



BOARD OF DIRECTORS

E. SUDHIR REDDY

Chairman & Managing Director

R. BALARAMI REDDY

Joint Managing Director

K. ASHOK REDDY

Joint Managing Director

T.R.C. BOSE

Director

P.R. TRIPATHI

Director

V. MURAHARI REDDY

Director

B. SUBRAHMANYAM

Company Secretary

Internal Auditors

T. Vijay Kumar

Chartered Accountant
Plot No. 101, Jyothi Pride Apartments,
P.S. Nagar, Masab Tank
Hyderabad-500 028.

Statutory Auditors

M/s. Chaturvedi & Partners

Chartered Accountants
212A, Chiranjeev Towers 43,
Nehru Place, New Delhi

VCG & Co.

Chartered Accountants
203, Kushal Bazar, 32-33,
Nehru Place,
New Delhi- 110 019

Registrars & Transfer Agents

M/s. KARVY Computershare Private Ltd

17-24, Vithal Rao Nagar,
Madhapur,
Hyderabad-500 081.

Bankers / Institutions

- | | |
|---|--|
| ☐ Andhra Bank | ☐ Axis Bank Ltd |
| ☐ Bank of Nova Scotia | ☐ Barclays Bank pic |
| ☐ Canary Bank | ☐ Corporation Bank |
| ☐ DBS Bank Ltd | ☐ FJXIM Bank Ltd |
| ☐ HDFC Bank Ltd | ☐ ICICI Bank Ltd |
| ☐ ING Vysya Bank Ltd | ☐ IDBI Bank |
| ☐ Indian Overseas Bank | ☐ IndusInd Bank Ltd |
| ☐ Karur Vysya Bank Ltd | ☐ LIC of India |
| ☐ Punjab & Sind Bank | ☐ State Bank of India |
| ☐ Standard Chartered Bank | ☐ The Lakshmi Vilas bank |
| ☐ Union Bank of India | ☐ Tamilnad Mercantile Bank Ltd |
| ☐ TATA Capital Ltd | ☐ SREI Equipment Finance Pvt Ltd |
| ☐ Shriram Equipment Finance | ☐ Daimler Financial Services (I) Pvt.Ltd., |
| ☐ L & T Finance Limited | ☐ Magma Fincorp. Limited |

Registered Office

M-22/3RT, Vijayanagcir Colony,
Hyderabad - 500 057, Telangana State, India.
Ph: 91-40-2334 3678 / 3550 / 5130 / 8467
fax: 91-40-2334 S004

Corporate Office

MIHIR, 8-2-350/5/A/24/1 -B&2, Road No.2,
Panchavati Colony, Banjara Hills,
Hyderabad- 500034,
Ph: 91-40-2335 6613/15/18/21/51 to 55.
30931 1444 (60 Lines)
Fax: 91-40-2335 6643

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FORWARD LOOKING STATEMENT

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

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

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

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

NOTICE TO SHAREHOLDERS



NOTICE is hereby given that the **Twenty Seventh Annual General Meeting of IVRCL Limited** will be held on Friday, 26th September, 2014 at 3.30 P.M. at "K.L.N. Prasad Auditorium", The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet for the year ended 31st March 2014 and Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R. Balarami Reddy (DIN: 00022176) who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No.307068E), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of three (3) years from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 (subject to ratification of their appointment at every AGM) on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

4. **To reappoint Mr. E. Sudhir Reddy (DIN. 00023518) as Chairman & Managing Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and 203 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, and as recommended by the Nomination & Remuneration Committee the Company hereby accords its approval

for reappointment of Mr. E. Sudhir Reddy (DIN. 00023518) as the Chairman & Managing Director of the Company for a period of five years with effect from October 1, 2014, with a remuneration to be paid for a period of three years from 1st October 2014 to 30th September 2017 and on the terms and conditions stipulated below."

SALARY - Rs.10,00,000/- (Rupees Ten lakhs only) per month.

PERQUISITES:

- a) Housing: Free furnished residential accommodation.
- b) Maintenance & up keep of House: The expenditure incurred by the company on gas, electricity, water & furnishings will be valued as per Income Tax Rules 1962 subject, however to a ceiling of 10% (ten percent) of salary.
- c) Reimbursement of Medical Expenses: For self and family subject to a ceiling of one month's salary in an year or three months' salary over a period of three years or such other higher reimbursement as approved by Board under special circumstances.
- d) Leave Travel: For self and family once a year, any where in the world, subject to a ceiling of one month's basic salary.
- e) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
- f) Personal Accident Insurance Premium not to exceed Rs.10,000/ per annum.
- g) Company's contribution to Provident Fund: As per the Company's rules.
- h) Company's contribution to Superannuation Scheme: As per the Company's rules. The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident fund exceed 25% (twenty five percent) of salary as laid down in the Income Tax Rules 1962.
- i) Leave: Four weeks for every 11 months service or one month leave with salary which may be accumulated to a maximum of 120 days with a right to encash the leave.
- j) Gratuity: The gratuity shall not exceed half month's salary for each completed year of service.
- k) Use of Company car and driver on Company's business: Personal use of Company car will be billed to Mr. E. Sudhir Reddy.

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

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

COMMISSION– Commission @ 5% of net profits, in case the Company earns profits during the tenure of Mr. E. Sudhir Reddy, subject to overall ceiling stipulated in Sections 197 and 198 of Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this resolution, including the Nomination & Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according its approval;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during Shri E. Sudhir Reddy's term of office as Managing Director, the minimum remuneration will be restricted to the limits as may be applicable under Schedule V of the Companies Act, 2013 and the Rules stipulated thereunder, from time to time.

5. Appointment of Mr. R. Balarami Reddy as Joint Managing Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Scheduled V and other applicable provisions if any, of the Companies

Act 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) subject to approval of shareholders of the company and Central Government as may be required, Shri R. Balarami Reddy (DIN 00022176) be and is hereby appointed as Joint Managing Director of the Company with effect from July 1, 2014 on the terms and conditions stipulated below."

- i) Salary – Rs.516874/- p.m (Basic Salary – Rs. 252094/- p.m and Allowances – Rs. 264780/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company.
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. R. Balarami Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.
- ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr. R. Balarami Reddy, the aforesaid remuneration be paid as minimum remuneration, for a period not exceeding three years specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr. R. Balarami Reddy during his tenure, to the extent specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in

its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities to give effect to this resolution.

6. Appointment of Mr. K. Ashok Reddy as Joint Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Scheduled V and other applicable provisions if any, of the Companies Act 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force) subject to approval of shareholders of the company and Central Government as may be required, Shri K. Ashok Reddy (DIN 00024497) be and is hereby appointed as Joint Managing Director of the Company with effect from July 1, 2014 on the terms and conditions stipulated below.”

- i) Salary – Rs. 512191/- p.m (Basic Salary – Rs. 249563/- p.m and Allowances – Rs. 262628/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company.
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to Mr. K. Ashok Reddy.
- viii) Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.
- ix) Leave as per Rules of the Company

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of Mr. K. Ashok Reddy, the aforesaid remuneration be paid as minimum remuneration, for a period not exceeding three years specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, enhance, or widen the scope of remuneration and perquisites payable to Mr. K. Ashok Reddy during his tenure, to the extent specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

7. Appointment of Mr. Prabhakar Ram Tripathi as an Independent Director of the Company.

To consider, and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Prabhakar Ram Tripathi a non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26th September 2014 up to 25th September 2019.

8. Appointment of Mr. Tummala Ramesh Chandra Bose as an Independent Director of the Company.

To consider, and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Tummala Ramesh Chandra Bose a non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26th September 2014 up to 25th September 2019..

9. Appointment of Mr. V. Murahari Reddy as an Independent Director of the Company.

To consider, and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. V. Murahari Reddy a non-executive Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent Director of the Company with effect from 26th September 2014 up to 25th September 2019.

10. Qualified Institutions Placement

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

“RESOLVED THAT pursuant to Section 62(1)(c), 42 and other applicable provisions of the Companies Act, 2013, to the extent notified as on date and as may be amended from time to time, and the rules made thereunder (including any statutory modification (s) or re-enactment, for the time being in force, the “Companies Act, 2013”, and also including any relevant provisions of the Companies Act, 1956 the “Companies Act, 1956”), to the extent that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 or de-notified, as the case may be, and together, the “Companies Act”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”), and other applicable SEBI regulations and guidelines, the listing agreements for equity shares entered into by the Company with stock exchanges where the equity shares of the Company are listed (the “Stock Exchanges”), the Memorandum and Articles of Association of the Company, and all other applicable laws including the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or issue of securities by a person resident outside India) Regulations, 2000, the Consolidated Foreign Direct Investment Policy, and the other statutes, rules, regulations, guidelines, notifications, circulars, clarifications, et al, prescribed by the Government of India (including, without limitation, the Ministry of Finance and the Ministry of Corporate Affairs), the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board, the Stock Exchanges and/or any other competent regulatory authority, as amended from time to time and to the extent applicable in each case, and subject to the approvals,

consents, permissions and sanctions issued by (as well as the terms of any such approvals, consents, permissions and sanctions as may be issued by) competent regulatory authorities in this behalf, the consent of the Shareholders of the Company be and is hereby accorded to create, issue, offer and allot, through, as may be permitted under applicable law from time to time, a Qualified Institutions Placement (“QIP”) within the meaning of and in accordance with the terms and conditions under Chapter VIII of the SEBI ICDR Regulations, such number of equity shares of the Company (“Equity Shares”) as the Board of Directors of the Company (the “Board” which term shall be deemed to include any Committees constituted or to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) at its absolute discretion or in consultation with advisors may at any time decide, to any Qualified Institutional Buyers within the meaning of the SEBI ICDR Regulations (“QIBs”), including institutions /banks and/or incorporated bodies, Foreign Institutional Investors (“FIIs”) / Foreign Portfolio Investors (“FPIs”) registered with the SEBI and/or mutual funds and/or insurance companies and/or pension funds and/or state industrial development corporation and / or provident funds and / or multilateral and bilateral development financial institutions through circulation of requisite offering circular or placement document, for an aggregate amount not exceeding Rs. 300 crores (Rupees Three Hundred Crores Only) or its equivalent in one or more currencies, in one or more tranches, including premium, if any, in India or outside India, and in such manner and at such price (including provisions in relation to discount or payment in calls as may be permitted under applicable law), terms and conditions as may be determined by the Board in its absolute discretion.”

“RESOLVED FURTHER THAT any Equity Shares created, offered, issued and allotted in terms of this Resolution shall rank *paripassu* in all respect with existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Equity Shares issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Equity Shares are or are proposed to be marketed or listed, or that may in any other manner apply in this relation.”

“RESOLVED FURTHER THAT the offer issue and allotment of Equity Shares pursuant to the QIP shall only be made to eligible QIBs under Chapter VIII of the SEBI ICDR Regulations, the Equity Shares shall be allotted on a fully paid basis, at a price inclusive of premium of the Equity Shares so issued not be less than the price determined in accordance with the provisions of the SEBI ICDR Regulations, taking into consideration, if so approved by the Board, a discount of up to 5% on the floor price, or such other discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations and

other applicable laws. Further, the allotment shall be completed within 12 months from the date of the approval of the shareholders of the Company by a special resolution, and the aggregate of all QIPs made by the Company in the same financial year shall not exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year.”

“ **RESOLVED FURTHER THAT**, the relevant date for the purpose of allotment of Equity Shares in the QIP shall be date of the meeting in which the Board, or a committee of Directors duly authorised by the Board, decides to open the proposed issue”.

“ **RESOLVED FURTHER THAT**, for the purpose of giving effect to any offer, issue, transfer or allotment of Equity Share, the Board be and is hereby authorised to take all the necessary steps”.

“**RESOLVED FURTHER THAT**, subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with power to delegate to any Officers of the Company, to give effect to this Resolution.”

11. Preferential Issue of Warrants

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

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as may be amended from time to time (the “**Companies Act, 2013**”, and also including any relevant provision in the Companies Act, 1956, as amended (the “**Companies Act, 1956**”), to the extent that such provisions of the Companies Act, 1956 have not been superseded or de-notified, as the case may be and together the “**Companies Act**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI ICDR Regulations**”), the Memorandum and Articles of Association of the Company, the listing agreements for equity shares entered into by the Company with stock exchanges where the equity shares of the Company are listed, and all other applicable laws including the Foreign Exchange Management Act, 1999, as amended, Foreign Exchange Management (Transfer or issue of securities by a person resident outside India) Regulations, 2000, the Consolidated Foreign Direct Investment Policy, and other statutes, rules, regulations, guidelines, notifications, circulars, clarifications, etc., prescribed by the Government of India (including without limitation, the Ministry of Finance and the Ministry of Corporate Affairs), Securities

and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”), the Foreign Investment Promotion Board, the Indian stock exchanges (the “**Stock Exchanges**”) and/or other appropriate authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions (as well as the terms of any such approvals, consents, permissions or sanctions), the consent of the Shareholders of the Company be and is hereby accorded to create, issue, offer and allot through preferential issue within the meaning and in accordance with the terms and conditions of Chapter VII of the SEBI ICDR Regulations as may be permitted under applicable law from time to time, in one or more tranches, up to 2,58,13,113 Warrants with a right exercisable by each warrant holder to apply and obtain allotment of one equity share of face value of Rs. 2/- each, against each Warrant, at a price not less than the price arrived at in accordance with SEBI ICDR Regulations for the Equity Shares, to **M/s. Indravati Investments Private Limited** for an aggregate amount not exceeding Rs.50 Crores (Rupees Fifty Crores Only) or its equivalent in one or more currencies, including premium, if any, and in such manner and such price (including provisions in relation to discount or payment in calls as may be permitted under applicable laws) entitling the holder of each warrant, from time to time.”

