IVR Prime Developers (Tambaram) Private Limited
3	Samatteri Developers Private Limited	26	IVR Prime Developers (Ashram) Private Limited
4	IVR Prime Developers (Amalapuram) Private Limited	27	IVR Prime Developers (Retiral Homes) Private Limited
5	IVR Prime Developers (Guntur) Private Limited	28	IVR Prime Developers (Avadi) Private Limited
6	Absorption Aircon Engineers Private Limited	29	IVR Prime Developers (Alwarpet) Private Limited
7	IVR Prime Developers (Thandiarpet) Private Limited	30	IVR Prime Developers (Mylapore) Private Limited
8	IVR Prime Developers (Gummidipundi) Private Limited	31	IVR Vaanaprastha Private Limited
9	IVR Prime Developers (Kodambakkam) Private Limited	32	IVR PUDL Resorts and Clubs Private Limited
10	IVR Prime Developers (Arumbakkam) Private Limited	33	IVR Prime Developers (Nellore) Private Limited
11	IVR Prime Developers (Anna Nagar) Private Limited	34	Duvvda Developers Private Limited
12	IVR Prime Developers (Pallavaram) Private Limited	35	Gamaa Developers Private Limited
13	IVR Prime Developers (West Mambalam) Private Limited	36	Kasibugga Developers Private Limited
14	Bibinagar Developers Private Limited	37	Vedurwada Developers Private Limited
15	IVR Prime Developers (Anakapalle) Private Limited	38	Eluru Developers Private Limited
16	IVR Prime Developers (Rajampeta) Private Limited	39	Geo Prime Developers Private Limited
17	IVR Prime Developers (Tanuku) Private Limited	40	Theata Developers Private Limited
18	IVR Prime Developers (Red Hills) Private Limited	41	Vijayawada Developers Private Limited
19	IVR Prime Developers (Rajahmundry) Private Limited	42	Kunnam Developers Private Limited
20	IVR Prime Developers (Tuni) Private Limited	43	Papankuzhi Developers Private Limited
21	IVR Prime Developers (Bobbili) Private Limited	44	Haripuram Developes private Limited
22	IVR Prime Developers (Bhimavaram) Private Limited	45	Rudravaram Developers Private Limited
23	GSVK Manpower Supply & Services Private Limited (Formerly IVR Prime Developers (Valasaravakkam) Private Limited)	46	IVR Prime Developers (Palakkad) Private Limited ^{1, 2}

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

Sl. No.	Name of the Subsidiary	Sl. No.	Name of the Subsidiary
47	Simhachalam Prime Developers Private Limited	63	IVR Prime Developers (Guindy) Private Limited ^{1, 2}
48	Agaram Developers Private Limited	64	Geo IVRCL Engineering Limited
49	Siripuram Developers Private Limited	65	First STP Private Limited ¹
50	IVR Prime Developers (Araku) Private Limited	66	IVRCL Building Products Limited ^{1,2}
51	IVR Prime Developers (Erode) Private Limited	67	Alkor Petroo Limited ^{1, 2}
52	IVR Prime Developers (Kakinada) Private Limited	68	Kumarapalayam Tollways Limited ¹
53	IVR Prime Developers (Pudukkottai) Private Limited	69	Salem Tollways Limited ¹
54	Annupampattu Developers Private Limited	70	Jalandhar Amritsar Tollways Limited ¹
55	Ilavampedu Developers Private Limited	71	SPB Developers Private Limited ¹
56	IVRCL Mega Malls Limited	72	Chennai Water Desalination Limited ¹
57	Chodavaram Developers Private Limited	73	Sion Panvel Tollways Private Limited ¹
58	Gajuwaka Developers Private Limited	74	IVRCL Indore Gujarat Tollways Limited
59	Tirumani Developers Private Limited	75	IVRCL Chengapalli Tollways Limited ³
60	IVR Prime Developers (Adayar) Private Limited	76	IVRCL Goa Tollways Limited ³
61	IVR Prime Developers (Ananthapuram) Private Limited	77	IVRCL Chandrapur Tollways Limited ³
62	IVR Prime Developers (Perambadur) Private Limited	78	IVRCL Multilevel Car Parking Private Limited ³

Note:

- Investments acquired on account of amalgamation during the previous year (Refer note no 3(a) of schedule 20).
- Investment in subsidiaries has been disposed off during the year.
- Subsidiary incorporated during the year.

C. Fellow Subsidiaries :

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
1	IVRCL PSC Pipes Private Limited	9	Davymarkam Limited
2	IVR Enviro Projects Private Limited	10	IVRCL Holdings & Services Pte. Limited
3	IVRCL – Cadagua Hogenakkal Water Treatment Company Private Limited	11	HDO UK Limited (formerly known as IMCO (22010) Limited)
4	IVRCL Steel Constructions and Services Limited	12	Alkor Petroo Limited
5	IVRCL Infrastructures and Projects (Botswana) (Pty) Limited*	13	IVRCL Building Products Limited
6	Hindustan Dorr-Oliver Limited	14	IVR Prime Developers (Palakkad) Private Limited
7	HDO Technologies Limited	15	IVR Prime Developers (Guindy) Private Limited
8	Davymarkham Holdings Limited*	16	IVRCL Patalaganga Truck Terminals Private Limited

* Closed the operations during the year.

D. Associate

S.No	Name of the Associate
1	IOT Utkal Energy Services Limited *

* Associate with effect from June 04, 2010

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**E. Key Management Personnel and their Relatives**

S.No	Name of Key Managerial Personnel or Relative	Relationship
1	Mr. E. Sudhir Reddy	Chairman
2	Mr. S Ramachandran *	Managing Director (BOOT Projects)
3	Mr. E. Sunil Reddy	Vice Chairman and Managing Director
4	Mr. R. Balarami Reddy	Director
5	Mr. E Ella Reddy	Relative of Chairman
6	Mrs. E Sujatha Reddy	Relative of Chairman
7	Mrs. E Indira Reddy	Relative of Chairman

* Appointed with effect from April 14, 2010.

B. Companies owned by or where significant influence exercised by Key Management Personnel and their Relatives

S.No	Name of the Company
1	Palladium Infrastructure and Projects Limited
2	A.P Enercon Engineers Private Limited
3	Indus Palms Hotels & Resorts Limited
4	Soma Hotels & Resorts Limited

12.2 Transactions with related parties**a. Transaction with Holding Company**

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2011	March 31, 2010	As at March 31, 2011	As at March 31, 2010
IVRCL Limited (Formerly IVRCL Infrastructures & Projects Limited*)			(4,127,377,466)	(2,163,931,381)
Construction revenue	1,055,191,855	448,493,360		
Construction cost	5,245,667,940	700,643,276		
Project management consultancy services	116,006,840	-		
Interest expense	281,364,653	261,719,976		
Rent expense	5,579,062	784,635		
Issue of equity shares	-	594,635,720		
Issue of bonus shares	497,317,885	-		
Sale of subsidiaries	76,219,950	-		
Acquisition of subsidiaries	870,000	-		
Purchase of fixed assets	719,486	-		
Sale of fixed assets	-	1,297,169		
Unsecured loan received	3,930,500,000	1,625,502,908		
Unsecured loan repaid	1,709,821,038	2,571,648,083		
Mobilisation advance paid	608,390,400	-		
Mobilisation advance received	124,243,400	-		
Retirement benefits transferred (net of deferred tax of Rs. 2,525,842)	5,078,108	-		
Reimbursement of expenses incurred by Holding Company	9,647,108	4,174,035		

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

* The Holding company has given guarantees amounting to Rs. 2,500,000,000 towards debentures raised by the Company and Rs. 1,500,000,000 towards loan taken from IDFC Limited by the Company. The closing balance of above guarantees amount to Rs. 4,000,000,000 (Previous year: Rs. 3,000,000,000)

b. Transactions with Fellow Subsidiaries

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2011	March 31, 2010	As at March 31, 2011	As at March 31, 2010
Hindustan Dorr-Oliver Limited Acquisition/(sale) of development rights	-	(26,639,692)*	-	(1,073,138)
IVRCL Steel Constructions and Services Limited Acquisition/(sale) of development rights	72,725,915	34,696,525	-	-

* Pertains to cancellation of development rights of land.

c. Transactions with Associate

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2011	March 31, 2010	As at March 31, 2011	As at March 31, 2010
IOT Utkal Energy Services Limited *			421,805,241	-
Construction revenue billed	3,899,360,543	-		
Mobilization advance received	633,740,000	-		
Investment in equity shares	750,000,000	-		

* 49% of the investment in the Associate has been pledged (Refer note no. 13.1 of schedule 20).

d. Transactions with Key managerial personnel or relatives

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2011	March 31, 2010	As at March 31, 2011	As at March 31, 2010
S.Ramachandran				
Managerial remuneration	4,033,904	-	(65,406)	-
Issue of bonus shares	190	-	-	-
E.Ella Reddy				
Rent paid	1,350,072	1,245,012	(102,306)	(102,306)
Issue of bonus shares	14,270	-		
E.Sujatha Reddy				
Rent paid	1,131,684	1,043,613	(85,757)	(85,757)
E. Sudhir Reddy				
Issue of bonus shares	87,500	-	-	-
E Sunil Reddy				
Issue of bonus shares	500	-	-	-
E. Indira Reddy				
Issue of bonus shares	500	-	-	-

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**e. Transaction with the Companies owned by or where significant influence exercised by Key Management Personnel or their Relatives**

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2011	March 31, 2010	As at March 31, 2011	As at March 31, 2010
Palladium Infrastructures & Projects Limited				
Rent Expense	2,481,756	2,490,192	(548,804,791)	(389,629)
Mobilisation Advance given	80,010,000	-		
Construction Cost	656,342,205	-		
Reimbursement of Expenses	149,959	-		
Issue of bonus shares	69,000	-		
A.P. Enercon Engineers Private Limited				
Rent expense	-	1,087,500	-	-
Soma Hotels and Resorts Limited				
Issue of bonus shares	46,915,000	-	-	-
Indus Palms Hotels & Resorts Limited				
Issue of bonus shares	215,000	-	-	-

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

f. Transactions with Subsidiaries for the year ended March 31, 2011:

Name of the Subsidiary	Construction Revenue	Acquisition/ (sale) of development rights	Loan given	Reimbursement of expenses incurred by the Company	Investment/share application/ (disinvestment) in equity share capital	Closing balance receivable as at March 31, 2011
IVR PUDL Resorts & Clubs Private Limited	-	-	-	3,373	-	185,763
IVR Hotels and Resorts Limited	-	-	-	353,720	-	73,394,353
Gajuwaka Developers Private Limited	-	26,719,310	-	-	-	-
Absorption Aircon Engineers Private Limited	-	22,204,465	-	26,455	-	48,371
IVR Vaanaprastha Private Limited	-	-	-	13,773	-	119,574
IVRCL Building Products Private Limited	-	-	-	2,340,777	(6,029,950)	2,205
Alkor Petroo Limited	-	-	-	1,673	(70,100,000)	1,673
Chennai Water Desalination Limited ⁶	-	-	1,155,857,000	1,189,206	-	968,256,593
Jalandhar Amritsar Tollways Limited ²	-	-	660,201,886	4,196,605	-	659,544,503
IVRCL Indore Gujarat Tollways Limited	83,848,756	-	-	4,699,846	339,034,000	40,050,702
SPB Developers Limited ⁴	790,722,240	-	-	3,129,823	160,550,000	217,066,922
Kumarpalyam Tollways Limited ³	-	-	116,289,926	1,839,186	-	116,289,926
Salem Tollways Limited ³	-	-	982,017,928	4,286,523	-	982,017,928
IVR Prime Developers (Tambaram) Private Limited	-	-	18,270,000	1,044,243	-	19,314,243
IVRCL Multi Level Car Parking Private Limited	-	-	-	123,426	51,000	123,426
IVRCL Chengapally Tollways Limited ⁵	7,360,969	-	-	6,909,564	969,246,000	43,121,693
IVRCL Chandrapur Tollways Limited	424,329,524	-	-	2,248,711	27,840,000	408,109,905
Sion Panvel Tollways Private Limited	-	-	-	441,420	450,000	891,420
IVRCL Goa Tollways Limited	-	-	-	6,497,279	10,090,001	9,600,001
Annapampattu Developers Private Limited	-	-	-	11,393	-	11,393
Ilavampedu Developers Private Limited	-	-	-	11,393	-	11,393
Agaram Developers Private Limited	-	-	-	11,593	-	11,593
Samatteri Developers Private Limited	-	-	-	11,593	-	11,593
Mummididi Developers Private Limited	-	-	-	11,393	-	11,393

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

f. Transactions with Subsidiaries for the year ended March 31, 2010:

Name of the Subsidiary	Construction Revenue	Acquisition/ (sale) of development rights	Loan given	Reimbursement of expenses incurred by the Company	Investment/share application/ (disinvestment) in equity share capital	Closing balance receivable as at March 31, 2010
IVR PUDL Resorts & Clubs Private Limited	-	123,531,309	-	-	-	239,763
IVR Hotels and Resorts Limited	-	(73,890,000) ¹	-	4,013,806	-	73,103,958
IVR Prime Developers (Red Hills) Private Limited	-	59,827,684	-	-	-	-
Tirumani Developers Private Limited	-	42,536,726	-	-	-	-
Simhachalam Prime Developers Private Limited	-	36,205,200	-	-	-	-
Gajuwaka Developers Private Limited	-	29,982,700	-	-	-	-
Absorption Aircon Engineers Private Limited	-	23,071,450	-	21,916	-	21,916
IVR Prime Developers (Guntur) Private Limited	-	26,639,692	-	-	-	-
IVR Prime Developers (Bhimavaram) Private Limited	-	22,971,623	-	-	-	-
IVR Prime Developers (Adayar) Private Limited	-	20,946,719	-	-	-	-
IVR Vaanaprastha Private Limited	-	14,067,298	-	-	-	105,801
IVR Prime Developers (Tuni) Private Limited	-	13,974,826	-	-	-	-
Theata Developers Private Limited	-	9,944,000	-	-	-	-
Chennai Water Desalination Limited ⁶	-	-	404,980,000	-	-	404,980,000
Jalandhar Amritsar Tollways Limited ²	-	-	110,000,000	-	-	110,000,000
IVRCL Indore Gujarat Tollways Limited	-	-	-	3,250,000	1,003,000,000	3,250,000
SPB Developers Private Limited ⁴	-	-	-	-	183,500,000	-

Notes:

1. Net of cancellations of Rs. 2,520,000 during the previous year.
2. 58.73% of the investment in the Subsidiary has been pledged during the year. (Refer note no. 13.1 of schedule 20).
3. 100% of the investment in the Subsidiaries has been pledged during the year. (Refer note no. 13.1 of schedule 20).
4. 30.02% of the investment in the Subsidiary has been pledged during the year. (Refer note no. 13.1 of schedule 20).
5. 47.61% of the investment in the Subsidiary has been pledged during the year. (Refer note no. 13.1 of schedule 20).
6. 78.03% of the investment in the Subsidiary has been pledged during the year. (Refer note no. 13.1 of schedule 20).