“**RESOLVED FURTHER THAT** the Warrants shall be issued by the Company on the following terms and conditions:

1. An amount equivalent to 25% of the consideration, at which Warrants are issued, shall be payable at the time of making the application for the Warrants.
2. The warrants shall be exercised by the Warrant Holder/s in one or more tranches within a period of 18 months from the date of allotment of the Warrants.
3. The Equity Shares arising from exercising the option under the Warrants shall be subject to lock-in for a period as prescribed under the SEBI ICDR Regulations.”

“**RESOLVED FURTHER THAT** any Equity Shares created, offered, issued and allotted in terms of this Resolution shall rank *paripassu* in all respect with existing Equity Shares of the Company. The number and/or price of the warrants shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, and sale of division or any such capital or corporate restructuring.”

“**RESOLVED FURTHER THAT** in addition to all applicable Indian laws, the securities issued pursuant to this Resolution shall also be governed by all

applicable laws of any foreign jurisdiction where such Securities are proposed to be marketed or listed, or that may in any other manner apply in this relation."

"RESOLVED FURTHER THAT therelevant date for the purpose of pricing of the Equity Shares resulting from the exercise of the option under the Warrants, shall be the date 30 days prior to the date of Annual General Meeting held to consider the preferential issue."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue and allot 2,61,50,628 Equity Shares upon conversion of the Warrants on the terms and conditions mentioned above."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid Warrants and listing of the Equity shares on conversion with the Stock Exchange(s) and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT, subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with power to delegate to any Officers of the Company, to give effect to this Resolution."

12. Borrowing powers of the Company

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

"RESOLVED THAT in supercession to the earlier resolutions passed by the members of the Company regarding borrowing powers of the Company and pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (which expression shall be deemed to include any Committee(s) thereof and hereinafter referred to as the **"Board"**) to borrow any sum/sums of moneys from

time to time from any one or more banks, financial institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the moneys to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total moneys so borrowed shall not exceed a sum of Rs.11,500 Crores (Rupees Eleven Thousand Five Hundred Crores Only)".

13. Ratification of remuneration to be paid to cost Auditor

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

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) per annum to M/s. Sagar & Associates, (Firm Registration No. 000118) Cost Auditor for conducting audit of cost accounting records maintained by the Company for the financial year 2014-15.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things to give effect to this resolution.

CORPORATE DEBT RESTRUCTURING

IVRCL Limited (the **"Company"**) has approached certain banks and financial institutions (the **"CDR Lenders"**) to restructure the facilities aggregating to Rs. 7,352.53 crores (the **"Existing Facilities"**) it has availed from certain banks and financial institutions (the **"Existing Lenders"**) in accordance with the provisions of the Letter of Approval dated June 30, 2014 (**"LoA"**) issued by the CDR Cell and the provisions of the master restructuring agreement dated June 30, 2014 executed *inter alia* between the Company and the CDR Lenders (the **"Master Restructuring Agreement"**). The CDR Package includes:

- (i) Restructured term debt for an aggregate amount of Rs. 866,98,00,000 (Rupees Eight hundred sixty six crores and ninty eight lakhs only);
- (ii) Restructured working capital term loans for an amount of Rs. 1607,97,00,000 and an amount of Rs. 365,78,00,000 (Rupees three hundred sixty five crores and seventy eight lakhs only);
- (iii) Funded interest term loans of an aggregate amount of Rs. 791,45,00,000 (Rupees seven hundred ninety one crore and forty five lakhs only) from the Existing Lenders;
- (iv) Term loan facility of an aggregate amount of Rs. 175,00,00,000 (Rupees one hundred seventy five crores only) from the CDR Lenders;

- (v) Financial assistance by way of a cash credit facility of an aggregate amount of Rs. 1680,00,00,000 (Rupees one thousand six hundred eighty crores only) from the CDR Lenders; and
- (vi) Financial assistance by way of Bank Guarantees Facilities (uptoRs. 4550,00,00,000 (Rupee four thousand five hundred fifty crores only)) and Letter Of Credit Facilities (uptoRs. 300,00,00,000 (Rupees three hundred crores only)) from the CDR Lenders.

14. To amend Articles of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013, or any other law for the time being in force, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (which expression shall be deemed to include any Committee(s) thereof and hereinafter referred to as the **“Board”**) to alter the Articles of Association of the Company in the following manner:

i. Insertion of the following definitions in the existing Article 2:

- t) **“Event of Default”** shall have the meaning given to it under the CDR Documents.
- u) **“Restructured Facilities”** shall mean the financial assistance and loan facilities extended by the CDR Lenders which are being restructured in accordance with the terms and conditions contained in the CDR Documents.
- v) **“Final Settlement Date”** shall have the meaning given to it under the CDR Documents.
- w) **“CDR Documents”** shall mean the master restructuring agreement, as amended or restated from time to time, entered into *inter alia* by the Company with the CDR Lenders for restructuring the financial assistance and the loan facilities and all other documents entered into or to be entered into by the Company for giving effect to the restructuring contemplated under the master restructuring agreement.
- x) **“CDR EG”** shall mean Corporate Debt Restructuring Empowered Group.
- y) **“CDR Lenders”** shall mean the financial institutions/banks and other lenders which have restructured/ agreed to restructure the financial assistance and loan facilities of the Company in accordance with the terms and conditions contained in the CDR Documents and shall

include their successors, transferees, novatees and assigns.

- z) **“Material Adverse Effect”** shall have the meaning given to it under the CDR Documents.
- za) **“Monitoring Committee”** shall mean a committee consisting of a representative of the CDR Cell and representatives of State Bank of India, ICICI Bank Limited, IDBI Bank Limited, KarurVysya Bank and Canara Bank.
- zb) **“Pledged Shares”** shall mean the shares of the Company pledged for the benefit of the CDR Lenders under the Share Pledge Agreement entered or to be entered into between the Pledgor and the CDR Lenders or their trustee.
- zc) **“Pledgor”** shall mean Promoters of IVRCL Limited and/or any other Member, if applicable.
- zd) **“Share Pledge Agreement”** shall mean the share pledge agreement executed or to be executed by the promoters of the Company pledging shares of the Company for the benefit of the CDR Lenders.

ii. Insertion of the following new Article 9A after Article 9:

9A Prior consent of the CDR Lenders for any alteration in the capital structure

Notwithstanding anything contained in the Articles, the Company shall not alter, modify or change its authorized share capital or issued and paid-up share capital, consolidate, divide, cancel any shares without the consent of the CDR Lenders and otherwise than as permitted under the CDR Documents. Notwithstanding anything contained in these Articles, the Company shall as and when required by the CDR Lenders make modifications or changes to its share capital / authorized share capital or consolidate or sub-divide any shares.

iii. Insertion of the following new Article 32A after Article 32:

32A Restrictions on Issue of Shares in physical form

Notwithstanding anything contained in these Articles, the Company shall not issue any shares or duplicate shares to the Pledgors in physical form without the prior consent of the CDR Lenders. Further, notwithstanding anything contained in these Articles, the Company shall not until the Final Settlement Date, issue any partly paid up shares to the Pledgors.

iv. Insertion of the following new Articles 63A & 63B after Article 63 :

63A Registration of transfer pursuant to the CDR Documents

Notwithstanding anything contained in these Articles, the Board shall register any transfer of shares effected as

a result of the enforcement of any of the rights of the CDR Lender or the Security Trustee under the CDR Documents.

63B Restrictions on transfer of shares

- (i) Notwithstanding anything contained in these Articles, no Member shall transfer or otherwise dispose of any shares that are pledged and/or undertaken to be not disposed or encumbered under the CDR Documents, or any legal or beneficial interest, direct or indirect, in such shares other than in accordance with the provisions of CDR Documents.
- (ii) Notwithstanding anything contained in these Articles, the Company shall not register any transfer of shares if such transfer is not permitted under the CDR Documents.

v. Insertion of the following new Article 69A and 69B after Article 69:

69A Borrowing to be in accordance with the CDR Documents

Notwithstanding anything contained in these Articles, the Company shall not borrow any monies other than in accordance with the provisions of the CDR Documents.

69B Security Creation to be in accordance with the CDR Documents

Notwithstanding anything contained in these Articles, the Company shall not create any security interest or otherwise dispose off its assets except as provided for in the CDR Documents. If the Company creates any security interest or disposes off its assets in contravention of the provisions of the CDR Documents, the same shall be *void ab initio* and shall not create any right, title or interest of whatsoever nature in favour of any party.

vi. Insertion of the following new Articles 104A, 104B, 104C and 104D after Article 104:

104A Exercise of voting rights to be in accordance with the CDR Documents

Members shall exercise their rights in relation to the Company to give effect to and comply with the terms of the CDR Documents and shall not vote in a manner so as to cause an Event of Default under the CDR Documents.

104B CDR Lenders' rights upon Event of Default

Notwithstanding anything contained in these Articles, with respect to the Pledged Shares, upon the occurrence of an Event of Default, the CDR Lenders shall be entitled to attend the meetings of the Company and vote there at in accordance with the Share Pledge Agreement.

104C Obligations of the Pledgor under the CDR Documents

- (a) Subject to Article 104C(b) below, unless and until an Event of Default shall have occurred, the Pledgors shall be entitled to exercise any and all voting and other consequential rights pertaining to the Pledged Shares except the right to sell, transfer, assign, charge, pledge or otherwise encumber the pledged shares and for all or any part thereof for any purpose not in violation of or inconsistent with any of the terms of the Share Pledge Agreement or any other CDR Documents, *provided that* the Pledgors agree that they will not vote in any manner that is inconsistent with the terms of the Share Pledge Agreement and the CDR Documents and will not vote in favour of any resolution which would have the effect of changing the terms of the Pledged Shares or any rights attaching to the Pledged Shares in any way. *Provided further that* the Pledgors shall not exercise or refrain from exercising any voting right if, in the CDR Lenders or their trustee judgement such action would have a Material Adverse Effect. All such rights of the Pledgors to vote shall cease forthwith upon the occurrence of an Event of Default and the provisions of this article shall apply thereafter.

- (b) The Company acknowledges and the Pledgors have irrevocably authorised the CDR Lenders upon the occurrence of an Event of Default, to attend any general meeting of members or meeting of any class of members or meeting of creditors of the Company and to exercise the voting rights in respect of the Pledged Shares in any manner as the CDR Lenders may deem fit. To enable the CDR Lenders to exercise voting rights as aforesaid, the Pledgors have registered the Share Pledge Agreement with the Company with the instructions that as and when any intimation is received from the CDR Lenders in this behalf, the CDR Lenders should be permitted to attend and exercise the voting rights in respect of the Pledged Shares on any matter at any meeting of the members or creditors of the Company. The Pledgors have also arranged with the Company for forwarding copies of the notices of the said meetings to the CDR Lenders as and when such notices are issued to the shareholders or creditors or both. The Pledgors have agreed to execute and deliver to the CDR Lenders all proxies and such other instruments as the CDR Lenders may require to exercise such voting and other rights.

104D Voting Rights of the Pledgors

Notwithstanding anything contained in the Articles, the Pledgors shall be entitled to exercise their respective voting and other consensual rights and powers accruing as owners of the Pledged Shares or any part thereof, in accordance with the terms of the Share Pledge Agreement.

vii. Insertion of the following new Article 130A after Article 130:

130A CDR Nominee Directors

Notwithstanding anything to the contrary contained in these Articles, the CDR Lenders shall be entitled to appoint, remove or replace from time to time, directors on the Board while the Restructured Facilities under the CDR Documents is outstanding (the “**CDR Nominee Directors**”) and if, at any time, the CDR Nominee Directors are not able to attend a meeting of the Board or any of its committees, of which they are a member, then the Monitoring Committee may depute an observer to attend the meeting (the “**Observer**”). Neither the CDR Nominee Directors nor the Observer shall be required to hold qualification shares nor be liable to retire by rotation. The CDR Nominee Directors shall be appointed as members of the committees of the Board, if so desired by the CDR Lenders. The Nominee Directors and/or the Observer shall be entitled to receive all notices, agenda and any other information and to attend all general meetings and board meetings and meetings of any committees of the Board. In the event the CDR Nominee Directors are unable to attend any of the above meetings or has not been appointed by the CDR Lenders, the CDR Lenders may depute an Observer to attend the meeting. The expenses incurred by the CDR Lenders in this connection shall be borne and payable by the Company. The CDR Nominee Directors or the Observer shall be entitled to furnish to the CDR Lenders reports of the proceedings of all such meetings and the Company shall not have any objection to the same. The appointment or removal of the CDR Nominee Directors shall be by notice in writing by the CDR Lenders addressed to the Company and shall take effect forthwith upon such a notice being delivered to the Company. The CDR Nominee Directors shall be entitled to all the rights and privileges of other non-executive directors of the Board and the sitting fees, and expenses as payable to other directors on the Board and any other fees, commission, monies or remuneration in any form payable to the non-executive directors, the fees, commission, monies and remuneration in relation to such CDR Nominee Directors shall accrue to the appointing CDR Lenders and the same shall accordingly be paid by the Company directly to the CDR Lenders. All expenditure incurred by the CDR Lenders or the CDR Nominee Directors or both in connection with their appointment of directorship shall be borne and payable by the Company. The Company shall ensure that the Observer shall be entitled to the same indemnities as the Directors and shall be indemnified by the Company against any liabilities, losses, damages, claims, penalties, judgments, suits, costs and expenses arising as a result of its actions pursuant to the appointment as an Observer.

viii. Insertion of the following new Article 167A after Article 167:

167A Dividends

The Company shall not declare or pay dividend on its equity shares unless otherwise approved by the CDR Lenders or CDR EG.

ix. Insertion of the following new Article 186 and Article 187 after Article 185:

186 Compliance with the CDR Documents

Notwithstanding anything contained in these Articles, the Company and its Members:

- (a) will cause the Company to comply with the provisions of the CDR Documents; and
- (b) shall not take any action or exercise any voting rights that:
 - (i) is inconsistent with, or contravenes the provisions of the CDR Documents; or
 - (ii) shall prejudice the rights of the CDR Lenders under the CDR Documents.

Any action taken by the Company and/or its Members that is inconsistent with, or contravenes, the provisions of the CDR Documents, shall be void ab initio.

187 Amendment to Articles of Association

The Company shall not, without the prior consent in writing of the CDR Lenders, amend or modify these Articles in a manner which will affect the Company's obligations or the CDR Lenders' rights under the CDR Documents.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

15. Option to CDR Lenders for conversion of Debt into Equity Shares and Issue of Equity Shares to CDR Lenders on preferential basis on conversion of Funded Interest Term debt (FITL), Term Debt, Working Capital Term Loan – I (WCTL-I) and Working Capital Term Loan – II (WCTL-II) into Equity Shares of the Company.

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

“**RESOLVED THAT** in accordance with the provisions of Section 62(1)(c), 62(3) and other applicable provisions of the Companies Act, 2013, to the extent notified as on date and as may be amended from time to time (the “**Companies Act, 2013**”), and the rules issued thereunder and also including any relevant provisions of the Companies Act, 1956 (the “**Companies Act, 1956**”) and the rules issued thereunder, to the extent

that such provisions of the Companies Act, 1956 have not been superseded by the Companies Act, 2013 or de-notified, as the case may be, and together, the “**Companies Act**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**ICDR Regulations**”) including Sections 71, 74, 77 and 78 of the ICDR Regulations, and in accordance with the Memorandum of Association and Articles of Association of the Company and applicable regulations and all appropriate statutory, governmental and other authorities and departments in this regard and subject to such conditions and modifications as may be prescribed by the respective statutory, governmental and other authorities and departments while granting such approvals, consents, sanctions, permissions, and in accordance with the provisions of the CDR Documents, the consent of the Company be and is hereby accorded to the Board of the Directors of the Company:

- (i) on terms and conditions contained in the CDR Documents, such terms and conditions to provide, *inter alia*, for an option to the CDR Lenders to convert the whole or part of the Outstandings (whether then due or payable or not), into fully paid up Equity Shares of the Company at a mutually agreed price and subject to applicable law and in the manner specified in a notice in writing to be given by the CDR Lenders to the Company (hereinafter referred to as the “**Notice of Conversion**”) and in accordance with the following conditions:

- (a) The conversion right reserved as aforesaid may be exercised by the CDR Lenders upon the occurrence of a default by the Company or as specified under the CDR Documents;
- (b) On receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Equity Shares to the CDR Lenders or such other Person identified by the CDR Lenders as from the date of conversion and the CDR Lenders shall accept the same in satisfaction of the part of the Outstandings so converted;
- (c) The part of the Outstandings so converted shall cease to carry interest as from the date of conversion and the Restructured Facilities shall stand correspondingly reduced. Upon such conversion, the repayment instalments payable after the date of conversion as per the Master Restructuring Agreement shall stand reduced proportionately by the amounts of the loan so converted. The Equity Shares so allotted and issued to the CDR Lenders or such other person identified by the CDR Lenders shall carry, from the date of conversion, the right to receive

proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said Shares shall rank *paripassu* with the existing Equity Shares of the Company in all respects. The Company shall, at all times, maintain sufficient un-issued authorised shares for the above purpose; and

- (d) In the event that the CDR Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the Equity Shares, issued to the CDR Lenders or such other person identified by the CDR Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the CDR Lenders or such other person identified by the CDR Lenders and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the CDR Lenders or such other person identified by the CDR Lenders, to ensure that the shares are listed as required by the CDR Lenders or such other person identified by the CDR Lenders.”

- (ii) to offer, issue and allot, in one or more tranches:

- (a) 330260762 (Thirty Three crores Two Lakhs Sixty Thousand Seven Hundred Sixty Two only) number of fully paid-up Equity Shares, at a price of Rs. 24.16/- (Rupees Twenty four and paise Sixteen only) per Equity Share having face value of Rs. 2/- (Rupee Two only) for an amount of approximately Rs.797.91 Crores, to the CDR Lenders in consideration of conversion of Funded Interest Term Loan (FITL) at any time during the currency of Restructured Facilities, in accordance with the Applicable Law, including CDR Guidelines, ICDR regulations and the Banking Regulation Act, 1949 and the provisions of the Master Restructuring Agreement;
- (b) 36783940 (Three Crores Sixty Seven Lakhs Eighty Three Thousand Nine Hundred and Forty Only) number of fully paid-up Equity Shares, at a price of Rs. 24.16/- (Rupees Twenty four and paise Sixteen only) per Equity Share having face value of Rs 2/- (Rupee Two only) for an amount of approximately Rs. 88.87 Crores, to the CDR Lenders in consideration of conversion of upto a maximum of 20 (Twenty) percent of Restructured Term Debt outstanding beyond 7 (seven) years from the date of the CDR LOA in accordance with the Applicable Law, including CDR Guidelines, ICDR regulations and the Banking Regulation Act, 1949 and the provisions of the Master Restructuring Agreement;

- (c) 665554636 (Sixty Six Crores Fifty Five Lakhs Four Thousand Six Hundred and Thirty Six) number of fully paid-up Equity Shares, at a price of Rs. 24.16/- (Rupees Twenty four and Paise Sixteen only) per Equity Share having face value of Rs 2/- (Rupee Two only) for an amount of approximately Rs. 1607.98 Crores, to the CDR Lenders in consideration of conversion of Working Capital Term Loan 1 (WCTL-I) at any time during the currency of Restructured Facilities, in accordance with the Applicable Law, including CDR Guidelines, ICDR regulations and the Banking Regulation Act, 1949 and the provisions of the LoA;
- (d) 151403146 (Fifteen Crores Fourteen Lakhs Three Thousand one Hundred and Forty Six Only) number of fully paid-up Equity Shares, at a price of Rs. 24.16/- (Rupees Twenty four and paise Sixteen only) per Equity Share having face value of Rs 2/- (Rupee Two only) for an amount of approximately Rs. 365.79 Crores, to the CDR Lenders in consideration of conversion of Working Capital Term Loan 2 (WCTL- II) at any time during the currency of Restructured Facilities, in accordance with the Applicable Law, including CDR Guidelines, ICDR regulations and the Banking Regulation Act, 1949 and the provisions of the LoA;

RESOLVED FURTHER THAT the 'relevant date' for determining the price for the allotment of Equity Shares to the CDR Lenders shall be the date of approval of CDR Package by CDR EG, i.e. 28th June, 2014.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to issue, offer and allot the Equity Shares to the CDR Lenders on such terms and conditions as provided in the CDR Documents the number of Equity Shares for conversion of the said portion of the facilities as may be desired by the CDR Lenders."

"RESOLVED FURTHER THAT, the terms of (i) the Master Restructuring Agreement, and (ii) all other CDR Documents and other documents required in connection with the Master Restructuring Agreement and the transactions contemplated therein, be and are hereby approved by the Company.

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the CDR Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to the above resolution."

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 74 of ICDR Regulations, the Board be and is hereby authorized to issue and allot the Equity Shares

at a future date as agreed by the CDR Lenders and the said Equity Shares shall rank *paripassu* with the existing Equity Shares of the Company in all respects and the Equity Shares shall be subject to lock-in for such period as may be agreed upon by the CDR Lenders and in accordance with the ICDR Regulations.

"RESOLVED FURTHER THAT in addition to all applicable Indian laws, the securities issued pursuant to this Resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares and listing of the Equity shares on conversion with the Stock Exchange(s) and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT, subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with power to delegate to any Officers of the Company, to give effect to this Resolution."

Capitalised terms used in resolutions pertaining to Corporate Debt Restructuring, but not defined herein, shall have the meaning given to them in the Master Restructuring Agreement.

**By order of the Board of Directors
For IVRCL Limited**

**Place : Hyderabad
Date : 12th August, 2014**

**B. Subrahmanyam
Company Secretary**

1. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight**

hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of the Directors seeking appointment / re-appointment at this meeting are annexed hereto.
4. The Register of Members and Share Transfer books of the Company shall be closed from September 23rd, 2014 to September 26th, 2014 inclusive of both days.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has

transferred the unpaid or unclaimed dividends for the financial year 2005-06 on due date, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company will transfer the dividend amount that remains unpaid or unclaimed for the financial year 2006-2007 to the Investors Education and Protection Fund on 10.11.2014. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their folio No. / client ID and DP ID to the Karvy Computershare Private Limited, RTA.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
13. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4, 5 & 6

Mr. E. Sudhir Reddy was re-appointed as Chairman & Managing Director of the Company for a period of five years with effect from 1st October 2009. His term of appointment expires on 30th September 2014. The Board of Directors at its meeting held on 30th May 2014, as approved by the Nomination & Remuneration Committee, have re-appointed him as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st October 2014 subject to the approval of the members at the ensuing Annual General Meeting of the Members of the Company and subject to approval by central government.

As a consequence of recessionary trends in the construction industry the downturn in the Company's operations continued during the period under review. The severe liquidity crisis led to delays in project executions and revenues continued to remain stagnant. In view of the losses incurred during the year under review and taking into consideration the financial health of the Company and the roles and responsibilities entrusted to Mr. E. Sudhir Reddy, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings resolved that the remuneration payable to Mr. E. Sudhir Reddy shall be at the same level as paid in the previous financial years as per the details set out in the resolutions.

Mr.R.Balarami Reddy and Mr.K.Ashok Reddy were reappointed as Executive Director – Finance & Group CFO and Executive Director respectively at the specified remuneration as approved by the Members at their meeting held on September 26, 2013.

In view of their valuable contribution towards the growth of the Company the Nomination and Remuneration Committee at its meeting held on 12th August 2014 has elevated them as Joint Managing Directors and revised their remuneration.

Approval of the Shareholders is being sought for reappointment, change in designation and payment of remuneration as set out in the resolutions at Item Nos. 4, 5 & 6.

Approval of the Central Government will also be sought in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, as may be required.

Memorandum of Interest: None of the Directors, except Mr. E. Sudhir Reddy, Mr. R. Balarami Reddy and Mr. K. Ashok Reddy is personally interested in the above resolution.

The Board recommends the above resolution for adoption by shareholders.

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

I. GENERAL INFORMATION.

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

(₹ In Millions)

S. No	Particulars	Year				
		2009-2010	2010-2011	2011-2012 (15 Months)	2012-2013 (9 Months)	2013-2014
1	Paid-up Capital	534.02	613.77*	613.77	613.77	613.77
2	Reserves & Surplus	17998.57	19339.65	22091.03	21077.97	13889.04
3	Turnover	54950.50	56592.40	61779.60	37590.88	43048.07
4	Net Profit afterTax	2113.13	1578.99	180.81	(1016.61)	(7167.79)
5	Rate of Dividend declared	40%	30%	Nil	Nil	Nil

* Includes an amount of Rs.79.75 million as share capital suspense

- (5) Foreign investments or collaborators, if any : The total equity shares held by Foreign Institutional Investors (FIIs) is 34411026 of Rs. 2/- each as on March 31, 2014, which constitutes 11.21% of the Paid-up Equity Shares Capital of the Company. There is no Foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEES.

(1) Background Details

a) Mr. E. Sudhir Reddy

Mr. E. Sudhir Reddy is a Promoter of the Company. He is a graduate in commerce and aged about 53 years. He has over 25 years of experience in construction and engineering industry. He has been on the board of IVRCL, as Managing Director from November 1987. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Chairman & Managing Director of the Company was approved by the shareholders for a period of five years with effect from October 1, 2009.

b) Mr. R. Balarami Reddy

Mr. R. Balarami Reddy is a fellow member of the Institute of Chartered Accountants of India ("ICAI"), Associate member of the Institute of Cost Accountants of India ("ICAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 60 years. He has over 27 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a Practicing Chartered Accountant for a period of seven years before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director – Finance from November 1997. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Executive Director – Finance and Group CFO of the Company was approved by the shareholders with effect from September 26, 2013.

c) Mr. K. Ashok Reddy

Mr. K. Ashok Reddy is a Science Graduate with PGDMA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 59 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director from November 1997. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Executive Director of the Company was approved by the shareholders with effect from September 26, 2013.

(2) Past Remuneration:

a) Mr. E. Sudhir Reddy

1. Commission - 5% of Net profit as per provisions of Section 198 & 309 of the Companies Act, 1956 Including Salary and Perquisites.

2. Salary—Rs. 10,00,000/- (Rupees Ten lakhs only) per month

3. PERQUISITES

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

(b) Mr.R.Balarami Reddy

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

(C) Mr.K.Ashok Reddy

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

(3) Recognition/Awards

- a) **Mr.E.SudhirReddy** :Ernst & Young-Entrepreneur of the year award - 2007, nominated among top 20 entrepreneurs in the country.
- b) **Mr. R. Balarami Reddy** : NIL
- c) **Mr. K. Ashok Reddy** : NIL

(4) Job Profile and suitability

a) Mr. E. Sudhir Reddy

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

There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company which has necessitated his increased focus and higher involvement in the Company's matters. In these tough times, it is imperative that the Company's growth strategy continues under the continued guidance and leadership of Mr.E.Sudhir Reddy with whose rich experiential background, the Company remains reinforced to strive through the challenging times and bounce back on the growth chart.

b) Mr. R. Balarami Reddy

In his rich and diverse experience of over 27 years Mr.R.Balarami Reddy has a career span of around 20 years with the Company. As Executive Director- Finance & Group CFO, he is responsible for Accounts, Finance and Taxation matters. In the present economic scenario raising funds for the infrastructure projects has become a challenge and Mr.R.Balarami Reddy has been shouldered with increased responsibilities of financing the ongoing and upcoming projects.

c) Mr. K. Ashok Reddy

In his rich and diverse experience of over 28 years Mr.K.Ashok Reddy Reddy has a career span of around 17 years with the Company. As Executive Director, he is responsible for all resource matters such as Human Resources, purchasing and equipment. As Executive Director he has a holistic involvement in the entire administration of the Company. In his present role, he has to discharge multi-faceted responsibilities and with his rich talent and dynamic experience it is firmly believed that he will continue to provide able guidance and contribution as ever.