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

13. Investments

13.1. Long term investments (at cost)

Investments in Companies – Unquoted, trade

Particulars	No. of equity shares of Face value of Rs.10 each fully paidup unless otherwise specified				Investment	
	As at 31st March 2010	Subscribed during the year	Sold during the year	As at 31st March 2011	As at 31st March 2011	As at 31st March 2010
In Subsidiaries						
IVR Hotels and Resorts Limited	239,355	-	-	239,355	3,513,856,080	3,513,856,080
IVRCL Mega Malls Limited	50,250	-	-	50,250	502,500	502,500
Agaram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Mummidhi Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Samatteri Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Annupampattu Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Tirumani Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Ilavampedu Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Chodavaram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Gajuwaka Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Simhachalam Prime Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Siripuram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Amalapuram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Erode) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Guntur) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Kakinada) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Araku) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Pudukkottai) Private Limited	10,000	-	-	10,000	100,000	100,000
Absorption Aircon Engineers Private Limited	37,000	-	-	37,000	85,000	85,000
IVR Vaanaprastha Private Limited	10,000	-	-	10,000	100,000	100,000
IVR PUDL Resorts & Clubs Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Anakapalle) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Bobbili) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tuni) Private Limited	10,000	-	-	10,000	100,000	100,000
GSVK Manpower Supply & Services Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Red Hills) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tanuku) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Bhimavaram) Private Limited	10,000	-	-	10,000	100,000	100,000

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

Particulars	No. of equity shares of Face value of Rs.10 each fully paidup unless otherwise specified				Investment	
	As at 31st March 2010	Subscribed during the year	Sold during the year	As at 31st March 2011	As at 31st March 2011	As at 31st March 2010
IVR Prime Developers (Rajampeta) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Rajahmundry) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Ashram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Ananthapuram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Retiral Homes) Private	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Egmore) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Perambadur) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tambaram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Adayar) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Avadi) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Alwarpet) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Mylapore) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Thandiarpet) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Gummidipundi) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Kodambakkam) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Arumbakkam) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Anna Nagar) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Pallavaram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (West Mambalam) Private Limited	10,000	-	-	10,000	100,000	100,000
Bibinagar Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Jalandhar Amritsar Tollways Limited ^{1,4}	46,848,550	-	-	46,848,550	3,588,283,750	3,588,283,750
Kumarapalayam Tollways Limited ^{1,4}	33,353,600	-	-	33,353,600	4,967,070,000	4,967,070,000
Salem Tollways Limited ^{1,4}	51,253,160	-	-	51,253,160	2,208,449,000	2,208,449,000
Sion Panvel Tollways Private Limited ¹	5,100	-	-	5,100	698,271,000	698,271,000
IVRCL Building Products Limited ^{1,3}	599,995	-	599,995	-	-	6,029,950
First STP Private Limited ¹	2,850,000	-	-	2,850,000	35,390,000	35,390,000
Chennai Water Deslination Limited ^{1,4}	129,687,411	-	-	129,687,411	285,864,110	285,864,110
Alkor Petroo Limited ^{1,3}	5,625,000	-	5,625,000	-	-	70,100,000

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

Particulars	No. of equity shares of Face value of Rs.10 each fully paidup unless otherwise specified				Investment	
	As at 31st March 2010	Subscribed during the year	Sold during the year	As at 31st March 2011	As at 31st March 2011	As at 31st March 2010
SPB Developers Private Limited ^{1,4}	7,340,000	6,422,000	-	13,762,000	1,453,380,000	1,292,830,000
IVRCL Indore Gujarat Tollways Limited	10,030,000	3,390,340	-	13,420,340	1,342,034,000	1,003,000,000
IVRCL Chengapalli Tollways Limited ⁴	-	9,318,060	-	9,318,060	927,396,000	-
IVRCL Goa Tollways Limited	-	49,000	-	49,000	490,000	-
IVRCL Chandrapur Tollways Limited	-	312,500	-	312,500	26,840,000	-
IVRCL Multilevel Car Parking Private Limited	-	5,100	-	5,100	51,000	-
IVRCL Patalaganga Truck Terminals Private Limited ⁵	-	9,000	9,000	-	-	-
In Associates						
IOT Utkal Energy Services Limited ^{1, 2,4}	-	75,000,000	-	75,000,000	923,760,000	-
					19,976,222,440	17,674,231,390

Notes:

- Investments in these entities were acquired on account of amalgamation during the previous year. (Refer note no. 3 of schedule 20).
- In the previous year, the Company had acquired 37.5% of share holding interest in IOT Utkal Energy Services Limited (one of the SPV's of IWIL), on amalgamation of IWIL with the Company. As at March 31, 2010, IWIL had not invested in the equity share capital of the entity. Accordingly the fair value of the above share holding interest acquired amounting to Rs. 173,760,000 was disclosed as "Advances recoverable in cash or in kind or for value to be received". In the Current year, on allotment of shares to the Company, fair value amounting to Rs. 173,600,000 has been transferred to "Investment in Associate." (Refer note no. 3 of schedule 20).
- Investment in the subsidiaries has been disposed of during the current year
- a) The following shares have been pledged in respect of loan taken by the Company:

S. No	Name of the Company	No. of Shares	Pledged in favour of
(i)	Jalandhar Amritsar Tollways Limited	22,955,790	IDFC Limited
(ii)	Kumarpalayam Tollways Limited	16,317,764	IDFC Limited
(iii)	Salem Tollways Limited	25,088,548	IDFC Limited

- b) The following shares have been pledged in respect of loan taken by the Subsidiaries and Associate:

S. No	Name of the Company	No. of Shares	Pledged in favour of
(i)	Jalandhar Amritsar Tollways Limited	4,560,000	Canara Bank
(ii)	Kumarpalayam Tollways Limited	17,035,836	IDBI Trusteeship Limited
(iii)	Salem Tollways Limited	26,164,612	IDBI Trusteeship Limited
(iv)	SPB Developers Private Limited	4,131,600	Andhra Bank
(v)	IVRCL Chengapalli Tollways Limited	4,435,980	IDBI Limited
(vi)	Chennai Water Deslination Limited	101,195,182	Canara Bank
(vii)	IOT Utkal Energy Services Limited	36,750,000	IDBI Trusteeship Limited

- The Company bought 9,000 shares of IVRCL Patalaganga Truck Terminals Private Limited at a cost of Rs. 90,000 and has disposed this investment during the year at cost.

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

- 14-. The Company has invested Rs. 12,521,655,107 (Previous year: Rs. 10,873,802,750) [including advance given aggregating to Rs. 1,757,852,357 (Previous year: Rs. 110,000,000)] as at March 31, 2011 in the following three subsidiaries engaged in Road BOT (Build Operate Transfer) Projects.

Name of the subsidiary	Investments as at March 31, 2011	Loans given as at March 31, 2011	Investments as at March 31, 2010	Loans given as at March 31, 2010
Kumarapalayam Tollways Limited	4,967,070,000	116,289,926	4,967,070,000	-
Salem Tollways Limited	2,208,449,000	982,017,928	2,208,449,000	-
Jalandhar Amritsar Tollways Limited	3,588,283,750	659,544,503	3,588,283,750	110,000,000
Total	10,763,802,750	1,757,852,357	10,763,802,750	110,000,000

These subsidiaries had been acquired through a scheme of amalgamation at fair values, determined based on the future projected cash flows of toll collections. Toll collections of these subsidiaries of the current year are substantially lower than the above projected cash flows. However, the Management believes that the reduction in toll collections is temporary and accordingly no provision in respect of diminution in the value of the aforesaid net assets is necessary.

15. Retirement and other employee benefits**a) Disclosures related to Defined Contribution Plan:**

Contributions recognized as expense in Profit and Loss account towards Provident fund Rs.3,405,794 (Previous Year: 829,810) and towards Super Annuation Rs. 1,540,496 (Previous Year: Rs. 307,200)

b) Disclosures related to Defined Benefit Plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This gratuity plan is un-funded.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and amounts recognised in the Balance Sheet for this gratuity plan.

Net employee benefit expense (recognized in personnel expense):

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Current service cost	157,464	577,274
Interest cost	68,782	367,101
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	1,380,014	(3,928,703)
Total expense recognised in Profit and Loss Account	1,606,260	(2,984,328)

Changes in the present value of Defined Benefit Obligations

Particulars	As at March 31, 2011	As at March 31, 2010
Opening Defined Benefit Obligation	702,309	4,011,492
Current Service Cost	157,464	577,274
Interest Cost	68,782	367,101
Benefits Transferred	3,364,383	(238,317)
Benefits Paid	-	(86,538)
Actuarial (Gain)/ Loss on obligations	1,380,014	(3,928,703)
Closing defined benefit obligation	5,672,952	702,309

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)

Amounts for the current and previous four periods

Particulars	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	5,672,952	702,309	4,011,492	4,485,092
* Experience adjustments on plan liabilities	Nil	Nil	Nil	Nil

Key Assumptions

Particulars	As at March 31, 2011	As at March 31, 2010
Discount rate	8.25%	8.00%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

16. The Company has acquired various land parcels and is into initial stage of project implementation. As per Company's business plan, the projects will have multiple properties consisting of integrated townships, plots, flats, residential and commercial multistoried buildings and IT Parks 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 is included under the head 'Inventory'.

17. The Company has directly and through some of its subsidiaries incurred an aggregate cost of Rs.12,140,734,636 (Previous year: Rs. 11,437,678,666) 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 realizable value/value in use, based on the assessment of experts engaged by the management. Accordingly, no adjustment has been made to the carrying value of these land parcels/projects.

18. Development rights of land

Inventories include earnest money deposits paid towards consideration for acquiring development rights of land from group companies and others as per Development Agreements amounting to Rs. 3,425,680,138 (previous year: Rs. 3,322,477,747).

19. Property Development Rights

Property development rights under inventory include consideration and interest paid/payable to NOIDA (New Okhla Industrial Development Authority) aggregating to Rs.7,288,678,472 (Previous year: Rs. 7,055,288,497) towards the rights for development of 100.41 acres of leasehold land at NOIDA. During the year 2006-07, the Holding Company, IVRCL Limited (formerly known as IVRCL Infrastructures and Projects Limited) had transferred these rights to the Company, vide Memorandum of Understanding dated 14th February, 2007. Balance payable outstanding to NOIDA as on March 31, 2011 is Rs. 4,010,653,333 (Previous year: Rs. 3,721,333,615). Also refer Note 7(a) of Schedule 20 for the interest on delayed payments in respect of above.

20. Managerial Remuneration

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Salary and Allowances	3,521,982	-
Contribution to Provident and other funds	511,942	-
Total	4,033,904	-

Notes:

- The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.
- Since the commission payable is Rs. Nil (Previous year: Rs. Nil), computation of net profit in accordance with Section 349 of the Companies Act, 1956 is not disclosed.

21. Dues to Micro Small and Medium Enterprises

Based on the information available with the Company, there are no vendors who are registered as Micro, small and Medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2011. Accordingly disclosures required under this Act are not given.

NOTES TO ACCOUNTS (All amounts are expressed in Indian Rupees unless otherwise stated)**22. Earnings Per Share**

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Loss available for equity shareholders	(467,298,724)	(63,985,835)
Weighted average number of equity shares outstanding *	190,135,235	185,420,358
Earnings per share (Basic and Diluted)	(2.46)	(0.35)
Nominal value of shares	10	10

*In May 2010, the Company has issued 61,806,786 bonus shares of face value of Rs. 10 each. These bonus shares have been considered in computation of weighted average number of equity shares for the current and previous year.

23. Auditors' Remuneration (as Auditors)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
As Auditor		
Audit Fees*	2,000,000	2,206,000
Limited review	1,200,000	661,800***
Tax audit fees	400,000	-
Out of pocket expenses **	134,328	-
As adviser in respect of:		
Management services	1,500,000	-
In other manner:		
Certification	200,000	10,000
Total	5,434,328	2,877,800

* Does not include Rs. 2,000,000(previous year: Rs. Nil) debited to Securities Premium account.

** Does not include Rs. 233,900 (previous year: Rs. Nil) debited to Securities Premium account.

*** Paid to the previous auditor.

24. Expenditure in foreign currency (Accrual basis)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Legal and Professional expense	5,140,435	-
Total	5,140,435	-

25. In accordance with Accounting Standard 17 - Segment Reporting, segment information has been given in the consolidated financial statements and therefore no separate disclosure on segment information is given in these financial statements.

26. Information required under 4C, of Part-II of Schedule VI to the Companies Act, 1956 relating to the licensed capacity, installed capacity and actual production is not applicable.

27. The figures of the previous year have been regrouped/ rearranged, where necessary to conform to those of the current year.

Signatures to Schedules 1 to 20 forming part of the Financial statements.