(5) Remuneration proposed

a) Mr. E. Sudhir Reddy

Details of total remuneration which is proposed to be paid to Mr. E. Sudhir Reddy have been fully set out in the resolution at item no. 4 of the Notice to Shareholders.

b) Mr. R. Balarami Reddy

Details of total remuneration which is proposed to be paid to Mr. R. Balarami Reddy have been fully set out in the resolution at item no. 5 of the Notice to Shareholders.

c) Mr. K. Ashok Reddy

Details of total remuneration which is proposed to be paid to Mr. K. Ashok Reddy have been fully set out in the resolution at item no. 6 of the Notice to Shareholders.

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

The Nomination & Remuneration Committee of the Board and the Board of Directors considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the respective roles and also considering the competence and invigorating leadership of Mr.E.Sudhir Reddy, Mr. R. Balarami Reddy and Mr. K. Ashok Reddy which has resulted in sustained growth for the Company, had approved that the payment of remuneration stated at item No. 4, 5 & 6 is commensurate to prevailing levels in the industry and therefore it is fit and justified for payment of the said remuneration to them.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

a) Mr. E. Sudhir Reddy

Mr. E. Sudhir Reddy, Chairman & Managing Director is not related to any managerial personnel in the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution at Item No. 4 and except to the extent of his shareholding as a Promoter in the Equity Share Capital of the Company.

b) Mr. R. Balarami Reddy

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

c) Mr. K. Ashok Reddy

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

III. OTHER INFORMATION.

(1) Reasons of loss or inadequate profits.

Currently the construction industry is witnessing sluggish growth temporarily due to economic and policy concerns. At the same time, the economy has been witnessing high inflation cycle resulting into high interest costs, commodity prices, execution delays and delays in payment from clients. The key economic and policy concerns being faced by the Industry include Delays in land acquisition, significant rise in commodity prices, low realization of revenues and execution delays. The cumulative impact of the above factors coupled with an industry and economic downturn with a combination of tightened liquidity conditions and an inflationary environment has caused a liquidity stress on IVRCL leading to reduced turnovers and lower margins, resulting in loss or inadequate profits.

(2) Steps taken or proposed to be taken for Improvement.

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

- Claims Realisation: Persistent efforts are being made by IVRCL to collect claims
- Cost optimisation: IVRCL has implemented cost optimisation measures such as cutting overheads and rationalisation of human resources. These internal cost cutting measures are expected to improve profitability going forward.

- Reduction in Working Capital: Better credit terms with suppliers have been negotiated.
- Monetisation of assets: IVRCL is proactively exploring monetisation of assets and step down subsidiaries.

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

The Company has applied for CDR and same was approved. In the circumstances the situation is expected to improve by FY 2016 onwards with expectations of improvement in macroeconomic conditions. Further it is expected that the steps taken by the Company for improving the operational parameters wherever feasible would show signs of improvement. Consequently, the Company expects to see an improvement in cash flows due to tighter working capital cycle and realization of claims by FY 2016 onwards and expects to maintain healthy margins thereafter. As mentioned above, the management is taking special efforts to make the Company turnaround. It is expected that the results of the renewed vigour and efforts are likely to be seen in the near future

IV. DISCLOSURES.

Disclosures required to be made pursuant to point IV of Part A of Section II of Part II of Schedule V to the Act have been made in the Corporate Governance Report for the period ending 31st March 2014.

As prescribed under section 190 of the Companies Act 2013, Memorandum setting out the details of the terms of re-appointment is available for inspection by the members at the registered office of the Company.

Your Directors, therefore recommend the resolution for your approval.

Except the proposed appointees viz., Mr. E. Sudhir Reddy, Mr. R. Balarami Reddy and Mr. K. Ashok Reddy None of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolutions.

Item No.7 to 9

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Prabhakar Ram Tripathi, Mr.Tummala Ramesh Chandra Bose and Mr.V.Murahari Reddy, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent Directors

from September 26, 2014 up to September 25, 2019.

Mr. Prabhakar Ram Tripathi, Mr.Tummala Ramesh Chandra Bose and Mr.VMurahari Reddy, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Your Directors, therefore recommend the resolution for your approval.

Except the Directors being appointed none of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolution.

Item No. 10&11

The Board of Directors, propose to raise funds subject to such necessary approvals as are required if any, for the purpose of investing in the subsidiaries of the Company ; for repayment of the unsecure / secure loans including the loan provided by M/s. Indravati Investments Private Limited for CDR purposes; to meet normal capital expenditure and for general corporate purposes have decided to issue additional equity shares in the form of qualified institutional placement and preferential issue of warrants as stated in the respective resolutions.

Pursuant to provisions of Section 62(1)(c) of Companies Act, 2013 the proposed issue of securities needs to be approved by the Shareholders by way of a Special Resolution.

In terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 ("Regulations") the following disclosures are needed to be made in the Explanatory Statement to the notice of the General Meeting.

i. Objects of the Issue:

The proceeds of the preferential offer are proposed to be used for the purpose of investing in the subsidiaries of the Company ; for repayment of the unsecure / secure loans including the loan provided by M/s. Indravati Investments Private Limited for CDR purposes; to meet normal capital expenditure and for general corporate purposes and purposes permitted by applicable laws.

ii. The intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer

M/s. Indravati Investments Private Limited is Affiliate of the promoter. In case the shareholding of M/s. Indravati Investments Private Limited undergoes a change the status of the entity may also undergo a change, instead of being an affiliate of promoter.

Except the above, none of the Promoters, directors or Key Managerial Personnel intend to subscribe to Equity Shares of the Company.

iii. Shareholding pattern pre and post preferential offer:

The present shareholding pattern and the share holding pattern assuming full Conversion of warrants into equity shares are given below:

Category of shareholder		Pre issue		Post Issue(After Conversion of warrants into equity shares)	
		No. of Shares	% to Listed Capital	No. of Shares	% to Listed Capital
A	Promoters Shareholding				
	Individual /HUF	22245976	7.25	22245976	6.68
	Bodies Corporate	19786190	6.45	45599303	13.71
	Sub-Total	42032166	13.70	67845279	20.39
B	PUBLIC SHAREHOLDING				
1	INSTITUTIONS				
	Mutual Funds /UTI	4283483	1.40	4283483	1.29
	Financial Institutions /Banks	599764	0.20	599764	0.18
	Central Government / State Government(s)				0
	Venture Capital Funds				0
	Insurance Companies	578642	0.19	578642	0.17
	Foreign Institutional Investors	30765182	10.02	30765182	9.25
	Foreign Venture Capital Investors				0
	Qualified Foreign Investor				0
	Sub-Total	36227071	11.81	36227071	10.89
2	NON-INSTITUTIONS				
	Bodies Corporate	76453035	24.91	76453035	22.98
	Resident Individuals	143883404	46.88	143883404	43.25
	NON RESIDENT INDIANS	6825769	2.22	6825769	2.05
	Others	1465203	0.48	1465203	0.44
	Sub - Total	228627411	74.49	228627411	68.72
	Grand Total	306886648	100.00	332699761	100.00

The pre shareholding pattern is as on 8th August 2014

iv. Proposed time within which the allotment shall be completed

The warrants shall be issued within the time limit prescribed under SEBI ICDR Regulations.

v. Identity of the Proposed Allottees

Identity of proposed allottees	Category	Pre-Issue Holding	No. of Warrants to be allotted	Issue Price (INR) of Warrants	Post Issue Holding (on Conversion of total warrants into equity shares)	% to Total paid up capital after Conversion of total Warrants into shares
M/s. Indravati Investments Private Limited	Body Corporate	NIL	2,58,13,113	19.37	2,58,13,113	7.76

vi. Change in control

There shall be no change in management or control of the company pursuant to the issue of equity shares.

vii. Re-Computation of issue Price

As required under the ICDR Regulations, wherever it is required, the company shall re-compute the issue price in accordance with the ICDR Regulations.

Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottee within the time stipulated under the regulations the equity shares allotted to M/s.Indravati Investments Private Limited shall continue to be locked in till the time such amounts are paid by them.

viii. Relevant Date

The Relevant date as per the regulations for the determination of issue price of the equity shares pursuant to the aforesaid preferential allotment 30 days prior to the date of Annual general Meeting which is 26th September 2014, to approve the proposed preferential issue, in terms of section 62(1)(c) of the Act.

ix. Pricing of preferential issue

The equity shares will be allotted in accordance with the price determined in terms of regulation 76 of the ICDR Regulations.

x. Auditors Certificate

The Auditors Certificate, as required under Clause 73(2) of regulations will be made available for inspection at the registered office of the Company between 10.00 A.M and 4.00 P.M on any working day.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, Special Resolution is required to be approved by Members pursuant to the provisions of section 61(1)(c) of the Act, and Chapter VII of SEBI (ICDR) Regulations.

Your Directors, therefore recommend the resolution for your approval.

None of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolution.

Item No. 12

Currently the Board of Directors have been authorised to borrow upto Rs.10,500 Crores (Rupees Ten Thousand Five Hundred Crores Only) for the purpose of the Company's business requirements, pursuant to the resolution approved by the members of the Company on March 15, 2011 (conducted through Postal ballot) pursuant to Section 293(1)(d) of the Companies Act,1956. Now, with the new Companies Act, 2013 coming into force, and the CDR scheme of the company has been approved, it is likely that the operations of the Company will increase. Hence it is proposed to obtain fresh resolution for Rs. 11500 Crores an increase of Rs. 1000 Crores.

Pursuant to section 180(1)(c) of the Companies Act,2013 approval of the members is sought for authorizing the Board to borrow in excess of the paid-up capital and free reserves of the Company as set out in the resolution.

Your Directors, therefore recommend the resolution for your approval.

None of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolution.

Item No. 13

Members are hereby informed that the Audit Committee and the Board of Directors, at their respective meetings held on 12th August 2014 have appointed M/s.Sagar& Associates, Cost Auditors of the Company for the financial year 2014-15 to conduct audit of cost accounting records maintained by the Company on a remuneration of Rs.2,00,000/- (Rupees TwoLakhs) per annum.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders.

Your Directors, therefore recommend the resolution for your ratification.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above resolution.

Item No. 14

Pursuant to the letter of approval (LOA) dated June 30, 2014 issued by the CDR Cell and the Master Restructuring Agreement (MRA) dated 30th June 2014 executed by the Company with the CDR Lenders, the Company has to ensure Compliance with the provisions of the LOA and MRA. In order to comply with the same the Articles of Association (AOA) is being altered to incorporate the necessary provisions.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

The same is also available for inspection of the shareholders at the registered office of the company during business hours between 10.00 a.m. to 6.00 p.m.

Your Directors, therefore recommend the resolution for your approval.

None of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolution.

Item No. 15

IVRCL Limited ("Company") is an integrated infrastructure Company and an EPC player with global footprints. The construction industry has been facing severe recessionary trends due to slower economic growth, delays in awarding projects and delays in clearances by various Government agencies for large projects which have impacted the progress at various projects sites of the Company, thereby resulting into cost overruns. The elongated recessionary pressure for past few years has led to reduction in turnover and negative growth in net profit. There had been setbacks for mobilizing long term equity funds into the Company by way of equity dilution or stake sale, due to uncertainties the sector has been passing through in the past few years. As a result, the ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected. The Company felt it necessary to refer the matter to Corporate Debt Restructuring ("CDR") Forum under CDR guidelines issued by The Reserve Bank of India, for efficient restructuring of the debts of the

Company. The CDR proposal was made by the Company on January 20, 2014.

After considering the proposal made by the Company, the final restructuring package ("CDR Package") was approved by the Corporate Debt Restructuring Empowered Group ("CDREG"), at its meeting held on June 28, 2014 and communicated to the Company & CDR Lenders vide Letter of Approval dated June 30, 2014 ("CDR LOA").

The security for the above Restructured Facilities *inter alia* is as under:

1. Creation of charge by way of hypothecation / mortgage on the Company's entire unencumbered fixed assets and current assets, both present and future, long term trade receivables;
2. Personal Guarantee of the promoter viz., Mr. E. Sudhir Reddy
3. Pledge by promoters of their shareholding in the Company.
4. Pledge of unencumbered shares held by the Company in its material subsidiaries.
5. Creation of charge by way of mortgage of lands held by the Company's subsidiaries and group companies.
6. Corporate guarantee by all subsidiaries and group companies.

As per the Letter of Approval dated June 30, 2014 issued by the CDR Cell and the Master Restructuring Agreement dated June 30, 2014 ("MRA") executed by the Company with the CDR Lenders, the CDR Lenders shall have a right to convert entire/part of defaulted interest and entire/part of defaulted principal into Equity Shares as per SEBI guidelines, in the event of default. Pursuant to the provisions of section 62(3) of the Companies Act, 2013 and other applicable rules if any, members approval is required for conversion of the debt, as mentioned in the resolution, into Equity Shares of the Company.

The CDR Lenders have the option to convert such Restructured Facilities into Equity Shares of the Company as below. However, the conversion option will be available in respect of term debt, WCTL - I and WCTL - II only in the event of default by the company.

(in Crores)

S.No.	Name of the Bank	Amount				
		Term debt	WCTL-I	WCTL-II	FITL	TOTAL*
1	State Bank of India	0	125.28	25.78	58.61	209.67
2	Indian Overseas Bank	0	260.68	95.25	96.51	452.44
3	Corporation Bank	0	188.97	13.38	54.55	256.9
4	Canara Bank	0	172.10	10.75	66.29	249.14
5	Andhra Bank	0	127.59	0.99	44.02	172.6
6	IDBI Bank	0	194.61	140.41	81.03	416.05
7	Tamilnad Mercantile Bank	0	73.53		32.54	106.07
8	ICICI Bank Ltd	18.29	127.16	28.52	92.84	266.81
9	KarurVysya Bank	0	4.73		4.65	9.38
10	Punjab & Sind Bank	0.55	2.93		3.33	6.81
11	IndusInd Bank	7.53	14.99		20.80	43.32
12	EXIM Bank	0	12.62		3.56	16.18
13	Union Bank of India	10.25			21.29	31.54
14	INGVysya Bank	0	108.39		36.7	145.09
15	Lakshmi Vilas Bank	0	15.24		6.57	21.81
16	HDFC Bank	0.68			1.41	2.09
17	AXIS Bank	3.04		50.71	15.29	69.04
18	LIC	20.50			42.59	63.09
19	SREI Equipment Finance P Ltd	12.46			25.83	38.29
20	Bank of Nova Scotia	2.56			5.32	7.88
21	Barclays Bank	0			3.56	3.56
22	DBS Bank	0	179.16		55.98	235.14
23	Standard Chartered Bank	6.23			12.95	19.18
24	TATA Capital Limited	5.74			9.57	15.31
25	Daimler Financial Services (I) Pvt Ltd	0.06			0.12	0.18
26	L&T Finance Ltd	0.09			0.18	0.27
27	SHRIRAM Equipment Finance Co Ltd	0.56			1.16	1.72
28	Magma Fincorp Ltd	0.33			0.66	0.99
	TOTAL	88.87	1607.98	365.79	797.91	2860.55

*All the figures forming part of the CDR LOA and MRA are subject to sanctions from the respective Banks and actual/reconciliation between the Company and the CDR Lenders. The FITL amounts have been taken as per the LOA. Actual amounts may change depending upon the interest rates at the time of conversion. Accordingly the No. of shares to be allotted to each lender on conversion of their part of restructured loan to equity may change.

Other terms relating to issue of Equity Shares:

1. The Equity Shares shall rank *paripassu* with the then existing Equity Shares of the Company.

2. The disclosures required pursuant to Regulation 73 of the ICDR Regulations are as follows:

i. Objects of the Issue:

The object of the preferential issue is to comply with the CDR Package of the Company by allotment of Equity Shares of the Company to the CDR Lenders pursuant to the exercise of option by the CDR Lenders to convert such Restructured Facilities into Equity Shares as envisaged in the CDR LOA and the MRA.

ii. The intention of the Promoters / Directors / Key Management Personnel to subscribe to the offer

None of the Promoters, Directors or key management persons intend to subscribe to the proposed preferential offer

iii. Shareholding pattern pre and post preferential offer:

The shareholding pattern of the Company before and after the preferential issue is provided below:

Category of shareholder		Pre issue		Post Conversion	
		No. of Shares	% to Listed Capital	No. of Shares	% to Listed Capital
A	Promoters Shareholding				
	Individual /HUF	22245976	6.68	22245976	1.47
	Bodies Corporate	45599303	13.71	45599303	3.01
	Sub-Total	67845279	20.39	67845279	4.48
B	PUBLIC SHAREHOLDING				
1	INSTITUTIONS				
	Mutual Funds /UTI	4283483	1.29	4283483	0.28
	Financial Institutions /Banks	599764	0.18	1184602249	78.10
	Central Government / State Government(s)		0	0	
	Venture Capital Funds		0	0	
	Insurance Companies	578642	0.17	578642	0.04
	Foreign Institutional Investors	30765182	9.25	30765182	2.03
	Foreign Venture Capital Investors		0	0	
	Qualified Foreign Investor		0	0	
	Sub-Total	36227071	10.89	1220229556	80.45
2	NON-INSTITUTIONS				
	Bodies Corporate	76453035	22.96	76453035	5.04
	Resident Individuals	143883404	43.25	143883404	9.49
	NON RESIDENT INDIANS	6825769	2.05	6825769	0.45
	Others	1465203	0.44	1465203	0.10
	Sub Total	228627411	68.72	228627411	15.07
	Grand Total	332699761	100.00	1516702246	100.00

iv. Proposed time within which the allotment shall be completed

The Equity Shares shall be allotted to the concerned allottees in accordance with and within the time limit specified under the ICDR Regulations.

v. Identity of the Proposed Allottees

SHAREHOLDING				
Name of the Lender	Pre-Allotment		Post – Allotment	
	No. of Equity Shares	% to Paid up Capital	No. of Equity Shares	% to Paid up Capital
State Bank of India	NIL	NIL	86783940	5.72
Indian Overseas Bank	NIL	NIL	187268212	12.35
Corporation Bank	NIL	NIL	106332781	7.01
Canara Bank	NIL	NIL	103120861	6.80
Andhra Bank	NIL	NIL	71440397	4.71
IDBI Bank	NIL	NIL	172206126	11.35
Tamilnad Mercantile Bank	NIL	NIL	43903146	2.89
ICICI Bank Ltd	NIL	NIL	110434603	7.28
Karur Vysya Bank	NIL	NIL	3882450	0.26
Punjab & Sind Bank	NIL	NIL	2818709	0.19
Indusind Bank	NIL	NIL	17930464	1.18
EXIM Bank	NIL	NIL	6697020	0.44
Union Bank of India	NIL	NIL	13054636	0.86
ING Vysya Bank	NIL	NIL	60053808	3.96
Lakshmi Vilas Bank	NIL	NIL	9027318	0.60
HDFC Bank	NIL	NIL	865066	0.06
AXIS Bank	NIL	NIL	28576159	1.88
LIC	NIL	NIL	26113411	1.72
SREI Equipment Finance Ltd	NIL	NIL	15848510	1.04
Bank of Nova Scotia	NIL	NIL	3261589	0.22
Barclays Bank	NIL	NIL	1473510	0.10
DBS Bank	NIL	NIL	97326159	6.42
Standard Chartered Bank	NIL	NIL	7938742	0.52
TATA Capital Limited	NIL	NIL	6336921	0.42
Daimler Financial Services (I) PvtLtd	NIL	NIL	74503	0.00
L&T Finance Ltd	NIL	NIL	111755	0.01
SHRIRAM Equipment Finance Co Ltd	NIL	NIL	711921	0.05
Magma Fincorp Ltd	NIL	NIL	409768	0.03
TOTAL			1184002485	78.06

The aforesaid details have been provided assuming full conversion of such Restructured Facilities by CDR Lenders. However, the actual conversion shall be dependent on the extent of conversion rights exercised by each CDR Lender.

* The aforesaid details have been provided assuming all allotments proposed under this Notice.

vi. Change in control

The proposed allottees are not part of the Promoter Group and hence allotment of Equity Shares may result in change in control of the Company.

vii. Re-Computation of issue Price

Not applicable

viii. Relevant Date

The Relevant date as per the regulations for the determination of issue price of the equity shares pursuant to the CDR Package is 28th June 2014.

xi. Pricing of preferential issue

The equity shares will be allotted in accordance with the price determined in terms of regulation 76 of the ICDR Regulations.

x. Auditors Certificate

The Auditors Certificate, as required under Clause 73(2) of regulations will be made available for inspection at the registered office of the Company between 10.00 A.M and 4.00 P.M on any working day.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, Special Resolution is required to be approved by Members pursuant to the provisions of section 62(1)(c) of the Act, and Chapter VII of SEBI (ICDR) Regulations.

Your Directors, therefore recommend the resolution for your approval.

None of the Directors / Key Managerial Personnel / their relatives of the Company is in any way concerned or interested in the above referred resolution.

**By order of the Board of Directors
For IVRCL Limited**

**Place : Hyderabad
Date : 12th August, 2014**

**B. Subrahmanyam
Company Secretary**

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

Particulars	Prabhakar Ram Tripathi	Tummala Ramesh Chandra Bose	V.Murahari Reddy
Date of Birth	24.06.1943	15.01.1941	01.07.1943
Date of Appointment	07.07.2006	29.10.2004	14.05.2011
Qualifications	B.Sc.(Hon.), A.I.S.M (Mining), F.C.C (Coal & Metal)	B.E. Electrical, FIE	B.E. (Hons) in Civil Engineering
Expertise in specific functional areas	Wide experience in the areas of mine planning, operation and management of mineral projects	Wide experience in the desing, planning, engineering and execution of Power Sector and also fellow member of Institute of Engineers, India	Wide experience in Roads & Bridges and Training of Highway Engineers, Procurement Training, Institutional aspects, Dispute resolution and arbitration
Directorships held in other companies(excluding foreign companies)	1)Minman Consultancy Services (P) Ltd 2) Hindustan Dorr Oliver Ltd 3) HDO Technologies Ltd 4) Sarda Energy & Minerals Ltd 5) Premier Explosives Limited	1) Kakatiya Cement Sugar and Industries Limited 2) Vijai Electricals Limited 3) Countrywide Power Transmission Limited 4) Sew Infrastructure Limited 5) Kakatiya Power Logics Pvt. Ltd., 6) Divya Shakti Granites Ltd.,	Ramky Infrastructures Ltd
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	1)HDO Ltd i) Audit Committee : Member ii) Share Holder Committee : Chairman 2)Premier Explosives Limited i) Audit Committee : Chairman ii) Remuneration Committee : Chairman 3)Sarda Energy & Minerals Ltd Remuneration Committee : Chairman	1) Kakatiya Cement Sugar and Industries Limited i) Audit Committee : Member ii) Share Holder Committee : Member 2) Sew Infrastructure Limited i) Audit Committee : Member	
Number of sharesheld in the Company	NIL	NIL	NIL

Particulars	E. Sudhir Reddy	R. Balarami Reddy	K. Ashok Reddy
Date of Birth	13.04.1960	01.07.1954	09.12.1955
Date of Appointment	16.11.1987	25.11.1997	25.11.1997
Qualifications	B.Com	B.Com, FCA, ACS and ACMA	B.SC, PGDBA (XLRI)
Expertise in specific functional areas	Mr. E. Sudhir Reddy is promoter of the company. He obtained his bachelors degree in commerce. He has over 25 years of experience in construction and engineering business and is above 54 years.	Mr. R. Balarami Reddy is a Fellow member of the Institute of Chartered Accounts of India("ICAI"), and Associate member of the institute of Cost Accountants of India ("ICMAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 60 years. He has over 27 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a practicing chartered Accountant for a period of seven years before joining IVRCL Limited	Mr. K. Ashok Reddy is a Science Graduate with PGDBA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 59 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS India before joining IVRCL Limited.
Directorships held in other companies(excluding foreign companies)	1) Hindustan Dorr-Oliver Limited 2) Eragam Holdings Limited 3) IVRCL Megamalls Limited	1) Hindustan Dorr-Oliver Limited, 2) IVRCL PSC Pipes Private Limited 3) First STP Private Ltd 4) IVR Enviro Projects Private Limited 5) IVRCL Building Products Limited 6) IVR Hotels and Resorts Limited 7) IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited 8) HDO Technologies Limited 9) Kemira Indus Limited	1) IVRCL PSC Pipes Private Ltd 2) IVR Enviro Projects Private Limited 3) IVRCL Building Products Limited 4) Alkor Petroo Limited 5) Geo IVRCL Engineering Ltd 6) Ilavampedu Developers Private Ltd 7) Mummidi Developers Private Ltd 8) Tirumani Developers Private Ltd 9) Annupampattu Developers Private Ltd
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL	Hindustan Dorr Oliver Limited Member - Audit Committee	Alkor Petroo Limited Chairman - Audit Committee

DIRECTORS' REPORT



To

The Members

Your Directors have pleasure in presenting the 27th Annual Report together with the audited Balance Sheet and Statement of Profit & Loss for the 12 months period ended March 31, 2014. Since the previous year figures are for a period of 9 months, the same are not strictly comparable.

1. FINANCIAL RESULTS

Rs. in million

Particulars	Year Ended 31.03.2014	9 months period ended 31.03.2013
Gross Turnover	43048.07	37590.89
Profit before Interest, Dep., Extraordinary items & Tax	2047.81	3427.34
Less : Interest & Finance Charges	5847.25	3478.88
Less : Depreciation	879.82	639.67
Less : Exceptional Item	2291.55	-
(Loss) / Profit before tax (PBT)	(6970.81)	(691.21)
Provision for tax	196.98	325.40
(Loss) / Profit after tax (PAT)	(7167.79)	(1016.61)
Balance brought forward from previous year/Adjustment	4093.11	5109.72
(Loss)/Profit available for appropriation	(3074.68)	4093.11
Balance carried to Balance Sheet	(3074.68)	4093.11
Paid-up Capital	613.77	613.77
Reserves and Surplus	13889.04	21077.97

2. DIVIDEND

Your directors regret their inability to recommend dividend for the period ended March 31, 2014.

3. REVIEW OF PERFORMANCE

Your Company achieved a gross turnover of Rs. **43048.07** million for the 12 months period ended March 31, 2014 as against Rs. **37590.89** million for the previous financial year (9 months period).

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBITA) at Rs. **2047.81** million are 4.76 % of the turnover for the period under review as against **9.12%** for the previous financial year.

4. SUBSIDIARIES

The Company has 68 subsidiaries (including step down subsidiary companies) as on date and the details of investment made by the company in its various

subsidiaries during the year and the value of the investment as on March 31, 2014 have been furnished in Note No.11 of 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 had granted general exemption for companies from complying with the provisions of section 212(8) of the Companies Act, 1956 subject to certain conditions being fulfilled by the Company. Accordingly, the Balance sheet, profit and loss account and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. A statement containing the brief details of financials of Subsidiary companies for the financial year ended March 31, 2014 is enclosed in the Annual Report. The annual accounts of the said subsidiary companies and relevant information shall be made available to the shareholders who seek such information. The same are also available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours. Copy of the said details will be provided upon receipt of written request from the shareholders

HINDUSTAN DORR-OLIVER LIMITED (HDO)

For the financial year ended March 31, 2014, the company achieved a turnover of Rs. 2552.00 million, an increase of 6.22% compared to previous period. The Net Loss has come down from Rs. 1209.40 million to Rs. 1015.10 million. The EPS is Rs. (14.10) on Rs. 2/- share.