As per our report of even date

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

per **Vikas Kumar Pansari**
Partner
Membership No.93649

per **R N Chaturvedi**
Partner
Membership No.92087

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 28, 2011

ANNUAL REPORT 2010-11

AUDITORS' REPORT

The Board of Directors

IVRCL Assets & Holdings Limited

1. We have audited the attached consolidated balance sheet of IVRCL Assets & Holdings Limited ('the Company'), its subsidiaries and an associate (collectively, 'the Group'), as at March 31, 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year 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 misstatement. 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 Rs. 292,679,589 as at March 31, 2011, total revenue of Rs. Nil and cash flows amounting to Rs. (230,672) for the year then ended. These financial statements have been audited solely by Chaturvedi & Partners on which, S. R. Batliboi & Associates has 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 Rs. 32,028,410,767 as at March 31, 2011, total revenue of Rs. 803,093,165 and cash flows amounting to Rs. 235,893,760 for the year then ended. These financial statements have been audited by others on which, we have placed reliance for the purpose of this report.
 - c) We did not audit the financial statements of an associate, whose financial statements reflect loss of Rs. 933,836 (Previous year: Rs Nil) for the year ended March 31, 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. *The accompanying consolidated financial statements include a subsidiary consolidated on the basis of Management certified accounts, as detailed in note 2(b) to the Schedule 20 of the financial statements, which reflect total assets of Rs. 6,482,901,228 as at March 31, 2011, total revenue of Rs. 1,143,281,145 and net cash flows amounting to Rs. 9,262,714 for the year then ended. 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. *As more fully discussed in note 10 to the schedule 20 of the financial statements, the Group has invested Rs. 12,521,655,107 in the net assets (including goodwill of Rs. 6,912,390,759 accounted for by the Group on consolidation) of three of its subsidiaries, engaged in Road Build Operate Transfer (BOT) projects. These subsidiaries had been acquired through a scheme of amalgamation at fair values, determined based on the future projected cash flows of toll collections. Toll collections of these subsidiaries of the current year are substantially lower than the above projected cash flows. Management believes that the reduction in toll collections is temporary and accordingly no provision in respect of impairment in the value of the aforesaid net assets is necessary. However, having regard to the uncertainty in achieving the future cash flows, we are unable to comment on the carrying value of the aforesaid net assets of these three subsidiaries and consequential effects, if any, on the accompanying financial statements.*
6. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, 'Consolidated Financial Statements', Accounting Standards (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
7. 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 4 and 5 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 March 31, 2011;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & ASSOCIATES**
 Firm registration number: 101049W
 Chartered Accountants

per **Vikas Kumar Pansari**
 Partner
 Membership No.: 93649

Place: Hyderabad
 Date: May 28, 2011

For **CHATURVEDI & PARTNERS**
 Firm registration number: 307068E
 Chartered Accountants

per **R N Chaturvedi**
 Partner
 Membership No.: 92087

Place: Hyderabad
 Date: May 28, 2011

CONSOLIDATED BALANCE SHEET

(All amounts are expressed in Indian Rupees unless otherwise stated)

	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	1,970,482,640	1,236,135,720
Reserves and surplus	2	22,092,893,633	21,709,855,794
		<u>24,063,376,273</u>	<u>22,945,991,514</u>
Minority interest		2,432,570,367	2,449,815,646
Loan funds			
Secured loans	3	18,333,496,668	15,380,417,465
Unsecured loans	4	4,874,533,787	2,475,555,838
		<u>23,208,030,455</u>	<u>17,855,973,303</u>
Total		<u>49,703,977,095</u>	<u>43,251,780,463</u>
APPLICATION OF FUNDS			
Goodwill on consolidation		8,212,284,674	8,259,465,148
Fixed assets			
Gross block	5	21,484,495,040	4,904,783,558
Less: Accumulated depreciation/amortization		1,295,586,398	247,959,216
Net block		<u>20,188,908,642</u>	<u>4,656,824,342</u>
Capital work-in-progress including capital advances		9,537,727,793	16,887,138,100
		<u>29,726,636,435</u>	<u>21,543,962,442</u>
Investments	6	922,852,164	-
Deferred tax assets (net)	20(6)	-	141,588,525
Current assets, loans and advances			
Inventories	7	15,211,196,104	14,834,630,897
Sundry debtors	8	975,601,593	350,232,499
Cash and bank balances	9	601,656,060	768,446,524
Other current assets	10	22,716,750	770,474,125
Loans and advances	11	2,114,963,000	2,114,732,847
	(A)	<u>18,926,133,507</u>	<u>18,838,516,892</u>
Less: Current liabilities and provisions			
Current liabilities	12	8,913,918,983	5,511,436,004
Provisions	13	152,258,487	20,316,540
	(B)	<u>9,066,177,470</u>	<u>5,531,752,544</u>
Net current assets	(A-B)	9,859,956,037	13,306,764,348
Profit and loss account balance		982,247,785	-
Total		<u>49,703,977,095</u>	<u>43,251,780,463</u>
Notes to Consolidated Accounts	20		

The Schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Balance Sheet.

As per our report of even date attached

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

per **Vikas Kumar Pansari**
Partner
Membership No.93649

per **R N Chaturvedi**
Partner
Membership No.92087

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

Place : Hyderabad
Date : May 28, 2011

A.S. Pardha Saradhi
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	Schedules	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME			
Income from operations	14	8,761,272,601	1,590,317,158
Other income	15	137,420,256	61,579,587
		<u>8,898,692,857</u>	<u>1,651,896,745</u>
EXPENDITURE			
Cost of sales	16	7,215,507,370	1,274,288,712
Personnel expenses	17	69,516,234	37,540,788
Administrative and other expenses	18	257,816,738	86,198,490
Financial expenses	19	1,717,242,115	403,076,144
Depreciation and amortization	5	1,046,786,220	187,865,611
		<u>10,306,868,677</u>	<u>1,988,969,745</u>
Loss before tax, prior period items and minority interest		(1,408,175,820)	(337,073,000)
Provision for taxation			
Current tax		827,126	4,628,791
Taxes of earlier years written back (net)		(6,217,592)	-
Current tax - MAT Payable		123,454	-
Less: MAT credit entitlement		(123,454)	-
		<u>(5,390,466)</u>	<u>-</u>
Deferred tax charge / (credit)	20(6)	144,114,368	(35,523,215)
Total tax expense		138,723,902	(30,894,424)
Loss after tax and before prior period items and minority interest		(1,546,899,722)	(306,178,576)
Prior period items (net of tax Rs. Nil (Previous year: Rs. Nil))	20(22)	-	9,865,120
Less: Share of loss from associate		933,836	-
Less: Minority interest		(14,775,658)	(4,347,756)
Loss for the year		(1,533,057,900)	(311,695,940)
Balance brought forward from previous year		550,810,115	862,506,055
Surplus / (Deficit) carried to Consolidated Balance Sheet		(982,247,785)	550,810,115
Earnings per share (in Rs.)			
Basic and diluted earnings per share (Rs.)	20(21)	(8.06)	(1.68)
Nominal value per equity share (in Rs.)		10	10
Weighted average number of equity shares		190,135,235	185,420,358
Notes to Consolidated Accounts			
	20		

The Schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Profit and Loss Account.

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

per **Vikas Kumar Pansari**
Partner
Membership No.93649

per **R N Chaturvedi**
Partner
Membership No.92087

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

Place : Hyderabad
Date : May 28, 2011

A.S. Pardha Saradhi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. Cash flow from operating activities		
Loss before taxation	(1,408,175,820)	(337,073,000)
Adjustment for :		
Dividend from mutual funds (non-trade)	-	(15,752)
Profit on sale of subsidiaries	(89,284,903)	-
Unrealised foreign exchange loss	32,743,411	-
Interest income	(26,070,443)	(44,469,346)
Depreciation and amortisation	1,046,786,220	187,865,611
Loss on sale of fixed assets	41,918,048	189,761
Interest expenses	1,714,547,610	402,958,227
Liabilities no longer required written back	(13,682,641)	(6,790,594)
Operating profit before working capital changes	1,298,781,482	202,664,907
Movements in working capital		
Decrease / (Increase) in inventories	(679,015,500)	(504,754,113)
Decrease / (Increase) in sundry debtors	(626,937,601)	13,493,388
Decrease / (Increase) in loans and advances	15,022,074	(196,054,386)
Decrease / (Increase) in other current assets	738,885,431	(708,661,202)
Increase / (Decrease) in current liabilities and provisions	763,685,702	1,218,889,650
Cash from operations	1,510,421,588	25,578,244
Direct taxes paid (net of refunds)	(191,265,082)	(24,369,747)
Net cash from operating activities	1,319,156,506	1,208,497
B. Cash used in investing activities		
Purchase of fixed assets	(6,957,485,294)	(5,937,399,886)
Proceeds from sale of fixed assets	49,118,966	86,183,105
Investment in associate	(750,000,000)	-
Investment in subsidiaries (net of cash acquired)	(870,000)	-
Investment in mutual funds	(26,000)	-
Proceeds from sale of Investment in subsidiaries (net of cash balance)	57,816,889	-
Withdrawal of short term deposits (net)	256,961,946	349,034,649
Interest received	27,090,029	42,418,425
Dividends received	-	15,752
Net cash used in investing activities	(7,317,393,464)	(5,459,747,955)
C. Cash flows from financing activities		
Refund of share application money	-	(34,292)
Proceeds from issue of shares [net of expenses of Rs. 6,056,307 (Previous year: Rs. nil)]	1,493,943,567	1,030,328,570
Grant received	182,842,833	1,129,543,000
Proceeds from short term borrowings	272,942,373	-
Repayment of short term borrowings	(272,942,373)	3,047,264

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Proceeds from long term borrowings [net of expenses of Rs.8,591,526 (Previous year: Rs. 20,898,306)]	4,504,781,199	4,582,739,395
Repayment of long term borrowings	(593,036,933)	-
Repayment of unsecured loans to Holding company	(1,739,083,299)	(2,571,648,083)
Proceeds from unsecured loan from Holding company	4,083,719,169	2,029,556,945
Interest paid	(1,844,751,944)	(1,770,840,428)
Dividend paid (including tax)	(6,152)	(36,000)
Net cash from financing activities	6,088,408,440	4,432,656,371
Net increase / (decrease) in cash and cash equivalents	90,171,482	(1,025,883,087)
Cash and cash equivalents, beginning of the year	389,176,078	46,197,914
Add: on Amalgamation	-	1,368,861,251
	389,176,078	1,415,059,165
Cash and cash equivalents at the end of the year	479,347,560	389,176,078
Components of cash and cash equivalents		
Cash on hand	5,767,326	2,597,481
Balances with scheduled banks on:		
- on current accounts ¹	81,517,198	178,370,302
- on fixed deposits	513,808,500	586,909,553
- on unpaid dividend account ²	563,036	569,188
Cash and bank balances as per Schedule 9	601,656,060	768,446,524
Less: Fixed deposits not considered as cash equivalents	(122,308,500)	(379,270,446)
Cash and Cash Equivalents in Cash Flow Statement	479,347,560	389,176,078

Notes:

- Includes Rs. 484,870 (Previous year: Rs. 484,870) on account of unpaid share application money not available for use by the Company, as they represent corresponding liabilities.
- These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.
- During the previous year, the IVRCL Assets & Holdings Limited has undertaken a scheme of amalgamation with erstwhile IVR Strategic Resources and Services Limited (ISRSL) and erstwhile IVRCL Water Infrastructures Limited (IWIL). The total purchase consideration was discharged by issue of equity shares of the Company. (Refer note no. 3(a) of schedule 20)
- During the previous year, IVR Hotels & Resorts Limited has undertaken a scheme of arrangement in the nature of amalgamation with subsidiaries listed in note no. 3(b) of schedule 20. As the companies amalgamated are wholly owned subsidiaries of IVR Hotels & Resorts Limited, the amalgamation does not involve any consideration. (Refer note no. 3(b) of schedule 20)

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

Place : Hyderabad
Date : May 28, 2011

A.S. Pardha Saradhi
Company Secretary

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 1: Share capital		
Authorised		
270,000,000 (Previous year: 160,800,000) equity shares of Rs.10 each	<u>2,700,000,000</u>	<u>1,608,000,000</u>
Issued, subscribed and paid-up		
197,048,264 (Previous Year: 123,613,572) equity shares of Rs.10 each fully paid up	<u>1,970,482,640</u>	<u>1,236,135,720</u>
Notes:		
1. Paid up equity shares include 59,463,572 (Previous year: 59,463,572) shares, that were allotted as fully paid up pursuant to a Scheme of amalgamation, for consideration other than cash. (Refer note no. 3 of Schedule 20)		
2. Of the above 61,806,786 (Previous year: Nil) equity shares of Rs.10 each are allotted as fully paid up bonus shares by capitalisation of Securities Premium of Rs. 618,067,860 (Previous year: Rs. Nil)		
3. Of the above paid up equity shares, 149,195,366 (Previous Year: 99,463,577) equity shares are held by IVRCL Limited (Formerly known as IVRCL Infrastructures & Projects Limited), the Holding Company		
	<u>1,970,482,640</u>	<u>1,236,135,720</u>
Schedule 2: Reserves and surplus		
Capital reserve (Refer note no. 3(a) of schedule 20)	<u>12,531,527,143</u>	<u>12,531,527,143</u>
General reserve	<u>175,794,872</u>	<u>175,794,872</u>
Securities premium account		
Balance as per last account	<u>7,323,366,708</u>	<u>7,337,322,597</u>
Add: Received on preferential allotment of shares	<u>1,383,720,814</u>	-
Less: Issue of bonus shares	<u>618,067,860</u>	-
Less: Debenture/ share issue expenses [Net of deferred tax Rs. Nil (Previous year: Rs. 6,942,417)]	<u>14,647,833</u>	<u>13,955,889</u>
	<u>8,074,371,829</u>	<u>7,323,366,708</u>
Government grant	<u>1,311,199,789</u>	<u>1,128,356,956</u>
Profit and loss account balance	<u>-</u>	<u>550,810,115</u>
	<u>22,092,893,633</u>	<u>21,709,855,794</u>
Schedule 3: Secured loans		
(Refer note no. 7 of schedule 20)		
Debentures (Refer note no. 4(a) of schedule 20)		
(1,500 (Previous Year: 1,500) 9.5% secured redeemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in two equal installments at the end of 2nd and 3rd year from the date of allotment viz., March 10, 2010.)	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Term loans		
- from banks	<u>13,199,245,126</u>	<u>10,006,658,471</u>
- from financial institutions	<u>3,634,251,542</u>	<u>3,873,758,994</u>
	<u>18,333,496,668</u>	<u>15,380,417,465</u>
Schedule 4: Unsecured loans		
Loan from holding company		
[Repayable within one year Rs. 650,000,000 (Previous year: Rs. 1,300,000,000)]	<u>3,874,533,787</u>	<u>2,475,555,838</u>
Debentures (Refer note no. 4(b) of schedule 20)		
(1,000 (Previous year : Nil) 10.10% Unsecured redeemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in one installment at the end of 18 months from the date of allotment viz., June 25, 2010)	<u>1,000,000,000</u>	-
	<u>4,874,533,787</u>	<u>2,475,555,838</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