5. CONSOLIDATION OF ACCOUNTS

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

6. EMPLOYEE STOCK OPTION SCHEMES

The earlier two ESOP Plans viz., IVRCL ESOP 2000 and IVRCL ESOP 2004 have been fully utilized, **IVRCL ESOP 2007 Scheme** lapsed without granting any options.

ESOP 2013 Scheme:

The members at the Annual General Meeting held on 26th September 2013 approved granting of 1,00,00,000 options, underlying 1,00,00,000 shares of 2/- each to the employees. The Company is yet to grant the options.

7. PUBLIC DEPOSITS

During the year under review, your Company has accepted an amount of Rs. 3,31,08,000 as public deposits from the public out of which Rs. 75,000 was repaid and an amount of Rs. 3,30,33,000 is outstanding as on 31st March, 2014.

8. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. R. Balarami Reddy, Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible your Board recommends his reappointment.

During the year under review Mr. E. Ella Reddy and Mr. E. Sunil Reddy resigned as Directors due to their personal reasons. The Board places on record their valued services to the company.

9. CORPORATE GOVERNANCE

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

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

11. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the financial year ended on that date.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

12. AUDITORS

M/s. Deloitte Haskins & Sells, the Joint Statutory Auditors have resigned as Statutory Auditors of the Company. M/s. Chaturvedi & Partners, the other Joint Statutory Auditor continued as Statutory Auditors of the Company.

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

13. PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended the details of directors who were in receipt of remuneration of Rs.60,00,000/- or more per annum or Rs.5,00,000/- or more per month, if any, during the year under review is enclosed as an Annexure to this Report. In terms of

Section 219(1)(b)(iv) of the companies Act 1956, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure, except Mr. E.Sudhir Reddy, Chairman & Managing Director, is related to any Director of the Company.

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. The core activity of the company is civil construction which is not an energy intensive activity.

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

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

The particulars of expenditure and earnings in Foreign currency are furnished in item No. 31 to Notes to Accounts.

15. INDUSTRIAL RELATIONS

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

16. GUIDELINES ON CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY.

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Hyderabad

Date : 30.05.2014

E. Sudhir Reddy

Chairman & Managing Director

1. IVRCL PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

- i) The Company has an Executive Chairman during the financial year and the number of Independent Directors is 50% of the total number of Directors. Thus, the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2014 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

a. The Board of Directors of the Company as on March 31, 2014 consists:

Non – Executive Directors

A. Independent

Mr. P.R.Tripathi

Mr. T.R.C.Bose

Mr. V. Murahari Reddy

B. Executive Directors

Chairman & Managing Director

Mr. E. Sudhir Reddy (Promoter)

Whole-time Directors

Mr. R. Balarami Reddy

Mr. K. Ashok Reddy

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

Four meetings of the Board of Directors were held on :

30th May 2013, 13th August, 2013, 14th November 2013, 14th February, 2014,

The last Annual General Meeting was held on Thursday, the 26th September, 2013.

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

* Mr. E. Ella Reddy & Mr. E. Sunil Reddy resigned on November 14, 2013

**Mr. L. Srinivas Reddy resigned on September 19, 2013

I & NED Independent & Non-Executive Director

NED Non-Executive Director

ED Executive Director

CMD Chairman & Managing Director

3. AUDIT COMMITTEE

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

B. Composition, names of members and Chairperson:

The composition of the Audit Committee is as follows:

Chairman Mr. P.R.Tripathi

Members Mr. T.R.C. Bose

Mr. V. Murahari Reddy

C. Meetings and Attendance:

Four meetings of the Audit Committee were held on 30th May 2013, 13th August, 2013, 14th November 2013, 14th February, 2014,

Name of the Director	No. of meetings attended
Mr. P.R. Tripathi - Chairman	4
Mr. T.R.C. Bose	4
Mr. V. Murahari Reddy	3

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

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

4. COMPENSATION COMMITTEE:

A. The Composition of the Compensation Committee is as follows:

Chairman	: Mr. P.R. Tripathi
Members	: Mr. T. R. C. Bose
	: Mr. V. Murahari Reddy
Secretary to the Committee	: Mr. B Subrahmanyam, Company Secretary.

B. Meetings and Attendance:

Three meetings of the Compensation Committee meeting were held on 30th May 2013, 14th November 2013, 14th February, 2014

Name of the Director	No. of Meetings Attended
Mr. P.R. Tripathi - Chairman	3
Mr. T. R. C. Bose	3
Mr. V. Murahari	2

C. Remuneration Policy:

- 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.
- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director. The other Executive Directors are compensated by way of salary, benefits, perquisites and allowances (fixed component) as decided by the Remuneration Committee and approved by the members from time-to-time.
- Sitting fees at the rate of Rs.20,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made.
- There is at present no other component of remuneration to non-executive directors.

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

i) Non Executive Directors (sitting fee only)	(in Rupees)
Mr. E. Ella Reddy	40000
Mr. T. R. C. Bose	220000
Mr. P. R. Tripathi	300000
Mr. V. Murahari Reddy	160000
TOTAL	720000

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

(In Rupees)

Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	12000000	NIL	NIL
Mr. R. Balarami Reddy Executive Director-Finance & Group CFO	4191000	NIL	NIL
Mr. K. Ashok Reddy Executive Director	4148400	NIL	NIL
TOTAL	20339400		

During the year ended March 31, 2014 managerial remuneration, amounting to Rs. 7.64 million in respect of an executive director is subject to Central Government approval and Rs. 4.55 million in respect of two executive directors for which the Company is in the process of making the application to the Central Government, has been paid. Pending the approval from the Central Government the excess amount of Rs. 17.57 million (including Rs. 5.38 million for the earlier period) has been accounted as due from directors.

During the current year, the Company has received Central Government approval in respect of excess remuneration paid during the period April 01, 2011 to June 30, 2012 amounting to Rs.11.40 million which has been charged to "Employee Benefits Expense" for the year ended March 31, 2014.

iii) Shares held by Non-Executive Directors as on March 31, 2014

Name of the Director	Numbers of Shares held	% of the Paid-up Capital of the Company
Sri. P.R. Tripathi	NIL	NIL
Sri. T.R.C. Bose	NIL	NIL
Sri. V. Murahari Reddy	NIL	NIL

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

- A. The Committee consists of Mr. P. R. Tripathi, Chairman, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into the investor grievances coordinates with the Registrars & Transfer Agents, M/s. Karvy Computershare Private Ltd. for redressal of grievances.
- B. Mr. B Subrahmanyam, Company Secretary is the Compliance Officer nominated for this purpose under Clause No. 47(a) of the Listing Agreement.

C. Meetings & Attendance

Four meetings of the Investor Grievances Committee were held on 30th May 2013, 13th August, 2013, 14th November 2013, 14th February, 2014.

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

During the year, the Company received 142 complaints and all the complaints were resolved to the satisfaction of the Investors.

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

- A. The Committee consists of Mr. P.R. Tripathi, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into all the aspects relating to Code of conduct including enforcement, imposition of penalties for any violation of the provisions of the Code and to amend or modify the provisions of the Code from time to time :
- B. Mr. B Subrahmanyam, Company Secretary is the Secretary nominated for this purpose under the code of Conduct.

Meetings & Attendance

- C. No meeting of the Regulatory Committee meeting was held during period ended on 31st March 2014.

7. EXECUTIVE COMMITTEE:

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

Members:

- Mr. E. Sudhir Reddy
- Mr. K. Ashok Reddy
- Mr. R. Balarami Reddy

The Powers of the Executive Committee were amended by the Board of Directors on February 14, 2013. The following are the new powers;

- To execute agreements on behalf of the Company, from time to time.

2. To sub-delegate authority in writing by way of Power of Attorney or otherwise, executed by one of the Members of the Committee, for the purposes of day-to-day operations, tendering, business development and project executions of the Company, duly authorised by the Committee.
3. Opening and Closing of Bank Accounts and authorising the Directors and Officers of the Company for operating the accounts with authority to issue Cheques.
4. To make necessary applications or petitions to the Court, Company Law Board or Regional Director or other judicial or quasi judicial body, as and when required.
5. To authorize any person as Corporate Representative under Section 187 of the Companies Act 1956 to attend the general meetings of any Company.
6. To authorize any person with regard to incorporation of Companies and closure or winding up of Companies.
7. Authorisation to affix the Common Seal of the Company on such documents as may be required, from time to time, as per Articles of Association of the Company.
8. To make investments and disinvestments, from time to time, for the purposes of subscribing to the equity/preference share capital of Subsidiaries/Joint Ventures/SPVs/any other entity, upto an amount of Rs.100 Cr, pursuant to proviso to Section 292(1) of the Companies Act, 1956.
9. To Exercise borrowing powers, as may be decided by the Board, from time to time, pursuant to proviso to Section 292(1) of the Companies Act, 1956.

8 GENERAL BODY MEETINGS

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

Year	Location	Date & Time
24 th AGM – 2011	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 pm on September 26 2011
25 th AGM – 2012	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 10.30 AM on December 24 2012
26 th AGM – 2013	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 PM on September 26 2013

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

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

“Composite Scheme of Arrangement between “IVRCL LIMITED and IVRCL ASSETS & HOLDINGS LIMITED and RIHIM DEVELOPERS PRIVATE LIMITED and IVRCL TLT PRIVATE LIMITED and their Respective Shareholders and Secured Creditors”,

The following special resolutions were passed at the 25th Annual General Meeting of the Members of the Company held on 24th December, 2012:

1. Remuneration to Mr. E. Sudhir Reddy, Chairman & Managing Director
2. Remuneration to Mr. R. Balarami Reddy, Executive Director-Finance & Group CFO
3. Remuneration to Mr. K. Ashok Reddy, Executive Director

The following special resolutions were passed at the 26th Annual General Meeting of the Members of the Company held on 26th September, 2013:

1. To Re-appoint Mr.R.Balarami Reddy as Executive Director – Finance & Group CFO.
2. To Re-appoint Mr.K.Ashok Reddy as Executive Director
3. To consider the Employees Stock Option Scheme (IVRCL ESOP- 2013).
4. To consider Grant of options to the employees of subsidiaries of IVRCL Limited under Employees Stock Option Scheme (IVRCL ESOP- 2013).

There have been no postal ballot resolutions passed during the period.

9 DISCLOSURES:

- (i) Materially significant related party transaction with the Company Promoters, Directors, the Management, the Subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large have been disclosed in the accounts along with the financial impact of the same elsewhere in the Annual Report.
- (ii) There have been no major instances of non-compliance by the Company on any matters related to the Capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- (iii) The Company has established a Whistle blower policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism.
- (iv) The Company's financial statements are prepared as per Accounting Standards and the accounting principles generally accepted in India.
- (v) The pecuniary relationship or transaction with the Non-Executive Directors have been disclosed as part of transactions with key Managerial Personnel / relatives with in the annual report.
- (vi) Secretarial Audit:

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

(vii) Risk Management :

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

10. MEANS OF COMMUNICATION

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

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

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

11. GENERAL SHAREHOLDER INFORMATION

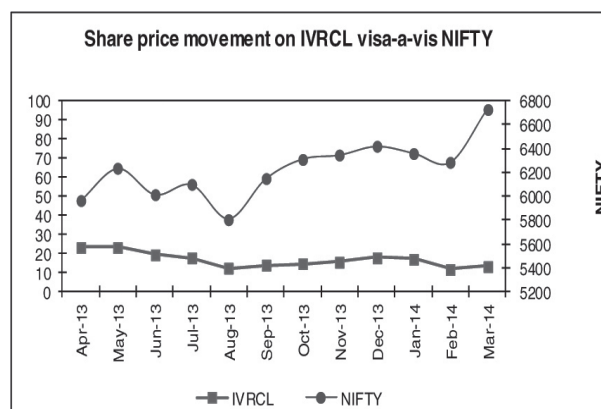
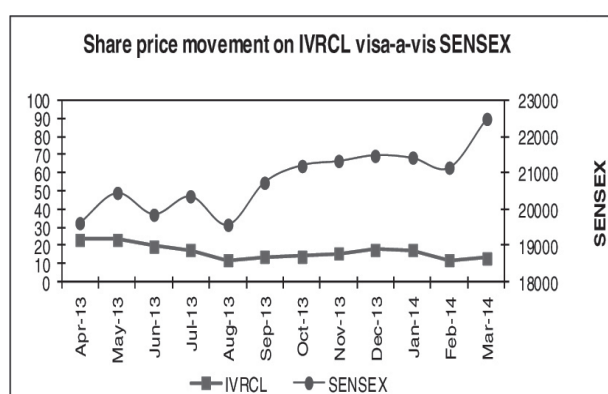
- a. 27th Annual General Meeting
 - Date and Time : 26th, September 2014, at 3.30 P.M
 - Venue : K.L.N. Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, Hyderabad - 4
- b. Financial Calendar
 - Year ending March 31, 2014
 - Un-audited financial results for the quarter ending June 30, 2014 Will be published in August 2014
 - Un-audited/audited results for the quarter / half-year ending September 30, 2014 Will be published in November 2014
 - Un-audited results for the quarter ending December 31, 2014 Will be published in February 2015
 - Audited results for the year ending March 31, 2015 Will be published in May 2015

- c. Book Closure : From 23rd Sept, 2014 to 26th Sept, 2014 (Both days inclusive)
- d. Dividend payment date No dividend has been recommended
- e. The equity shares of the Company are listed on (i) Bombay Stock Exchange(BSE) Limited
(ii) National Stock Exchange of India Limited (NSE)
- f. Stock Code :
- i) Trading Symbol at Bombay Stock Exchange, Scrip Code: 530773
- ii) Demat ISIN Numbers in NSDL & CDSL National Stock Exchange IVRCLINFRA EQ
Equity Shares INE875A01025
Debentures INE875A07014

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

g. Stock Market Data:

Month	The Bombay Stock Exchange				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High(Rs.)	Low(Rs.)	High	Low	High(Rs.)	Low(Rs.)	High	Low
Apr-2013	23.30	18.15	19622.68	18144.22	23.35	18.10	5962.30	5477.20
May-2013	23.25	17.40	20443.62	19451.26	23.25	17.30	6229.45	5910.95
Jun-2013	19.60	11.80	19860.19	18467.16	19.60	11.85	6011.00	5566.25
July-2013	17.40	11.25	20351.06	19126.82	17.45	11.25	6093.35	5675.75
Aug-2013	12.10	9.80	19569.20	17448.71	12.10	9.80	5808.50	5118.85
Sep-2013	13.65	10.11	20739.69	18166.17	13.65	10.05	6142.50	5318.90
Oct-2013	14.23	11.20	21205.44	19264.72	14.25	11.20	6309.05	5700.95
Nov-2013	15.48	13.10	21321.53	20137.67	15.50	13.05	6342.95	5972.45
Dec-2013	17.82	13.92	21483.74	20568.70	17.80	14.00	6415.25	6129.95
Jan-2014	17.30	9.80	21409.66	20343.78	17.30	9.85	6358.30	6027.25
Feb-2014	11.89	10.61	21140.51	19963.12	11.90	10.50	6282.70	5933.30
Mar-2014	13.29	10.20	22467.21	20920.98	13.30	10.15	6730.05	6212.25
Source: BSE Website.					Source: NSE website.			



h. Registrar and Transfer Agents ;

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

i. Share Transfer System

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

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

j. i. Distribution of Shareholding as on March 31, 2014

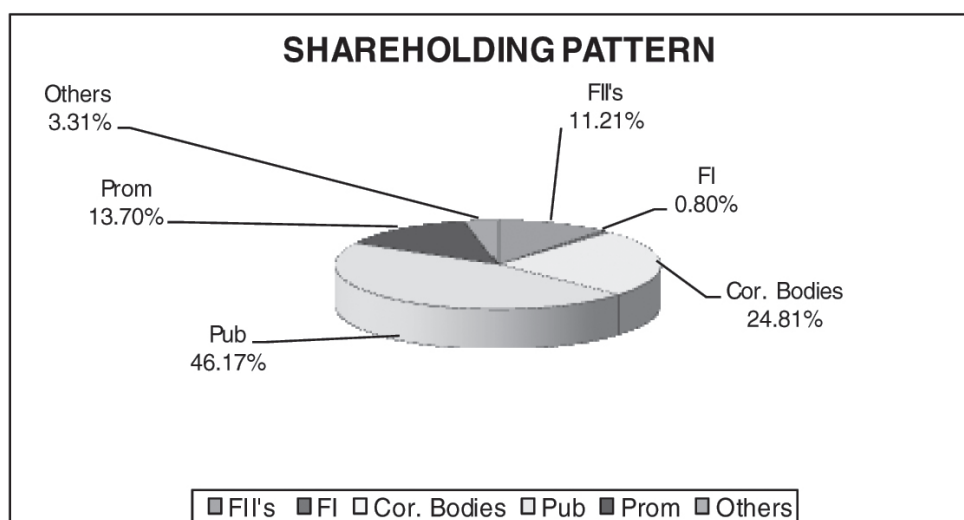
Category (Amount)	Share Holders		Equity	
	Number	% to Total	No. of Shares	% to Total
Upto – 5000	202975	95.57%	59626738	19.43%
5001 - 10000	5017	2.36%	18552760	6.05%
10001 – 20000	2378	1.12%	17635486	5.75%
20001 – 30000	693	0.33%	8685658	2.83%
30001 – 40000	385	0.18%	6934966	2.26%
40001 – 50000	211	0.10%	4843015	1.58%
50001 – 100000	387	0.18%	13830999	4.51%
100001 and above	347	0.16%	176777026	57.60%
TOTAL	212393	100%	306886648	100

ii. Capital Build Up during the Nine Month Period.

Particulars	Nature of Allotment	No. of shares of the face value of Rs. 2/- each	Aggregating to Rs.	Date of the listing and trading permissions
Capital at the beginning of the year		306886648	613773296	N/A
Allotments made during the year:		NIL	NIL	NIL
Capital at the end of the year		306886648	613773296	

iii. Shareholding pattern as on 31.3.2014

Category	Total No. of Shares	Percentage of shareholding
Promoter's Holding		
India Promoters	42032166	13.70
Non Promoter Holding		
Institutional Investors		
Mutual Funds	8154	0.00
Financial Institutions / Banks / Insurance Companies	2440596	0.80
Foreign Institutional Investors	34411026	11.21
Sub Total	36859776	12.01
Others		
Private Corporate Bodies	76157930	24.81
Indian Public	141686800	46.17
Non Resident Indian	7216967	2.35
Others	2933009	0.96
Sub Total	227994706	74.30
Grand Total	306886648	100.00



iv. Instruments outstanding as on March 31, 2014 and are liable for conversion into shares :

IVRCL ESOP 2013

The shareholders of the company, in the 26th Annual General Meeting held on 26th September 2013 approved to issue upto 1,00,00,000 options convertible into 1,00,00,000 equity shares of nominal value of Rs.2/- each at one option liable to be converted into one share of Rs.2/- each at a price which is 50% of the closing price recorded on National Stock Exchange of India Limited on the date of the such grant on such terms as may be specified by the Board of Directors of the company. The Company has not granted any options out of IVRCL ESOP 2013 scheme to any employee, as on date.

k. Dematerialization of shares and liquidity:

Shares of the Company can be held and traded only in Electronic form on Stock Exchanges. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialized form only, by all investors from 26th June 2000

99.87 percent of the shareholdings have been dematerialized as on 31.03.2014. Shares of the Company are actively traded in The Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, and hence have good liquidity.

l. Listing of Debt Securities

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

The Company is in default of payment of interest and principal as on 31st March, 2014.

m. Debenture Trustee (For Privately Placed Debentures)

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

n. Compliance With Clause 49.

Mandatory Requirements

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

Non-Mandatory Requirements

The Company did not adopt Non-mandatory requirements.

o. Code of Conduct for Directors and Senior Management:

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

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

DECLARATION

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the period ended 31st March 2014.

E.Sudhir Reddy
Chairman & Managing Director

P Address for Correspondence : **Shareholders General Correspondence**
Investor's Correspondence : **"IVRCL Limited"**
Physical / Electronic Mode
M/s. Karvy Computershare (P) Ltd.
H.No. 17-24, Vittalrao Nagar Near Image Hospital,
Madhapur, Hyderabad - 500081
"MIHIR" 8-2-350/5/A/24/1-B & 2
Road No.2, Panchavati Colony
Banjara Hills HYDERABAD – 500 034

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

- | | |
|--|--|
| <p>(i) Ahmedabad :
 314 & 315, 3rd Floor,
 Campus Corner-2,
 Opp: Prahlad Nagar Garden
 100 Feet Road, Prahlad Nagar
 AHMEDABAD – 380 015 Gujarat</p> <p>(ii) Bangalore:
 'Prosperity', No. 438, 1st Floor
 18th Main, 6th Block, Koramangala,
 BANGALORE – 560 095 Karnataka</p> <p>(iii) Chennai :
 No. 30A, South Phase
 6th Cross Road, Thiruvika, Industrial Estate,
 Guindy, CHENNAI – 600097 Tamilnadu</p> <p>(iv) Cochin:
 No.VII/719D, Plot # 180
 Mavelipuram Colony
 Kakkanadu
 COCHIN – 682 030 Kerala</p> <p>v) Delhi :
 CORENTHUM
 A-41, Tower – B, 1st Floor
 LOBE – 4, Sector - 62
 Noida - 201 307 Uttar Pradesh</p> <p>(vi) Jaipur:
 # 708, Maruti Marg
 Hanuman Nagar Extn, Sirsi Road
 JAIPUR – 302 012 Rajasthan</p> <p>(vii) Kolkata:
 3A, Hindustan Road
 2nd Floor, Garia Hat
 Opp. Murilidar Girls School
 KOLKATA - 700 029 West Bengal</p> | <p>(viii) Lucknow:
 2/310, Vishal Khand
 Gomti Nagar
 LUCKNOW – 226 010 Uttar Pradesh</p> <p>ix) Patna :
 H.No.14, Flat # A1
 Kamta Sadan Apartment
 Kamta Singh Kam Lane
 East Boring Canal Road
 PATNA – 800 001 Bihar</p> <p>(x) Pune:
 "IVRCL" House", 35
 Suyojana CHS
 Koregaon Park
 PUNE – 411 001. Maharashtra</p> <p>(xi) Raipur :
 C170, Shailendarnagar
 Opp. Ratna Palace,
 Katora Talab
 Raipur – 492001 Chattisgarh</p> <p>(xii) Ranchi:
 Block No.498/B, Rd.No.4
 Mandir Marg,
 Ashok Nagar
 RANCHI,
 JHARKHAND – 834 002.</p> <p>(xiii) Visakhapatnam:
 D.No.50-01-41/B, 2nd Floor
 ASR Nagar, Seethammadhara
 VISAKHAPATNAM – 530 013
 Andhra Pradesh</p> |
|--|--|

AUDITORS'S CERTIFICATION ON CORPORATE GOVERNANCE

To the Members of IVRCL Limited

We have examined the compliance of conditions of Corporate Governance by IVRCL Limited for the period ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

for **CHATURVEDI & PARTNERS**
Chartered Accountants

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

May 30, 2014

ECONOMY OVERVIEW

The World Bank projected an economic growth rate of 5.7 per cent in fiscal year 2013-14 for India on the back of a more competitive exchange rate with many large investments going forward. This comes as a sigh of relief against a previously projected growth of less than 5 % in the current fiscal.

It further adds that “Bolstered by permanently more competitive exchange rate and progress towards clearance of important investment projects, India may see an acceleration of growth (factor costs) in FY 2013-14 to 4.8 per cent, further increase to 5.7 per cent in FY 2015,” in its latest edition of ‘South Asia Economic Focus’.

India Ratings and Research cements it further by quoting that the global economy in 2013-14 appears to be in a better shape than what it was in 2012 and 2013. It forecasts India’s GDP to grow at 5.6 % in 2014-15.

INDUSTRY OVERVIEW

India’s planning commission has projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five Year Plan, with 40 per cent of the funds coming from the private sector. It’s on a higher note compared with 22% in the 10th Plan and 38% in the 11th Plan – because of the need to shift scarce public resources more to health and education. India’s focus on infrastructure over the last decade made the country the second fastest growing economy in the world. India’s constant growth gives investors a tremendous opportunity in the Transportation and Power Segments.

A strong infrastructure sector is vital to the development of a country’s economy. Here, the Indian government has played a major part by liberalizing foreign direct investment (FDI) norms. Also, it has taken up large-scale infrastructure ventures such as the Delhi–Mumbai Industrial Corridor, for which it collaborated with Japan.

As the nation welcomes the new government, it has promised to introduce high-speed bullet trains, build 100 new modern cities and expedite freight and industrial corridors to improve the country’s infrastructure and create employment besides encouraging the public private partnership model to tap into private-sector resources as well as expertise.

VERTICAL WISE PERFORMANCE

WATER

India, which is home to 16% of the world’s population, has only 2.5% of the world’s land area and 4% of its water resources. Precipitation in the form of rain and snowfall provides over 4,000 TL of fresh water to the country. Most

of this freshwater is carried out to the sea and ocean via the many large rivers flowing across the subcontinent. A portion of this water is absorbed by the soil and is stored in underground aquifers.

A much smaller percentage is stored in inland water bodies including natural (lakes and ponds) and man-made (tanks and reservoirs). Out of the 1,869 TL of water reserves in the country, only an estimated 1,122 TL can be utilized due to topographic constraints and distribution issues. Furthermore, the demand for water has been increasing rapidly in the past few decades. India’s current water consumption is approximately 581 TL, with irrigation needs accounting for a staggering 89%, followed by domestic use at 5% and industrial consumption at 6%.

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

- Providing, supplying, lowering, laying, jointing and commissioning of bulk water transmission main 2000 mm dia (FID), 14 mm thick M.S. Pipe line from Navda to Budhel including Civil and Electro - Mechanical works with 5 years O&M under “Swarnim Gujarat Saurashtra - Kutch water grid” programme (NC - 28).
- Drinking Water Supply Scheme to Gulur - Hebbur Hoblies in Km.143 of Tumkur Branch Canal under Hemavathy Project on Turnkey Basis.
- CMWSSB - C&M - Providing Comprehensive Water Supply Scheme to Ambattur Municipality - Providing, Distribution System, Construction of Distribution Station, laying of conveying mains for Zone XIV to Zone XIX - Package-III.
- HMWSSB - Transmission of 735 MLD treated water from WTP Maqdumpur, pipeline route through the intermediate pumping stations at Mallaram and Kondapak including construction of CWR, pump house, providing CW pumping equipment & electrical sub-stations at Mallaram with all associated components of civil, electrical, mechanical including staff quarters in the campuses, internal road etc., complete - Package II under GDWSS Phase-I on EPC Basis.
- Hogenakkal Water Supply and Fluorosis Mitigation Project – Package I - Intake Works, Raw Water Pumping Station, Treatment Plant, Treated Water Pumping Station, Booster Pumping Station, Pumping Mains, MADAM Master Balancing Reservoir and Allied Works

Some other significant on-going projects are:

- Detailed Engineering, Manufacturing, Supply, Erection, Testing & Commissioning of Pump - Turbine, Generator - Motor & Associated Equipments for Koyna Left Bank Power Station (2x40 MW).