SCHEDULE - 5 FIXED ASSETS

Name of the Asset	Gross Block						Depreciation and amortization				Net Block	
	As at 01.04.2010	Additions during the year	Deletions	Adjustments	As at March 31, 2011	Upto April 01, 2010	For the year	Deletions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010	
Tangible Assets:												
Land												
-Freehold	209,813,434	13,738,570	(189,334,121) ⁵	535,840,268 ⁴	570,058,151	-	-	-	-	570,058,151	209,813,434	
-Leasehold	7,975,682	-	(7,975,682)	-	-	-	-	-	-	-	7,975,682	
Buildings	74,556,601	-	-	-	74,556,601	5,251,037	1,439,524	-	6,690,561	67,866,040	69,305,564	
Leasehold improvements	46,931,353	-	-	-	46,931,353	22,623,221	9,555,755	-	32,178,976	14,752,377	24,308,132	
Plant and Machinery												
-Water plant	-	5,516,210,352	-	-	5,516,210,352	-	199,490,347	-	199,490,347	5,316,720,005	-	
Plant and Machinery												
-Others	57,282,853	116,148,101	(50,615)	-	173,380,339	41,580,778	8,539,341	8,120	50,111,999	123,268,340	15,702,075	
Furniture	15,788,228	748,064	(23,221)	-	16,513,071	3,214,282	1,205,348	8,519	4,411,111	12,101,960	12,573,946	
Office Equipment	27,786,862	4,146,859	(85,250)	-	31,848,471	3,837,245	1,737,369	16,387	5,558,227	26,290,244	23,949,617	
Vehicles	35,844,556	5,912,118	(3,575,441)	-	38,181,233	8,082,438	3,401,664	422,469	11,061,633	27,119,600	27,762,118	
Computers	5,113,885	4,318,603	(71,004)	-	9,361,484	2,401,355	1,079,491	27,071	3,453,775	5,907,709	2,712,530	
Total Tangible Assets	481,093,454	5,661,222,667	(201,115,334)	535,840,268	6,477,041,055	86,990,356	226,448,839	482,566	312,956,629	6,164,004,426	394,103,098	
Intangible Assets:												
Toll collection rights	4,423,690,104	10,583,763,881	-	-	15,007,453,985	160,968,860	821,660,909	-	982,629,769	14,024,824,216	4,262,721,244	
Total Intangible Assets	4,423,690,104	10,583,763,881	-	-	15,007,453,985	160,968,860	821,660,909	-	982,629,769	14,024,824,216	4,262,721,244	
Total	4,904,783,558	16,244,986,548	(201,115,334)	535,840,268	21,484,495,040	247,959,216	1,048,109,748	482,566	1,295,586,398	20,188,908,642	4,656,824,342	
Previous year	201,539,834	4,809,436,545³	106,192,821	-	4,904,783,558	25,140,432	238,306,281³	15,487,497	247,959,216	4,656,824,342	16,887,138,100	

Capital work in progress including capital advances⁶⁾

Notes:

1. Depreciation amounting to Rs. 1,323,528 (Previous year: Rs. 4,261,327) for the year ended March 31, 2011 transferred to expenditure during construction period pending allocation.
2. Includes capital advance of Rs. 2,333,208,917 (Previous year: Rs. 1,504,187,723) and expenditure during construction period pending allocation of Rs. 535,980,157 (Previous year: Rs. 2,445,245,975). (Refer note no. 8 of schedule 20).
3. Additions and accumulated depreciation include Rs. Nil (Previous year: Rs.374,490,042) and Rs. Nil (Previous year: Rs. 46,179,343) respectively on account of amalgamation.
4. Adjustment represents cost of freehold land and land development rights transferred from inventory. (Refer note no. 15 of schedule 20)
5. Includes Rs. 100,990,582 on account of sale of subsidiary.

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 6:		
Investments (Long term, unquoted) (At cost)		
Trade		
In Associate:		
IOT Utkal Energy Services Limited (including goodwill of Rs. 176,626,586 (Previous year: Rs. Nil))	923,760,000	-
(75,000,000 (Previous year: Nil) equity shares of face value Rs.10 each fully paid-up)		
Less: Share in loss from associate for the year	(933,836)	-
	<u>922,826,164</u>	-
Other than trade		
In Government Securities (National Savings Certificate)	26,000	-
	<u>922,852,164</u>	-
Schedule 7:		
Inventories (At lower of cost and net realisable value)		
<i>(Refer note nos. 15 and 16 of schedule 20)</i>		
Residential properties	75,285,999	71,151,724
Plots stock	258,656,198	-
Freehold land	4,144,682,548	3,741,082,889
Work in progress	1,091,277,085	937,490,238
Development rights for land <i>(Refer note no. 17 of schedule 20)</i>	2,301,729,868	2,978,731,615
Property development rights <i>(Refer note no. 18 of schedule 20)</i>	7,339,564,406	7,106,174,431
	<u>15,211,196,104</u>	<u>14,834,630,897</u>
Schedule 8:		
Sundry debtors		
Outstanding for a period exceeding six months (Unsecured, considered good)	83,306,813	64,637,790
Other debts		
- Secured, considered good	-	271,937,374
- Unsecured, considered good	892,294,780	13,657,335
	<u>975,601,593</u>	<u>350,232,499</u>
Schedule 9:		
Cash and bank balances		
Cash on hand	5,767,326	2,597,481
Balances with scheduled banks:		
- On current accounts ¹	81,517,198	178,370,302
- On unpaid dividend account	563,036	569,188
- On fixed deposits accounts	513,808,500	586,909,553
Note:		
1. Includes on account of unpaid share application money Rs. 484,870 (Previous year: Rs. 484,870)		
	<u>601,656,060</u>	<u>768,446,524</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2011	As at March 31, 2010
Schedule 10:		
Other current assets (Unsecured, considered good)		
Unbilled revenue	15,242,468	761,980,257
Interest accrued on deposits and others	7,474,282	8,493,868
	<u>22,716,750</u>	<u>770,474,125</u>
Schedule 11:		
Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	866,790,796	1,031,009,592
Deposits	35,444,365	29,044,911
Advance for purchase of land	682,974,391	991,964,121
Mobilisation advance	216,612,632	-
Balances with customs, excise etc.	52,794,212	-
MAT credit entitlement	123,454	-
Advance tax (net of provision)	260,223,150	62,714,223
	<u>2,114,963,000</u>	<u>2,114,732,847</u>
Schedule 12:		
Current liabilities		
Sundry creditors	1,625,781,053	485,657,233
Advance from customers	204,790,228	140,683,634
Mobilisation advance received	254,937,124	-
Dues to Holding Company	2,345,987,083	910,965,919
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
(a) Unpaid dividend	563,036	569,188
(b) Unpaid application money received for allotment of securities and due for refund	484,870	484,870
Retention money payable	70,626,791	20,671,292
Interest accrued but not due on loans	179,221,763	19,206,083
Other liabilities	220,873,702	211,864,170
Amounts payable in respect on development rights (Refer note no. 18 of schedule 20)	4,010,653,333	3,721,333,615
	<u>8,913,918,983</u>	<u>5,511,436,004</u>
Schedule 13:		
Provisions		
Provision for income tax (net of advance tax)	853,379	-
Provision for gratuity (Refer note no. 19(b) of schedule 20)	7,418,058	1,381,982
Provision for compensated absences	4,086,795	2,832,421
Provision for resurfacing obligation (Refer note no. 23 of schedule 20)	139,900,255	16,102,137
	<u>152,258,487</u>	<u>20,316,540</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Schedule 14:		
Income from operations		
Sale of land and development rights [net of cancellations Rs. 2,450,000 (Previous year: Rs. Nil)]	51,008,620	578,501,673
Sale of flats, villas and plots [net of cancellations Rs.35,944,882 (Previous year: Rs. 391,165,678)]	32,230,614	(376,374,078)
Sewage treatment revenue	16,509,084	16,557,790
Sale of bulk water	1,143,281,145	-
Income from toll collection	740,245,332	183,643,881
Project management consultancy services	116,006,840	-
Construction revenue	6,661,990,966	1,187,987,892
	<u>8,761,272,601</u>	<u>1,590,317,158</u>
Schedule 15:		
Other income		
Interest on bank deposits	20,048,447	44,469,346
Interest on others	6,021,996	-
Dividend from non-trade current investments (mutual funds)	-	15,752
Profit on sale of subsidiaries	89,284,903	-
Liabilities/provisions no longer required written back	13,682,641	6,790,594
Miscellaneous income	8,382,269	10,303,895
	<u>137,420,256</u>	<u>61,579,587</u>
Schedule 16:		
Cost of sales		
Cost of sale of land	-	87,440,951
Cost of development rights [net of cancellations Rs. 7,713,026 (Previous year: Rs. 12,524,822)]	65,021,640	124,703,135
Decrease / (increase) in inventories:		
Opening stock		
Residential properties	71,151,724	71,103,162
Add: Transfer to plot stock from freehold land and development rights	268,267,957	-
Less: Transfer to Capital Work-in-progress	(10,071,296)	-
	<u>258,196,661</u>	<u>71,103,162</u>
Work-in-progress	937,490,238	901,382,479
Closing stock		
Residential properties	75,285,999	71,151,724
Plots stock	258,656,198	-
Work-in-progress	1,091,277,085	937,490,238
	<u>(158,380,659)</u>	<u>(36,156,321)</u>
Cost of development [net of cancellations Rs. 11,996,431 (Previous year Rs. 234,470,340)]	176,729,442	(57,807,468)
Provision for resurfacing obligation (Refer note no. 23 of schedule 20)	123,798,118	16,102,137
Operation and maintenance expenses	720,969,256	20,718,401
Construction cost (sub-contractor expenses)	6,287,369,573	1,119,287,877
	<u>7,215,507,370</u>	<u>1,274,288,712</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Schedule 17:		
Personnel expenses		
Salaries, wages and bonus	99,917,211	50,145,811
Contribution to provident and other funds (Refer note no. 19(a) of schedule 20)	7,466,092	1,888,455
Retirement benefits	2,461,687	-
Staff welfare expenses	4,898,700	5,181,074
	<u>114,743,690</u>	<u>57,215,340</u>
Less: Amount transferred to capital work-in-progress	(32,739,497)	(19,326,520)
Less: Amount transferred to development work-in-progress	(12,487,959)	(348,032)
	<u>69,516,234</u>	<u>37,540,788</u>
Schedule 18:		
Administrative and other expenses		
Rent	10,514,181	7,295,794
Rates and taxes	20,174,169	17,072,974
Insurance	5,785,366	968,960
Repairs and maintenance - others	643,353	2,900,993
Legal and professional charges	51,694,950	34,603,687
Travelling expenses	16,455,876	3,507,747
Communication cost	1,706,931	797,648
Vehicle maintenance	1,442,424	1,677,744
Office maintenance	6,575,834	3,448,163
Advertisement and business promotion expenses	15,546,586	944,598
Printing and stationery	3,173,187	1,285,025
Auditor's remuneration (Refer note no. 20 of schedule 20)	5,434,328	2,877,800
Directors sitting fee	120,000	85,000
Loss on sale of fixed assets	41,918,048	189,761
Premium on derivatives	17,823,146	-
Foreign exchange loss (net)	35,250,842	-
Tender charges	12,767,231	-
Preliminary expenses written off	-	5,664,913
Miscellaneous expenses	16,994,306	2,877,683
	<u>264,020,758</u>	<u>86,198,490</u>
Less: Amount transferred to development work-in-progress	(6,204,020)	-
	<u>257,816,738</u>	<u>86,198,490</u>
Schedule 19:		
Financial expenses		
Interest on fixed period loans	1,766,143,161	1,607,884,036
Less: Amount transferred to property development rights	(46,016,090)	(124,313,426)
Less: Amount transferred to capital work-in-progress	(346,149,757)	(1,089,201,424)
	<u>1,373,977,314</u>	<u>394,369,186</u>
Interest on debentures	219,979,452	8,589,041
Interest on others	270,168,481	266,024,727
Less: Amount transferred to property development rights	(149,577,637)	(266,024,727)
	<u>120,590,844</u>	<u>-</u>
Bank charges	2,694,505	117,917
	<u>1,717,242,115</u>	<u>403,076,144</u>

SCHEDULES - 20 NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

1. Nature of operations

IVRCL Assets & Holdings Limited (the "Company") is a Company registered under the Companies Act, 1956. The Company together with its subsidiaries and an associate (collectively termed as "The Group") is engaged in the business of Development, Operations & Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space in the verticals of Highways, Water [including desalination], Tankages, Multi level parking facilities for Central and State Governments, local bodies and private sector in the country. In addition, the Group is engaged in the business of development of projects relating to townships, mega malls, real estate property development etc.

2. Significant Accounting Policies

a) Method of accounting

The accompanying consolidated financial statements have been prepared under the historical cost convention, on accrual basis, in conformity in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Principles of Consolidation

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.

Investments in Consolidated Financial Statements are accounted in accordance with accounting principles as defined in the AS 21 "Consolidated Financial Statements" and AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements", under Equity method notified by Companies Accounting Standards Rules, 2006 (as amended). The Consolidated Financial Statements are prepared on the following basis:

- i) Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except in case of Build, Operate and Transfer (BOT) contracts as discussed below.
- 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 the Company, 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) The difference between the cost to the Group of investments in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.
- iv) Interest in associate are accounted for in consolidated financial statement under equity method as per Accounting Standard 23 – Accounting in Investment in Associates in Consolidated Financial Statement.
- v) Minorities' interest in net profits/ losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.
- vi) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2011.
- vii) The Consolidated Financial Statements for the year ended March 31, 2011 have been prepared on the basis of the financial statements of the following subsidiaries and associate

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

SI No.	Name of the Consolidated Entities	Country of Incorporation	% of Interest as at March 31,	
			2011	2010
	Subsidiaries			
1.	IVR Hotels and Resorts Limited	India	66.88%	66.88%
2.	Mummidi Developers Private Limited	India	100.00%	100.00%
3.	Samatteri Developers Private Limited	India	100.00%	100.00%
4.	IVR Prime Developers (Amalapuram) Private Limited	India	100.00%	100.00%
5.	IVR Prime Developers (Guntur) Private Limited	India	100.00%	100.00%
6.	Absorption Aircon Engineers Private Limited	India	100.00%	100.00%
7.	IVR Prime Developers (Thandiarpet) Private Limited	India	100.00%	100.00%
8.	IVR Prime Developers (Gummidipundi) Private Limited	India	100.00%	100.00%
9.	IVR Prime Developers (Kodambakkam) Private Limited	India	100.00%	100.00%
10.	IVR Prime Developers (Arumbakkam) Private Limited	India	100.00%	100.00%
11.	IVR Prime Developers (Anna Nagar) Private Limited	India	100.00%	100.00%
12.	IVR Prime Developers (Pallavaram) Private Limited	India	100.00%	100.00%
13.	IVR Prime Developers (West Mambalam) Private Limited	India	100.00%	100.00%
14.	Bibinagar Developers Private Limited	India	100.00%	100.00%
15.	IVR Prime Developers (Anakapalle) Private Limited	India	100.00%	100.00%
16.	IVR Prime Developers (Rajampeta) Private Limited	India	100.00%	100.00%
17.	IVR Prime Developers (Tanuku) Private Limited	India	100.00%	100.00%
18.	IVR Prime Developers (Red Hills) Private Limited	India	100.00%	100.00%
19.	IVR Prime Developers (Rajahmundry) Private Limited	India	100.00%	100.00%
20.	IVR Prime Developers (Tuni) Private Limited	India	100.00%	100.00%
21.	IVR Prime Developers (Bobbili) Private Limited	India	100.00%	100.00%
22.	IVR Prime Developers (Bhimavaram) Private Limited	India	100.00%	100.00%
23.	GSVK Manpower Supply & Services Private Limited (Formerly IVR Prime Developers (Valasaravakkam) Private Limited)	India	100.00%	100.00%
24.	Simhachalam Prime Developers Private Limited	India	100.00%	100.00%
25.	Agaram Developers Private Limited	India	100.00%	100.00%
26.	Siripuram Developers Private Limited	India	100.00%	100.00%
27.	IVR Prime Developers (Araku) Private Limited	India	100.00%	100.00%
28.	IVR Prime Developers (Erode) Private Limited	India	100.00%	100.00%
29.	IVR Prime Developers (Kakinada) Private Limited	India	100.00%	100.00%
30.	IVR Prime Developers (Pudukkottai) Private Limited	India	100.00%	100.00%
31.	Annupampattu Developers Private Limited	India	100.00%	100.00%
32.	Ilavampedu Developers Private Limited	India	100.00%	100.00%
33.	IVRCL Mega Malls Limited	India	100.00%	100.00%
34.	Chodavaram Developers Private Limited	India	100.00%	100.00%
35.	Gajuwaka Developers Private Limited	India	100.00%	100.00%
36.	Tirumani Developers Private Limited	India	100.00%	100.00%
37.	IVR Prime Developers (Adayar) Private Limited	India	100.00%	100.00%
38.	IVR Prime Developers (Ananthapuram) Private Limited	India	100.00%	100.00%
39.	IVR Prime Developers (Perambadur) Private Limited	India	100.00%	100.00%
40.	IVR Prime Developers (Egmore) Private Limited	India	100.00%	100.00%
41.	IVR Prime Developers (Tambaram) Private Limited	India	100.00%	100.00%
42.	IVR Prime Developers (Ashram) Private Limited	India	100.00%	100.00%

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Sl No.	Name of the Consolidated Entities	Country of Incorporation	% of Interest as at March 31,	
			2011	2010
43.	IVR Prime Developers (Retiral Homes) Private Limited	India	100.00%	100.00%
44.	IVR Prime Developers (Avadi) Private Limited	India	100.00%	100.00%
45.	IVR Prime Developers (Alwarpet) Private Limited	India	100.00%	100.00%
46.	IVR Prime Developers (Mylapore) Private Limited	India	100.00%	100.00%
47.	IVR Vaanaprastha Private Limited	India	66.67%	66.67%
48.	IVR PUDL Resorts & Clubs Private Limited	India	66.67%	66.67%
49.	IVR Prime Developers (Nellore) Private Limited	India	100.00%	100.00%
50.	Duvvda Developers Private Limited	India	100.00%	100.00%
51.	Gamaa Developers Private Limited	India	100.00%	100.00%
52.	Kasibugga Developers Private Limited	India	100.00%	100.00%
53.	Vedurwada Developers Private Limited	India	100.00%	100.00%
54.	Eluru Developers Private Limited	India	100.00%	100.00%
55.	Geo Prime Developers Private Limited	India	100.00%	100.00%
56.	Theata Developers Private Limited	India	100.00%	100.00%
57.	Vijayawada Developers Private Limited	India	100.00%	100.00%
58.	Kunnam Developers Private Limited	India	100.00%	100.00%
59.	Papankuzhi Developers Private Limited	India	100.00%	100.00%
60.	Haripuram Developers private Limited	India	100.00%	100.00%
61.	Rudravaram Developers Private Limited	India	100.00%	100.00%
62.	IVRCL Prime Developers (Pallakad) Private Limited ^{3, 5}	India	-	100.00%
63.	IVRCL Prime Developers (Guindy) Private Limited ^{3, 5}	India	-	100.00%
64.	Geo IVRCL Engineering Limited	India	100.00%	100.00%
65.	First STP Private Limited ³	India	95.00%	95.00%
66.	IVRCL Building Products Limited ^{3, 5}	India	-	60.00%
67.	Alkor Petroo Limited ^{3, 5}	India	-	84.91%
68.	Kumarapalayam Tollways Limited ³	India	99.85%	99.85%
69.	Salem Tollways Limited ³	India	99.90%	99.90%
70.	Jalandhar Amritsar Tollways Limited ³	India	99.89%	99.89%
71.	SPB Developers Private Limited ³	India	100.00%	99.86%
72.	Chennai Water Desalination Limited ^{2,3}	India	74.97%	74.97%
73.	Sion Panvel Tollways Private Limited ^{1, 3}	India	51.00%	51.00%
74.	IVRCL Indore Gujarat Tollways Limited ¹	India	99.63%	99.50%
75.	IVRCL Chengapalli Tollways Limited ⁶	India	99.99%	-
76.	IVRCL Goa Tollways Limited ⁶	India	98.00%	-
77.	IVRCL Chandrapur Tollways Limited ⁶	India	99.68%	-
78.	IVRCL Multilevel Car Parking Private Limited ⁶	India	51.00%	-
	Associate			
1.	IOT Utkal Energy Services Limited ⁴	India	37.50%	-

Notes:

- Consolidated based on management certified accounts in the previous year.
- Consolidated based on management certified accounts in the current year.
- Investments acquired on account of amalgamation during the previous year (Refer note no 3(a) of schedule 20).
- IOT Utkal Energy Services Limited has become an associate with effect from June 04, 2010.
- Considered for consolidation up to the date of sale, i.e. November 12, 2010
- Subsidiary has been incorporated during the year.
- Company bought 9,000 shares of IVRCL Patalaganga Truck Terminals Private Limited at a cost of Rs. 90,000 and has disposed the investment during the year at cost.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

c) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and results of operations during the reporting period. Examples of such estimates include computation of percentage of completion for projects in progress, project cost estimates, road traffic estimates, discount rates, income taxes, provision for bad and doubtful debts and advances. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Inventories

- a) Residential properties includes cost incurred towards development of such properties.
- b) Plots stock represents cost of freehold land and land development rights segregated as plot for the purpose of development of township.
- c) Freehold land purchased for the purpose of real estate development is considered as inventory.
- d) 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.
- e) Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.
- f) Stores and spares are valued lower of cost and net realizable value.

Inventories are valued at lower of cost and net realizable value. 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 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.

e) Fixed Assets

a) Tangible Assets

Fixed Assets are stated at cost, less accumulated depreciation, amortisation and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.

b) Toll collection rights

Toll Collection Rights have been 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 rights comprises construction cost and other preoperative costs incurred during the implementation phase.

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 amortized but is tested for impairment on a periodic basis and impairment losses are recognized where applicable.

f) Expenditure incurred during construction period pending allocation

Expenditure directly relating to construction activity is capitalised. Indirect expenditure is capitalized to the extent those relate to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.

g) Depreciation and Amortization

a) Depreciation

Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as estimated by the management which coincides with the rates prescribed under Schedule XIV to the Companies Act, 1956 except for leasehold improvements, which are amortised over the primary period of lease of 4 years. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

b) Amortization

Toll Collection Rights are amortised over the period of 15 to 20 years representing the concession period over which the Group has right to collect tolls.

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) Recognition of revenue from real estate projects

Revenue from real estate projects is recognised when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

• 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 recognised 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. Sale consideration is determined through agreement of sale or registration of sale deed. Revenue recognised is net of adjustment on account of cancellations.

However, 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.

In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India (the "ICAI") 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.

ii) Construction Revenue

Revenue from long term construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard AS - 7 "Construction Contracts" notified by the Companies (Accounting Standards) Rules, 2006 (as amended). Percentage of completion is determined on the basis of survey of work performed. 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.

iii) Sale of bulk water

Sale of bulk water includes water capacity charges and water variable charges. Water capacity charges are recorded on accrual basis as per the terms of the agreement with 'Chennai Metropolitan Water Supply and Sewerage Board' (CMWSSB). Water variable charges are accrued on supply of water as per the terms of the agreement.

iv) 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.

v) Project management consultancy services

Revenues from sale of Project Management Services are recognised pro-rata over the period of the contract as and when services are rendered as per the terms of agreement.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

vi) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

vii) Dividend Income

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

i) Unbilled Revenue

Unbilled revenue disclosed under Schedule 10 – "Other Current Assets" represents revenue recognized based on "Percentage of completion method" over and above the amount billed as per the payment plans agreed with the customers.

j) Government grants

Grants from the government are recognized 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 "Accounting for Government Grants".

k) 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 AS - 15 "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

- i) Retirement benefits in the form of Provident and Superannuation funds are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l) Income taxes

Tax expense consists of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

m) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment Reporting Policies

a) Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business.

b) Inter segment Transfers

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

c) Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

d) Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

p) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

q) Leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Profit and Loss account on a straight-line basis over the lease term.

r) Foreign currency translation

Foreign currency transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences, in respect of accounting periods commencing on or after December 07, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2011.

iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. However, exchange difference in respect of accounting period commencing on or after 7th December, 2006 arising on the forward exchange contract undertaken to hedge the long term foreign currency monetary item, in so far as they relate to the acquisition of depreciable capital asset, are added to or deducted from the cost of asset and in other cases, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset / liability but not beyond 31st March, 2011.

s) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11 "The Effects of Changes in Foreign Exchange Rates (revised 2003)", are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

t) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

u) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) Land

Advances for purchase of land include deposits paid by the Company to the seller towards right for development of land. The deposit will get adjusted against seller's share of constructed area. Further, advance for purchases of land also includes, amount paid by the Company to the seller/ intermediary towards outright purchase of land, which gets adjusted on transfer of legal title to the Company after obtaining clear and marketable title, free from all encumbrances, and then transferred to Inventory.

3. Amalgamation

- a) During the previous year, the Company entered into a Scheme of Amalgamation (the "Scheme") with IVR Strategic Resources & Services Limited (ISRSL) and IVRCL Water Infrastructures Limited (IWIL) ("transferor companies"). The transferor companies were engaged in the business of executing various Road and Water BOT projects. The Scheme was sanctioned by the Honourable High Court of Judicature at Hyderabad vide its Order dated February 26, 2010.

The salient provisions of the said Scheme as approved by the Honourable High Court were as follows:

- i) The Scheme of Amalgamation became effective on April 01, 2009, the appointed date.
- ii) The assets, liabilities, rights and obligations of erstwhile ISRSL and IWIL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting prescribed by Accounting Standard 14 – "Accounting for amalgamations".

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

- iii) In consideration of amalgamation of ISRSL and IWIL with the Company, 59,463,572 equity shares of Rs 10 each fully paid up amounting to Rs. 594,635,720 were issued to the equity share holders of ISRSL and IWIL whose names were registered in the register of members of ISRSL and IWIL respectively on record date.
 - iv) Excess of fair value of net assets taken over by the Company over the face value of equity shares issued amounting to Rs. 12,531,527,143 has been credited to Capital Reserve Account in accordance with the Scheme. Had the Scheme not prescribed this accounting treatment, the aggregate amount of Rs. 12,531,527,143 would have credited to Securities Premium account during the previous year instead of Capital Reserve Account in accordance with Accounting Standard 14 - "Accounting for amalgamations".
- b) During the previous year, the following subsidiaries of IVR Hotels and Resorts Limited, which were engaged in real estate business, had entered into Scheme of Arrangement in the nature of amalgamation with IVR Hotels and Resorts Limited. Scheme of Arrangement was sanctioned by the Honourable High Court of Judicature at Hyderabad vide its Orders dated June 23, 2009 and March 19, 2010.

Following were the names of the Transferor Companies:

- i) Velursantha Developers Private Limited
- ii) M.M.Kuppam Developers Private Limited
- iii) Lamda Developers Private Limited
- iv) Kappa Developers Private Limited
- v) IOTA Developers Private Limited
- vi) Annavaram Developers Private Limited
- vii) IVR Prime Developers (Godavari) Private Limited
- viii) ETA Developers Private Limited

The salient provisions of the Scheme as approved by the Honourable High Court were as follows:

- i) The Scheme of Amalgamation became effective on April 01, 2009.
- ii) The assets, liabilities, rights and obligations of erstwhile above mentioned subsidiaries have been transferred to and vested with the IVR Hotels and Resorts Limited with effect from 1st April, 2009 and have been recorded at their book values, under the pooling of interests method prescribed by Accounting Standard 14 – "Accounting for amalgamations".
- iii) As the transferor companies are wholly owned subsidiaries of IVR Hotels and Resorts Limited, the amalgamation does not involve any consideration.
- iv) The transferor companies shall stand dissolved without going through the process of winding up.

4. Issue of Debentures

a) Secured debentures

During the previous year, the Company had issued 1,500 secured redeemable non-convertible debentures of face value of Rs. 1,000,000 each, carrying a rate of interest of 9.5% per annum payable on a quarterly basis with a tenor of 3 years. The Company has not created a Debenture Redemption Reserve in respect of such debenture to the extent of Rs. 165,667,808 (Previous year: Rs. 8,989,726) under Section 117C of the Companies Act, 1956 due to losses incurred during the current and previous year. The Company has executed the trust deed and has created charge on the security.

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. Nil (Previous year: Rs. 13,955,889) have been debited to Securities Premium Account net of deferred tax adjustment amounting to Rs. Nil (Previous year: Rs 6,942,417).

b) Unsecured debentures

During the current year, the Company has issued 1,000 unsecured redeemable non-convertible debentures of face value of Rs. 1,000,000 each, carrying an rate of interest of 10.10% per annum payable on a quarterly basis with a tenor of 18 months. The Company has not created a Debenture Redemption Reserve in respect of such debenture to the extent of Rs. 127,853,881 (Previous year: Rs. Nil) under Section 117C of the Companies Act, 1956 due to losses incurred during the current year.

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. 8,591,526 (Previous year: Rs. Nil) have been debited to Securities Premium Account.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

5. 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 Rs. 1,306,261,484 (Previous Year - Rs. Nil) and Rs. 102,654,794 (Previous Year - Rs. Nil) respectively. These intra-group transactions and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

6. Deferred Tax Assets (net)

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability:		
Difference between book and tax depreciation	(3,646,109)	(3,304,979)
Total Deferred Tax Liability	(3,646,109)	(3,304,979)
Deferred Tax Assets:		
Provision for Bonus and exgratia	757,245	318,739
Provision for gratuity and leave encashment	2,551,579	1,358,747
Initial Public offer expenses	-	53,601,023
Amalgamation expenses	-	7,130,252
Carry forward loss	-	76,605,383
Unabsorbed depreciation	337,285	5,879,360
Total Deferred Tax Assets	3,646,109	144,893,504
Deferred Tax Assets (net)	-	141,588,525

Notes:

- In previous year, based on estimated margins on unexecuted committed construction contracts in hand, the Group expected to generate sufficient taxable income in future years to enable it to utilize all deferred tax assets and accordingly deferred tax assets were recognized on virtual certainty principles. However, having regard to the losses incurred in the current year, the carrying amount of deferred tax assets is reviewed and the Group has written down the carrying amount of deferred tax asset to the extent that it is no longer virtually certain, that sufficient future taxable income will be available against which the deferred tax asset can be realized.
- During the current year, the Holding Company has transferred certain employees to the Company pursuant to which liability of Rs. 5,078,108 was transferred net of deferred tax asset of Rs. 2,525,843.

7. Secured Loans

Secured loans taken by the Group are given below:

S.No	Name of the entities to which secured loans pertains	As at March 31, 2011	As at March 31, 2010
a)	IVRCL Assets & Holdings Limited	3,000,000,000	3,000,000,000
b)	Kumarapalayam Tollways Limited	3,331,581,236	3,370,818,115
c)	Salem Tollways Limited	2,413,901,694	2,428,300,000
d)	Jalandhar Amritsar Tollways Limited	2,109,813,004	2,281,300,000
e)	SPB Developers Private Limited	952,600,000	492,000,000
f)	Chennai Water Desalination Limited	3,474,300,734	3,807,999,350
g)	IVRCL Indore Gujarat Tollways Limited	3,051,300,000	-
	Total	18,333,496,668	15,380,417,465

The details of the security are as follows:

a) IVRCL Assets & Holdings Limited

Debentures – Rs. 1,500,000,000

Secured by first ranking charge by way of equitable mortgage over vacant freehold urban land owned by the Company, the subsidiaries and/or any other individual or entity acceptable to the debenture trustee and by irrevocable and unconditional corporate guarantee given by Holding Company.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Other loans – Rs. 1,500,000,000

Secured by pledge of 49% of shares held by the Company in equity share capital of Salem Tollways Limited, Kumarapalayam Tollways Limited and Jalandhar Amritsar Tollways Limited and by irrevocable and unconditional corporate guarantee given by Holding Company.

b) Kumarapalayam Tollways Limited

Term Loan – Rs. 3,331,581,236

The term loan is secured by pari pasu 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 including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Kumarapalayam Chengapalli section of NH-47 from km 48.510 km 100.000 to in the state of Tamil Nadu on BOT Toll basis, Borrowers bank account, Escrow Account, Debt Service Reserve 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 shares constituting 51% of the issued and paid up share capital of the Company held by the pledgor.

c) Salem Tollways Limited

Term Loan – Rs. 2,413,901,694

The term loan is secured by pari pasu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future), operating cashflows, bookdebts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Salem - Kumarapalayam section of NH-47 from km 00.000 to km 53 in the state of Tamil Nadu on BOT 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 shares constituting 51% of the issued and paid up share capital of the Company held by the pledgor.

d) Jalandhar Amritsar Tollways Limited

Term Loan – Rs. 2,109,813,004

The term loan is secured by pari pasu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future), operating cashflows, bookdebts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Jalandhar-Amritsar section of NH-1 from km 407.100 to km 456.100 in the state of Punjab on a BOT 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 shares constituting 10% of the issued and paid up share capital of the Company held by the pledgor.

e) SPB Developers Private Limited

Term Loan – Rs. 952,600,000

- i) A First Charge of all the Book Debts, Operating Cash Flows, Revenues and Receivables of SPB Developers Private Limited, present and future including by way of a charge on the Escrow Accounts, Retention Accounts, Debt Service Reserve Accounts and Other reserves and Bank Accounts of SPB Developers Private Limited, wherever maintained.
- ii) A First Charge on the Escrow Accounts, Debt Service Reserve Accounts and Other Reserves and any other bank Accounts of SPB Developers Private Limited, wherever maintained.
- iii) A First Charge on all Intangibles of SPB Developers Private Limited including but not limited to Goodwill, Uncalled Capital, Present and Future.
- iv) Pledge of shares constituting 30% of the issued and paid up share capital of SPB Developers Private Limited held by the Sponsors. The Shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including Shareholder Agreement, Joint Venture Agreement, Financing Agreement with regard to Pledge/Transfer of the shares including transfer upon enforcement of the pledge sec 19/2 of BR Act to be ensured.

f) Chennai Water Desalination Limited

Term Loan – Rs. 3,474,300,734

- i) A First Charge by way of mortgage of all the immovable properties of Chennai Water Desalination Limited, present and future.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

- ii) A 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.
- iii) First charge on all book debts, operating cash flow, revenues and receivables, uncalled capital of Chennai Water Desalination Limited, 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 Chennai Water Desalination Limited subject only to the charge of working capital lenders for their loans to the extent of Rs. 10 Crores to the project on the operating cash flows.
- iv) Pledge of shares constituting 78% of the issued and paid up share capital of the Company held by the pledgor.

g) IVRCL Indore Gujarat Tollways Limited

Term Loan - Rs. 3,051,300,000

- (i) The term loan is secured by pari pasu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & future) operating cashflows, bookdebts, 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 Design, Built, Finance, Operate and Transfer ('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.
- (ii) A first charge on Borrower's operating cash flows, book debts and receivables, Revenue Shortfall Loan to be received from NHAI and any other revenues and receivables of whatsoever nature and wherever arising both present and future;
- (iii) A first charges on all the Borrower's bank accounts including without limitation the Escrow Account and the Debt Service Reserve Account and each of the other accounts required to be created by the Borrower under any Project Document or contract.
- (iv) A first charges on all intangibles (other than Project Assets) of the Borrower, including but not limited to goodwill, uncalled capital and intellectual property rights, both present and future;
- (v) A first charges by way of assignment or creation of Security Interest in (i) all the right, title, interest, benefits, claims and demand whatsoever of the Borrower in the Project Documents and contracts, including the Concession Agreement, duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amend, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances' (iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantees, performance bond and liquidated damages provided by any party to the Project Documents and (iv) all Insurance Contracts/Insurance Proceeds

8. Expenditure incurred during construction period pending allocation

Particulars	As at March 31, 2011	As at March 31, 2010
Opening balance	2,445,245,975	1,803,347,131
Expenses incurred during the year		
Salary and wages and other benefits	32,739,497	19,326,520
Rent	518,850	124,635
Rates and taxes	831,541	1,194,974
Insurance	2,283,205	4,191,544
Repairs and maintenance – others	31,065,109	1,656,543
Legal and professional charges	307,480,213	64,911,193
Travelling expense	5,194,095	2,841,826
Communication cost	338,260	241,150
Printing and stationery	605,163	753,047
Survey expenses	139,376	4,613,972
Fees and licences	966,042	1,234,203
Depreciation	1,323,528	4,261,327
Interest on term loans	346,149,757	1,089,201,424

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2011	As at March 31, 2010
Bank charges	39,505,092	7,622,200
Performance test expenses	10,238,248	-
Foreign exchange loss	2,578,923	-
Miscellaneous expenses	13,372,826	7,578,064
Sub total – (A)	3,240,575,700	3,013,099,753
Less: Income earned during the year		
Interest income [Net of tax of Rs 521,677 (Previous year : Rs 9,035,192)]	1,326,602	19,379,380
Miscellaneous income	392,987	576,112
Foreign exchange gain	-	101,482,041
Sub total – (B)	1,719,589	121,437,533
Less: Transferred on sale of subsidiaries (C)	350,258,357	-
Less: Capitalized during the year (D)	2,352,617,597	446,416,245
Balance carried to Balance Sheet (A-B-C-D)	535,980,157	2,445,245,975

9. Contingent Liabilities

- Bank guarantees issued by banks Rs. 1,122,700,000 (Previous year: Rs. 2,408,260,000)
- Direct and indirect taxes under dispute Rs. 30,566,301 (Previous year: Rs. 30,566,301) [(Paid under protest Rs. 10,800,000 (Previous year: Rs. 10,800,000)].
- Claims against the Company not acknowledged as debts Rs. 564,376,848 (Previous year: Rs. 294,424,976) for interest on delayed payments.
- Arrears of cumulative preference dividend [including dividend distribution tax of Rs. 6,984,564 (Previous year: Rs. 1,337,821)] Rs. 50,039,359 (Previous year: Rs. 9,392,615)
- During the year 2006, Company had entered into Joint Development Agreements (JDAs) 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 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 per agreed terms for the delayed period.

As at March 31, 2011, 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 March 31, 2011.

- The Group has invested Rs. 12,521,655,107 (Previous year: Rs. 10,873,802,750) including goodwill of Rs. 6,912,390,759 (Previous year: Rs. 6,912,390,759) through equity and advances as at March 31, 2011 in the following three subsidiaries engaged in Road BOT Projects.

S. No	Name of the subsidiary	Month of Commencement of Operations	Carrying value of Goodwill as at March 31, 2011	Carrying value of Goodwill as at March 31, 2010
1	Kumarapalayam Tollways Limited	August 2009	4,092,243,442	4,092,243,442
2	Salem Tollways Limited	July, 2010	465,368,066	465,368,066
3	Jalandhar Amritsar Tollways Limited	April, 2010	2,354,779,251	2,354,779,251
	Total		6,912,390,759	6,912,390,759

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

These subsidiaries had been acquired through a scheme of amalgamation at fair values, determined based on the future projected cash flows of toll collections. (Refer Note No. 3(a) of Schedule 20)

Toll collections of the above subsidiaries of the current year are substantially lower than the earlier projected cash flows. However, the management on the basis of its estimates and projections of future cash flows, believes that the reduction in toll collections is temporary and accordingly no provision is necessary in the carrying value of aforesaid Goodwill.

11. Capital Commitments

Particulars	As at	As at
	March 31, 2011	March 31, 2010
Estimated amount of contracts remaining to be executed on capital Account	28,787,273,035	15,088,948,020

12. Disclosures under Accounting Standard 7 – Construction Contracts

Particulars	For the year ended	For the year ended
	March 31, 2011	March 31, 2010
Contract revenue recognized as revenue during the year	6,661,990,996	1,187,987,892
Contract costs incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	7,330,479,381	1,361,272,008
Advances received for contracts in progress	222,304,408	-
Retention due from customers for contracts in progress	41,646,480	9,001,601
Gross amount due from customers for contract works	15,242,468	761,980,257
Gross amounts due to customers for contract works	-	-

13. Leases

Operating Lease Obligations: The Company has taken office premises on operating lease. These are generally cancellable in nature. There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments recognized as expense in profit and loss account for the year aggregate to Rs. 10,514,181 (Previous year: Rs. 7,295,794).

14. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard AS-18 – “Related Party Disclosures” notified by Companies (Accounting Standards) Rules, 2006, (as amended).

14.1. List of Related Parties

a. Holding Company

IVRCL Limited (Formerly IVRCL Infrastructures & Projects Limited)

b. Fellow Subsidiary

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
1	IVRCL PSC Pipes Private Limited	9	Davymarkam Limited
2	IVR Enviro Projects Private Limited	10	IVRCL Holdings & Services Pte. Limited
3	IVRCL – Cadagua Hogenakkal Water Private Limited	11	HDO UK Limited (formerly known as IMCO (22010) Limited)
4	IVRCL Steel Constructions and Services Limited	12	Alkor Petroo Limited
5	IVRCL Infrastructures and Projects (Botswana) (Pty) Limited*	13	IVRCL Building Products Limited
6	Hindustan Dorr-Oliver Limited	14	IVR Prime Developers (Palakkad) Private Limited
7	HDO Technologies Limited	15	IVR Prime Developers (Guindy) Private Limited
8	Davymarkham Holdings Limited*	16	IVRCL Patalaganga Truck Terminals Private Limited

* Closed the operations during the year.

c. Associate

S.No	Name of the Associate
1	IOT Utkal Energy Services Limited *

* Associate with effect from June 04, 2010

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

d. Key Management Personnel and their Relatives

S.No	Name of Key Managerial Personnel or Relative	Relationship
1	Mr. E. Sudhir Reddy	Chairman
2	Mr. E. Sunil Reddy	Vice Chairman and Managing Director
3	Mr. S. Ramachandran *	Managing Director (BOOT Projects)
4	Mr. R. Balarami Reddy	Director
5	Mr. E Ella Reddy	Relative of Chairman
6	Mrs. E Sujatha Reddy	Relative of Chairman
7	Mrs. E Indira Reddy	Relative of Chairman

* Appointed with effect from April 14, 2010.

e. Companies owned by or where significant influence exercised by Key Management Personnel and their Relatives

Sl. No.	Name of the Company	Sl. No.	Name of the Fellow Subsidiary
1	Palladium Infrastructure and Projects Limited	2	A.P Enercon Engineers Private Limited
3.	Indus Palms Hotels & Resorts Limited	4	Soma Hotels & Resorts Limited

14.2 Transactions with related parties

a. Transaction with Holding Company

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	As at March 31, 2011	As at March 31, 2010
IVRCL Limited (Formerly IVRCL Infrastructures & Projects Limited*)			(3,970,354,232)	(1,881,015,043)
Capital works	6,084,629,834	4,261,835,253		
Utility shifting	26,940,814	87,618,687		
Construction revenue	1,055,191,855	448,493,360		
Project management consultancy services	116,006,840	-		
Sale of goods	-	7,664,510		
Construction cost	5,245,667,940	700,643,276		
Purchase of goods	4,865,664	-		
Interest expense	344,362,609	386,974,355		
Legal and professional fee	243,763,000	-		
Rent expense	5,708,364	844,635		
Issue of equity shares	-	594,635,720		
Issue of bonus shares	497,317,885	-		
Sale of fixed assets	-	86,066,124		
Purchase of fixed assets	115,151,960	-		
Unsecured loans received	4,083,719,169	2,029,556,945		
Unsecured loan repaid	1,739,083,299	2,571,648,083		
Acquisition of subsidiaries	870,000	-		
Sale of Subsidiaries	76,219,950	-		
Mobilization advance paid	2,133,390,400	1,504,187,723		
Mobilization advance received	124,243,400	-		
Retirement benefits transferred (net of deferred tax asset of Rs. 2,525,843)	5,078,108	-		
Reimbursement of expenses incurred by Holding Company	62,480,909	24,252,291		

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

* The Holding Company has given guarantees amounting of Rs. 4,587,500,000 (Previous year: Rs. 5,055,000,000) towards fund and non-fund based requirements of the Group. The closing balance of above guarantees amount to Rs. 4,587,500,000 (Previous year: Rs. 5,055,000,000). Further, the Holding Company has given corporate guarantee of Rs. 3,169,505,000 (Previous year: Rs. Nil) against mobilization advance. The closing balance of same is Rs. 3,169,505,000 (Previous year: Rs. Nil).

b. Transactions with Fellow Subsidiaries

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	As at March 31, 2011	As at March 31, 2010
Hindustan Dorr-Oliver Limited Acquisition / (sale) of development rights	-	(26,639,692) *	-	1,073,138
IVRCL Steel Constructions and Services Limited Acquisition / (sale) of development rights	72,725,915	34,696,525	-	-

* Pertains to cancellation of development rights of land.

c. Transactions with Associate

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	As at March 31, 2011	As at March 31, 2010
IOT Utkal Energy Services Limited * Construction revenue	3,899,360,543	-	421,805,241	-
Mobilization advance received	633,740,000	-	-	-
Investment in equity shares	750,000,000	-	-	-

* 49% of the investment in the Associate has been pledged.

d. Transactions with Key managerial personnel or relatives

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	As at March 31, 2011	As at March 31, 2010
S.Ramachandran Managerial remuneration	4,033,904	-	(65,406)	-
Issue of bonus shares	190	-	-	-
E.Ella Reddy Rent paid	1,350,072	1,245,012	(102,306)	(102,306)
Issue of bonus shares	14,270	-	-	-
E.Sujatha Reddy Rent paid	1,131,684	1,043,613	(85,757)	(85,757)
E. Sudhir Reddy Issue of bonus shares	87,500	-	-	-
E Sunil Reddy Issue of bonus shares	500	-	-	-
E. Indira Reddy Issue of bonus shares	500	-	-	-

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

e. Transaction with the Companies owned by or where significant influence exercised by Key Management Personnel or their Relatives.

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	As at March 31, 2011	As at March 31, 2010
Palladium Infrastructures & Projects Limited				
Rent Expense	2,481,756	2,490,192	(576,649,432)	(389,629)
Mobilisation Advance paid	80,010,000	-		
Construction cost	767,906,050	-		
Reimbursement of Expenses	149,959	-		
Issue of bonus shares	69,000	-		
A.P. Enercon Engineers Private Limited				
Rent expense	-	1,087,500	-	-
Soma Hotels and Resorts Limited				
Issue of bonus shares	46,915,000	-	-	-
Indus Palms Hotels & Resorts Limited				
Issue of bonus shares	215,000	-	-	-

15. During the year, the Group has finalized the business plan for development of Golf Course and Club House on 99 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 Rs. 535,840,268 pertaining to proposed Golf Course has been transferred from 'Inventory' to 'Fixed Assets'. An amount of Rs. 268,267,957 representing the cost of freehold land and land development rights of the township has been transferred to 'Plot stock' under 'Inventory'.

In respect of the balance land parcels, the Group 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, service apartments, mega malls, plots, flats, residential and commercial multistoried buildings and IT Parks 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 is included under the head 'Inventory'.

16. The Group has directly and through some of its subsidiaries incurred an aggregate cost of Rs. 15,211,196,104 (Previous year: Rs. 14,834,630,897) 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 realizable value/value in use, based on the assessment of experts engaged by the management. Accordingly, no adjustment has been made to the carrying value of these land parcels/projects.

17. Development rights for land

Inventories include Earnest Money Deposits paid towards consideration for acquiring development rights of land as per Development Agreements amounting to Rs. 2,301,729,868 (Previous year: Rs. 2,978,731,615).

18. Property Development Rights

Property development rights under inventory include consideration and interest paid/payable to NOIDA (New Okhla Industrial Development Authority) aggregating to Rs. 7,288,678,472 (Previous year: Rs. 7,055,288,497) towards the rights for development of 100.41 acres of leasehold land at NOIDA. During the year 2006-07, the Holding Company, IVRCL Limited (formerly known as IVRCL Infrastructures & Projects Limited) had transferred these rights to the Company, vide Memorandum of Understanding dated 14th February, 2007. Balance payable outstanding to NOIDA as on March 31, 2011 is Rs. 4,010,653,333 (Previous year: Rs. 3,721,333,615). Also refer note 9(c) for the interest on delayed payments in respect of above.

19. Gratuity and other post-employment benefit plans

a) Disclosures related to Defined Contribution Plan

Contributions recognized as expense in Profit and Loss account towards Provident fund and towards Super Annuation Rs. 7,466,092 (Previous Year: Rs. 1,888,455)

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

b) Disclosures related to Defined Benefit Plan

The Group has defined benefit gratuity plans. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. These gratuity plans are unfunded.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and amounts recognised in the Balance Sheet for these gratuity plans.

i. Net employee benefit expense (recognised in personnel expense):

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Current service cost	1,115,910	867,900
Interest cost	123,006	396,428
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognized *	1,432,777	(3,807,120)
Total expense	2,671,693	(2,542,792)

ii. Changes in the present value of Defined Benefit Obligations

Particulars	As at March 31, 2011	As at March 31, 2010
Opening Defined Benefit Obligation	1,381,982	4,011,492
Current service cost	1,115,910	867,900
Interest cost	123,006	396,248
Benefits paid	-	(86,538)
Benefits transferred	3,364,383	-
Actuarial (gain)/ loss on obligations	1,432,777	(3,807,120)
Closing defined benefit obligation	7,418,058	1,381,982

Amounts for the current and previous four periods

Particulars	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	7,418,058	1,381,982	4,011,492	4,485,092
*Experience adjustments on plan liabilities	Nil	Nil	Nil	Nil

iii. Key Assumptions

Particulars	As at March 31, 2011	As at March 31, 2010
Discount rate	8.25%	8.00%
Salary escalation rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

20. Auditors' Remuneration (as Auditors)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
As Auditor		
Audit Fees ⁽¹⁾	2,000,000	2,206,000
Limited review	1,200,000	661,800 ⁽³⁾
Tax audit fees	400,000	-
Out of pocket expenses ⁽²⁾	134,328	-
As adviser in respect of:		
Management services	1,500,000	-
In other manner:		
Certification	200,000	10,000
Total	5,434,328	2,877,800

(1) Does not includes Rs. 2,000,000 (previous year: Rs. Nil) debited to Securities Premium account.

(2) Does not includes Rs. 233,900 (previous year: Rs. Nil) debited to Securities Premium account.

(3) Paid to the previous auditor.

21. Earnings Per Share

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Loss available for equity shareholders	(1,533,057,900)	(311,695,940)
Weighted average number of equity shares outstanding*	190,135,235	185,420,358
Earnings per share (Basic and Diluted) (Rs.) (Face value of Rs. 10 each)	(8.06)	(1.68)

* In May, 2010, the Company has issued 61,806,786 bonus shares of face value of Rs. 10 each. These bonus shares have been considered in computation of weighted average number of equity shares for the current year and previous year.

22. Prior period items

Item	For the year ended March 31, 2011	For the year ended March 31, 2010
Rates and taxes	-	3,648,903
Business promotion	-	4,795,797
Advertisement	-	1,420,420
Total	-	9,865,120

23. Provision for resurfacing obligation

The Group 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 Group has recognized 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.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Provision for resurfacing obligation	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening provision	16,102,137	-
Additions during the year	123,798,118	16,102,137
Amounts used during the year	-	-
Amounts reversed during the year	-	-
Closing provision	139,900,255	16,102,137

24. Un -hedged foreign currency exposure

Particulars	Currency	Foreign currency amount	Amount
March 31, 2011			
Payables			
Secured loan	EURO	11,950,150	755,727,486
Interest payable on loan	EURO	1,167	73,771
March 31, 2010			
Payables			
Secured loan	EURO	13,356,050	807,995,988
Interest payable on loan	EURO	65,482	3,961,670

25. Particulars of derivative instruments outstanding

Particulars	Purpose	As at March 31, 2011	As at March 31, 2010
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 11,950,150	-
Currency Swap	Hedge against principal instalment outflow on foreign currency loan. Swap the EURO principal payments to USD.	EURO 351,475	-
	Hedge against principal instalment outflow on foreign currency loan. Swap the USD payments to INR.	USD 446,373	-

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

26. Segment Reporting

Business segments

The Group organized its operations into two major businesses:

- Real estate: Comprises development of projects relating to townships, mega malls, real estate property development etc.
- Infrastructure and others: Comprises development, Operations and Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space.

Geographical segments

The Company operates in a single geographical segment.

Segment disclosures for the current year:

Particulars	Real estate	Infrastructure and others	For the year ended March 31, 2011
Income from operations			
External customers	83,239,234	8,678,033,367	8,761,272,601
Inter-segment	-	-	-
Total	83,239,234	8,678,033,367	8,761,272,601
Result			
Segment operating profit/ (loss) ¹	(226,089,585)	329,843,507	103,753,922
Unallocated corporate expenses, net			(127,701,610)
Operating loss			(23,947,688)
Interest inventorised			195,593,727
Interest expense			(1,717,242,115)
Interest income			26,070,443
Other income			111,349,813
Income tax			(138,723,902)
Net loss			(1,546,899,722)
Other information			
Segment assets	17,197,116,175	39,271,000,082	56,468,116,257
Unallocated corporate assets			1,319,790,523
Total Assets			57,787,906,780
Segment liabilities	4,324,116,978	19,767,089,762	24,091,206,740
Unallocated corporate liabilities			8,183,001,184
Total liabilities			32,274,207,924
Capital expenditures	7,146,505	8,885,141,079	
Depreciation and amortization	1,844,117	1,029,895,540	

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupees unless otherwise stated)

Segment disclosures for the pervious year:

Particulars	Real estate	Infrastructure and others	For the year ended March 31, 2010
Income from operations			
External customers	202,127,595	1,388,189,563	1,590,317,158
Inter-segment	-	-	-
Total	202,127,595	1,388,189,563	1,590,317,158
Result			
Segment operating profit/ (loss) ¹	(319,835,003)	41,091,697	(278,743,306)
Unallocated corporate expenses, net			(107,171,290)
Operating loss			(385,914,596)
Interest inventorised			390,338,153
Interest expense			(403,076,144)
Interest income			44,469,346
Other income			17,110,241
Tax income			30,894,424
Net loss			(306,178,576)
Other information			
Segment assets	17,081,820,778	31,162,818,814	48,244,639,592
Unallocated corporate assets			538,893,416
Total assets			48,783,533,008
Segment liabilities	3,878,191,778	14,804,499,480	18,682,691,258
Unallocated corporate liabilities			4,705,034,589
Total liabilities			23,387,725,847
Capital expenditures	3,642,797	5,381,481,541	
Depreciation and amortization	1,493,497	169,408,406	

Note:

1. Real estate segment results have been arrived after deducting interest expense of Rs. 195,593,727 (Previous year: Rs 390,338,153), which has been capitalised.

27. The figures of the previous year have been regrouped/ rearranged, where necessary to conform to those of the current year.

Signatures to Schedules 1 to 20 forming part of the Financial statements.

For **S.R.Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

Place : Hyderabad
Date : May 28, 2011

For **Chaturvedi & Partners**
Firm Registration No. 307068E
Chartered Accountants

per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Financial Information of Subsidiary Companies for the financial year ended March 31, 2011 (In Rupees)

Name of the Subsidiary Company	1	2	3	4	5	6	7
	IVR Hotels and Resorts Limited	IVRCL Mega Malls Limited	Agaram Developers Private Limited	Mummidhi Developers Private Limited	Samattieri Developers Private Limited	Anppampattu Developers Private Limited	Tirumani Developers Private Limited
Capital	3,578,670	502,500	100,000	100,000	100,000	100,000	100,000
Reserves	4,539,660,512	--	--	--	--	--	--
Total Assets	4,543,239,182	502,500	100,000	100,000	100,000	100,000	100,000
Total Liabilities	4,543,239,182	502,500	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--
Turnover/Income	49,832,736	--	--	--	--	--	--
Profit Before Taxation	619,423	(22,913)	(21,813)	(21,613)	(21,813)	(21,613)	(21,613)
Provision for Taxation	224,492	--	--	--	--	--	--
Profit After Taxation	394,931	(22,913)	(21,813)	(21,613)	(21,813)	(21,613)	(21,613)
Proposed Dividend	--	--	--	--	--	--	--

Name of the Subsidiary Company	8	9	10	11	12	13	14
	Ilavampedu Developers Private Limited	Chodavaram Developers Private Limited	Gajuwaka Developers Private Limited	Simhachalam Prime Developers Pvt. Limited	Siripuram Developers Private Limited	IVR Prime Developers (Amalapuram) Pvt. Limited	IVR Prime Developers (Erode) Pvt. Limited
Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	--	--	--	--	--	--	--
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--	--
Profit Before Taxation	(21,613)	(21,365)	(21,613)	(21,369)	(22,019)	(21,613)	(21,613)
Provision for Taxation	--	--	--	--	--	--	--
Profit After Taxation	(21,613)	(21,365)	(21,613)	(21,369)	(22,019)	(21,613)	(21,613)
Proposed Dividend	--	--	--	--	--	--	--

Financial Information of Subsidiary Companies for the financial year ended March 31, 2011 **(In Rupees)**

Name of the Subsidiary Company	IVR Prime Developers (Guntur) Pvt. Limited 15	IVR Prime Developers (Kakinada) Pvt. Limited 16	IVR Prime Developers (Araku) Pvt. Limited 17	IVR Prime Developers (Pudukkottai) Pvt. Limited 18	Absorption Airon Engineers Pvt. Limited 19	IVR Prime Developers (Anakapalle) Pvt. Limited 20	IVR Prime Developers (Rajampeta) Pvt. Limited 21
Capital	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Reserves	---	---	---	---	---	---	---
Total Assets	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---
Turnover/Income	---	---	---	---	---	---	---
Profit Before Taxation	(21,613)	(21,613)	(21,613)	(21,613)	(21,675)	(21,573)	(21,573)
Provision for Taxation	---	---	---	---	---	---	---
Profit After Taxation	(21,613)	(21,613)	(21,613)	(21,613)	(21,675)	(21,573)	(21,573)
Proposed Dividend	---	---	---	---	---	---	---

Name of the Subsidiary Company	IVR Prime Developers (Tanuku) Pvt. Limited 22	IVR Prime Developers (Red Hills) Pvt. Limited 23	IVR Prime Developers (Rajahmundry) Pvt. Limited 24	IVR Prime Developers (Tuni) Pvt. Limited 25	IVR Prime Developers (Bobbili) Pvt. Limited 26	IVR Prime Developers (Bhimavaram) Pvt. Limited 27	GSVK Manpower Supply & Services Pvt. Limited 28
Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	---	---	---	---	---	---	741,768
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000	841,768
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000	841,768
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---
Turnover/Income	---	---	---	---	---	---	6,818,474
Profit Before Taxation	(21,573)	((21,573)	(21,573)	(22,019)	(21,369)	(21,365)	1,126,285
Provision for Taxation	---	---	---	---	---	---	331,702
Profit After Taxation	(21,573)	(21,573)	(21,573)	(22,019)	(21,369)	(21,365)	794,583
Proposed Dividend	---	---	---	---	---	---	---

(In Rupees)

Financial Information of Subsidiary Companies for the financial year ended March 31, 2011

Name of the Subsidiary Company	IVR Prime Developers (Adyar) Pvt. Limited	IVR Prime Developers (Ananthapuram) Pvt. Limited	IVR Prime Developers (Perambalur) Pvt. Limited	IVR Prime Developers (Egmore) Pvt. Limited	IVR Prima Developers (Tambaram) Pvt. Limited	IVR Prime Vaanaprastha Private Limited	IVR Prime Developers (Ashram) Pvt. Limited	IVR Prime Developers (Retiral Homes) Pvt. Limited
	29	30	31	32	33	34	35	36
Capital	100,000	100,000	100,000	100,000	100,000	150,000	100,000	100,000
Reserves	--	--	--	--	--	--	--	--
Total Assets	100,000	100,000	100,000	100,000	100,000	150,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	150,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--	--	--
Profit Before Taxation	(22,061)	(21,365)	(21,617)	(21,365)	(24,454)	(48,227)	(21,613)	(21,365)
Provision for Taxation	--	--	--	--	--	--	--	--
Profit After Taxation	(22,061)	(21,365)	(21,617)	(21,365)	(24,454)	(48,227)	(21,613)	(21,365)
Proposed Dividend	--	--	--	--	--	--	--	--

Name of the Subsidiary Company	IVR PUDL Resorts & Clubs Private Limited	IVR Prime Developers (Avadi) Pvt. Limited	IVR Prime Developers (Alwarpet) Pvt. Limited	IVR Prime Developers (Mylapore) Pvt. Limited	IVR Prime Developers (Thandiarpet) Pvt. Limited	IVR Prime Developers (Gummidipundi) Pvt. Limited	IVR Prime Developers (Kodambakkam) Pvt. Limited	IVR Prime Developers (Arumbakkam) Pvt. Limited
	37	38	39	40	41	42	43	44
Capital	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	--	--	--	--	--	--	--	--
Total Assets	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	150,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--	--	--
Profit Before Taxation	(49,190)	(21,369)	(21,365)	(21,365)	(21,369)	(21,617)	(21,365)	(21,613)
Provision for Taxation	--	--	--	--	--	--	--	--
Profit After Taxation	(49,190)	(21,369)	(21,365)	(21,365)	(21,369)	(21,617)	(21,365)	(21,613)
Proposed Dividend	--	--	--	--	--	--	--	--

Financial Information of Subsidiary Companies for the financial year ended March 31, 2011 **(In Rupees)**

Name of the Subsidiary Company	IVR Prime Developers (Anna Nagar) Pvt. Limited	IVR Prime Developers (Pallavaram) Pvt. Limited	IVR Prime Developers (West Mambalam) Pvt. Limited	Bibinagar Developers Private Limited	Kumaramalayam Tollways Limited	Salem Tollways Limited	Jalandhar Amritsar Tollways Limited	Chennai Water Desalination Limited
	45	46	47	48	49	50	51	52
Capital	100,000	100,000	100,000	100,000	334,036,000	1,013,031,600	468,985,500	1,729,832,160
Reserves	---	---	---	---	675,304,000	2,058,797,400	937,478,250	---
Total Assets	100,000	100,000	100,000	100,000	4,457,211,162	6,467,748,622	4,176,478,640	6,172,369,894
Total Liabilities	100,000	100,000	100,000	100,000	4,457,211,162	6,467,748,622	4,176,478,640	6,172,369,894
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---	---
Turnover/Income	(21,613)	(21,369)	(21,365)	(21,475)	337,708,823	200,614,305	205,852,938	1,144,341,900
Profit Before Taxation	---	---	---	---	(360,789,549)	(357,164,376)	(344,868,907)	(329,499,528)
Provision for Taxation	---	---	---	---	---	---	---	---
Profit After Taxation	(21,613)	(21,369)	(21,365)	(21,475)	(360,789,549)	(357,164,376)	(344,868,907)	(329,499,528)
Proposed Dividend	---	---	---	---	---	---	---	---
Name of the Subsidiary Company	SPB Developers Private Limited	IVRCL Indore Gujarat Tollways Limited	First STP Private Limited	Sion Panvel Tollways Private Limited	IVRCL Chengapalli Tollways Limited	IVRCL Chandrapur Tollways Limited	IVRCL Goa Tollways Limited	IVRCL Multi level Car Parking Pvt. Ltd
	53	54	55	56	57	58	59	60
Capital	137,720,000	134,703,400	30,000,000	100,000	93,190,600	3,135,000	10,000,000	1,00,000
Reserves	389,272,846	1,207,830,600	18,534,395	---	834,215,400	23,715,000	---	---
Total Assets	1,479,592,846	4,393,834,000	48,534,395	556,000	969,256,000	27,850,000	227,009,419	1,00,000
Total Liabilities	1,479,592,846	4,393,834,000	48,534,395	556,000	969,256,000	27,850,000	227,009,419	1,00,000
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---	---
Turnover/Income	---	---	16,570,258	---	---	---	---	---
Profit Before Taxation	---	---	2,122,704	---	---	---	---	---
Provision for Taxation	---	---	391,695	---	---	---	---	---
Profit After Taxation	---	---	1,721,009	---	---	---	---	---
Proposed Dividend	---	---	---	---	---	---	---	---

Financial Information of Subsidiary Companies for the financial year ended March 31, 2011														
Name of the Subsidiary Company	(In Rupees)													
	Kunnam Developers Private Limited	Hariapuram Developers Private Limited	Vedurwada Developers Private Limited	Rudravaram Developers Private Limited	Geo Prime Developers Private Limited	Theata Developers Private Limited	Duvvda Developers Private Limited	Gamaa Developers Private Limited	Kasibugga Developers Private Limited	Vijayawada Developers Private Limited	Eluru Developers Private Limited	IVR Prime Developers (Nellore) Pvt. Limited	Geo IVRCL Engineering Limited	Papankuzhi Developers Private Limited
Capital	61	62	63	64	65	66	67	68	69	70	71	72	73	74
Reserves	100,000	100,000	100,000	100,000	370,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	100,000
Total Assets	100,000	100,000	100,000	100,000	370,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	370,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	100,000
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Turnover/Income	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Profit Before Taxation	(21,565)	(21,365)	(21,613)	(21,811)	(21,369)	(21,617)	(21,769)	(21,565)	(21,365)	(23,113)	(21,365)	(21,565)	12,383	(21,813)
Provision for Taxation	---	---	---	---	---	---	---	---	---	---	---	---	3,152	---
Profit After Taxation	(21,565)	(21,365)	(21,613)	(21,811)	(21,369)	(21,617)	(21,769)	(21,565)	(21,365)	(23,113)	(21,365)	(21,565)	9,231	(21,813)
Proposed Dividend	---	---	---	---	---	---	---	---	---	---	---	---	---	---

For and on behalf of the Board of Directors of IVRCL Assets & Holdings Limited

S. Ramachandran
Managing Director
(BOOT Projects)

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet Date

II. Capital Raised during the year (Rs. Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement
 i.e., ESOPs, FCCB
 Conversion and QIPs

III. Position of Mobilisation & Deployment of Funds (Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Deferred Tax Asset
 Accumulated Losses Mis Expenditure

IV. Performance of Company (Rs. Thousands)

Turnover Total Expenditure
 Profit/(Loss) before Tax Profit/(Loss) after Tax
 Earnings Per Share in Rs. Dividend Rate (%)

V. Generic Names of two Principal Products / Services of the Company (As per monetary terms)

Item Code (ITC Code) Not allotted
 Product Description Infrastructure

IVRCL ASSETS & HOLDINGS LIMITED

Registered Office : M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P.,India.

PROXY FORM

15TH ANNUAL GENERAL MEETING

Folio No:..... DP ID:..... Client ID:.....

I/Weof.....in the district ofbeing a member/members of the above named company, hereby appoint Mr / Ms / Kum.....in the district ofas my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Thursday, September 15, 2011 at 3.30 p.m. at KLN Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, POB 14, Hyderabad - 500 004 and at any adjournment thereof.

Signed thisday of 2011

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 ASSETS & HOLDINGS LIMITED

Registered Office : M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P.,India.

ATTENDANCE SLIP

Folio No:..... DP ID:..... Client ID:.....

I hereby record my presence at the Fifteenth Annual General Meeting of the Company to be held on Thursday, September 15, 2011 at 3.30 p.m. at KLN Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, POB 14, Hyderabad 500004,

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



IVRCL ASSETS & HOLDINGS LTD.

Registered Office:

M-22/3 RT, Vijayanagar Colony,
Hyderabad-500 057, A.P. India.
Tel: +91-40-2334 3550/3678/5130/8467
Fax: +91-40-2334 5004

Corporate Office:

“MIHIR”, 8-2-350/5/A/24/1B,
Road No. 2, Banjara Hills,
Hyderabad-500 034. A.P. India.
Tel: +91-40-2335 5663, 15, 18, 21, 51-55,
3093 1111 (Hunting), 3093 1444 (Hunting)
Fax: +91-40-2335 6693

Email: info@ivrinfra.com

Website: www.ivrclah.com