- Construction of Tunnel from Gundovalu to Bhandup Complex in Mumbai.
- Replacement of Two 1800-mm dia riveted Tansa Mains from Tansa to Tarali by one 2750-mm dia M.S. welded Pipeline from Jamboli to Chinchavali for Municipal Corporation of Greater Mumbai (MCGM).
- Survey, Investigation, Design, Construction, Testing & Commissioning of Sewerage works in District of Allahabad for U.P. Jal Nigam

IRRIGATION

Considering India's dependence in agriculture, substantial investment in irrigation projects will be required to accelerate growth in the agriculture sector. Government's increased focus on development of irrigation facilities is expected during the current decade. Though the development in irrigation activities are expected to be funded through public investments, private investments are also expected in areas such as wells, overhead tanks, check dams, ponds and water lifting devices.

The central Government had declared 14 irrigation projects which are expected to irrigate about 2.1 mn hectare of farm land apart from engendering additional indirect benefits and availability of drinking water. Currently, there are 169 major irrigation projects and 219 medium irrigation projects under implementation throughout the country, which will bring about substantial increase in irrigated area in the current decade.

With, increased Government focus towards the development of the irrigation sector through various schemes such as Vidarbha Intensified Irrigation Development Programme, Viability Gap Funding scheme, Accelerated Irrigation Benefit Programme, formation of a specialized government firm by the name Irrigation and Water Resource Finance Company, India's irrigation sector is expected to get a boost during the current decade.

Further, increasing focus on the micro irrigation systems such as drip irrigation are expected to gain prominence in water-scare and rain-fed areas. This indicates potentials for expansion of various micro irrigation systems in the form of sprinklers and drip irrigation in low rainfall areas. The share of groundwater accounts for 45% of the total irrigation potential developed so far in the country. It is estimated that minor irrigation potential of 64.92 mHa (15.31 mHa surface water and 49.61 mHa groundwater) would be cumulatively created. Thus, minor irrigation, in general and groundwater in particular, has been playing a very important role in creation of overall irrigation potential in the country. Some states including Bihar, Uttar Pradesh, Andhra Pradesh, Karnataka and West Bengal have already started to implement schemes of development of groundwater for

irrigation with a component of subsidy or loan available to farmers. NABARD and State Cooperative Agriculture and Rural Development Banks are also taking active part in financing the farmers for minor irrigation development. These are expected to enhance the irrigation system in India during the current decade. Moreover, artificial recharge to ground water through dug wells is expected to increase in the current decade.

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

Gravity Canals:

1. **Telugu Ganga Project:** The Project is envisaged for creating irrigation potential to 96,000 acres of land in Kadapa District for Govt. of AP and comprises of Right & Left Canals in addition to Gundamrajupalli & Obulam Branch canals.
- 2) Execution of canal system of Indira Sagar project main canal from R D 155.00 Km. to 206.00 Km. including distribution net work up to 40 ha. Chak for Irrigation culturable command area of about 20700 ha. on Turnkey basis.

Lift Irrigation Systems:

1. **Koilsagar Lift Irrigation Scheme:** The scheme is proposed to lift 3.9 TMC of water from fore shore of Priyadarshini Jurala Project in two stages to bolster its performance by filling up the Koilsagar Project thereby stabilizing the ayacut of 12000 Acres (including a gap ayacut of 7500 Acres) and to irrigate an additional ayacut of 38250 Acres totally 50250 Acres upto date under this project. The project in its entirety envisages lifting of water from the fore shore of Jurala Project to a total height of 120 M - 58M in first stage and 62M in second stage and installing 4 Nos. of 7.5 MW heavy duty pumps and motors.
2. **Punasa Lift Irrigation Scheme:** Punasa Lift Irrigation Scheme is located in Khandwa district, 52 KM away from Khandwa Town near Chandel Village. The Project is envisaged to develop a new command area under Indira Sagar Project, by lifting the water to elevated fields, which are uncommendable reaches under gravity flow.
- 3 **Pranahita-Chevella Lift Irrigation Package-9:**

The objective of the scheme is to divert about 160 TMC of surplus water from River Pranahitha to irrigate an ayacut of 12,20,000 Acres in the draught prone areas of Telangana region. The work under Package-9 and involves lifting of 6 TMC of water from fore shore of Mid Manair Reservoir near Sirsilla (V&M) to Upper Manair Reservoir near Nirmal (v) Gambhirao Pet (M) of Karimnagar district consists of two stages of lifts.

4. **Pranahita-Chevella Lift Irrigation Package-20:**

The objective of the scheme is to divert about 160 TMC of waters from river Pranahitha to irrigate an ayacut of 12,20,000 Acres in the draught prone areas of Telangana region. The Package- 20, is part of seventh link i.e., from SRSP Reservoir to Balancing Reservoir near Masani (V), Nizamabad Mandal & District.

5. Investigation, Design, Manufacture supply of pumps, motors and pressure main at site of work including erection, commissioning and testing of 8 Nos. at each pumping station of Hydro-Mechanical, Electro-Mechanical and other accessories etc., complete equipment required and maintenance of 12 pumps and the system for 15 years at Km. (2.050, Km.9.217, Km.56.917, Km. 66.132, Km.78.785, Km.88.690, Km.98.735 and 173.837 of HNSS main canal for Stage II of Phase I.
6. Investigation, Soil exploration, Design, Supply, Installation, testing and commissioning of pumping machinery, transformers substations, rising mains including construction of pump house all civil structures, CM & CD works, channels without lining and delivery cistern etc. for Sripada Sagar Project - Stage II, Phase I, Near Yellampalli (V) Ramagundam (M) in Karimnagar District.
7. Investigation, Design and Execution of Lift Scheme from Thotapally Reservoir to Gouravelly Reservoir including Tunnel and other allied works near Regonda (V), Husnabad (M) of Karimnagar District.
8. Construction, Operation & Maintenance of Dehani Lift (Drip) Irrigation Scheme under Bambla River Project.

Dams & Reservoirs:

1. **Lower Goi Dam Project:**

The Lower Goi Project is located in the tribal areas of District Barwani of Madhya Pradesh State. The project scope includes construction of a gravity dam with earthen bunds on both side and concrete NOF & OF sections, having maximum height of 42 metres in the gorge portion and spanning to a total length of 2,260 m. The central portion will be sufficient to allow a smooth discharge of 12026 cusecs of flood water.

2. **Mid Manair Project:**

The objective of the project is construction of balance work of formation of Mid Manair Reservoir from Km 2.0 to Km 10.4 (across Manair river) including construction of spillway, NOFs, R/s. O. T. Sluice and Infall regulator etc., to facilitate impounding a minimum of 25.873 TMC of water at F.R.L. of + 318.00 M on completion of total

head works and to discharge a maximum design flood of river Manair of 14395 Cumecs (5.08 Lakh Cusecs).

3. **Sripad Sagar**, Stage-II, Phase-I for development of about 2 lakh acres of Ayacut in Karimnagar dist., A.P. for I & CAD.

BUILDINGS & INDUSTRIAL STRUCTURES

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

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

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

Major works completed by the Company during the year:

- Construction of Academic Complex Building and Girls Hostel and Site Development works for College of Engineering, Pune.
- Design and Construction for all Main Civil Works for complete External Coal Handling System and Complete Structural works for Mundra, Gujarat.
- Valsad new civil hospital & medical college building.
- Civil & Structural for Coke Drum Area of Coker Unit of Paradip Refinery Project in Orissa for IOCL.
- Providing Compound wall, container yard and internal roads to the Container Freight Station at Vallarpadam, Cochin, Kerala.

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

- Complete Coal Handling Plant package for Super Thermal Power Project, Stage- HI (2x500 MW) at NTPC-Rihand

- Construction of CIDCO Exhibition Centre including Civil, Interior & Site Development works at Vashi, Navi Mumbai
- Construction of 285 towers housing 4513 flats with a built up area of about 4,00,000 sft spread in 67 acres in the heart of Hyderabad, Chitrapuri, for A.P. Cine Workers Co-operative Housing Society Limited (APCWCHSL)
- Extension of Bihar Vidhan Sabha building for Bihar state government.
- 120 MLA Quarters in Hyderabad, AP

POWER

India is witnessing a revival of interest in investments, especially of international operators and investors from the Middle East, Europe and Japan, especially in the areas of renewables, conventional power generation (with advanced construction stage or operational) and electrical equipment.

The onslaught of many international investors in the Indian Power arena signals a revival in global investments in India's power industry.

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

- Design, Engineering, Supply, Erection, Testing & Commissioning of 220 KV 3 Phase Double Circuit Transmission line from Latehar to Daltonganj (Package - A) on Turnkey basis.
- Design, Engineering, Supply, Erection, Testing & Commissioning of 220 KV 3 Phase Double Circuit Transmission line from Lohardaga to Latehar (Package - B) on Turnkey basis.
- Supply & Services Contract for Tower Package - A3 under Transmission System Associated with Pallatana GBPP & Bongaigaon TPS in North Eastern Region for i) 400 KV D/C Silchar - Melhrihat (New) Transmission line & 132 KV D/C Melhrihat (new) - Melhrihat (Mizoram) Interconnecting Transmission Line, including River crossing Towers for PGCIL.
- Rural Electrification work under RGGVY Scheme in Palamau district of Jharkhand covered by Package:G on Turnkey contract basis as per Specification No.110 / PR / JSEB / 06-07.
- Rural Electrification work under RGGVY Scheme in Garhwa district of Jharkhand covered by Package:F on Turnkey contract basis as per Specification No.109 / PR / JSEB / 06-07.

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

- 400 KV Silchar – Imphal Line (A2 Pkg) (Assam) – interconnecting Transmission Line, including river-crossing towers for PGCIL.
- 400 KV Silchar – Merlihat Line (A3 Pkg) (Assam) –

interconnecting Transmission Line, including river-crossing towers for PGCIL.

- 400 KV D/C Quad Line for Northern Region Strengthening Scheme (NRSS) Bhiwandi (150 kms)
- 765 KV Angul Pooling Station to Jharsuguda Pooling Station Line 1 (Part 1) in Odhisa.

TRANSPORTATION

India's road network, spanning across 4.7 million kilometers, is the second largest road network in the world. The country relies heavily on its robust road network that carries almost over 60 percent of all goods in the country and 85 percent of total passenger traffic.

The Government of India had embarked on a massive public-private partnership (PPP) regime over the past decade and awarded to private companies a number of projects, some of which now run into financial problems. The Road Transport & Highways Ministry plans to award 5000 km of road projects under the EPC model, signaling an end to the country's ambitious plan to partner with private companies in the roads sector. As per the industry estimates the government will now have to spend about Rs. 40000 crore to develop roads through EPC and a developer undertakes the necessary construction work.

With the Government of India permitting 100 percent foreign direct investment (FDI) in the road sector, most foreign companies have formed partnerships with Indian players to participate in the sector's growth story. The government has formulated a seven-phase programme known as 'National Highway Development Project (NHDP)', vested with National Highway Authority of India (NHAI), for the development of national highways in the country. About two-thirds of NHDP road projects (ex-phase IV) are yet to be awarded, thereby offering a huge opportunity for private players over the next five years.

Some of the remarkable projects undertaken by the company:

- 4 Laning of Indore - Jhabua - Gujarat / MP Border section of NH-59 from Km.9.500 to Km.171.000 on BOT (Toll) basis under Phase III in the State of Madhya Pradesh.
- Construction of Automotive Test Tracks at NATRAX - Pithampur and GARC - Chennai.
- NS – 40 (TN), National Highway Project – The project covers 4 – laning and strengthening the existing 2 – lanes of NH – 7 from Madurai – Kanyakumari.
- Kondalamapatti Interchange – an engineering marvel with 2619m via duct length, 2nd biggest of its kind in Tamil Nadu.

Transmission line Tower (TLT) Factory

A fabrication and Galvanization Unit, Butibori, Nagpur

The Transmission Tower Manufacturing unit installed by IVRCL LIMITED at MIDC, Butibori, Nagpur with an installed capacity of 36,000 MT per annum and has been certified

by International Standards Certifications Pty. Ltd (ISC) for Integrated Management System (IMS). The unit's phenomenal success over the years is largely due to our strict adherence to International Quality Standards ISO 9001, Environmental Standard ISO 14001 & OHSAS 18001. A rigid and thorough system of IMS is an integral part of the manufacturing process, project management, operations and supply. This manufacturing unit is equipped with world class testing facilities.

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

HINDUSTAN DORR – OLIVER

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

Their wholly owned Engineering Services arm, HDO Technologies, provides complete range of engineering services in-house, enabling them to have control over delivery time and quality.

The company's manufacturing facility at Vatva, Ahmedabad manufactures pressure vessels, heat exchangers, storage tanks and other proprietary solid-liquid separation equipments like filters, classifiers, thickeners, clarifiers etc. They are recognized amongst the top ten manufacturers of pressure vessels and Heat Exchangers in India by firms like EIL, PDIL etc.

RISK MANAGEMENT

Risk management is one of the key focus areas for IVRCL in its endeavor to protect its earnings and reduce/eliminate losses arising out of the various risks it faces. Over the years, the company has steadily incorporated best practices in risk management. Each and every function has been covered in the ambit of risk management and the company has evolved processes to mitigate all known risks.

IVRCL has undertaken an elaborate process of documenting and standardizing its process to reduce risks. It has also undertaken steps to review its processes followed across key functions like bidding, project management, procurement etc. to identify risk prone processes and to build up rigorous processes.

Broadly, risks that IVRCL faces are grouped under the following heads:

- (i) **Internal Risks** : These are risks that arise out of processes which are controlled and managed internally. These could be in the nature of errors, delays,

documentation etc. which are all directly linked to our operations.

Bidding process, Project management, Procurement, Materials & Finance management are the most important risks under this category. Selection of partners, vendors, projects etc. also form part of this risk. IVRCL has prepared standard operating processes and created clear delegation of powers to manage all its operations.

Internal audit is closely involved in inspection and audit to ensure adherence. These are also covered in the periodic reviews that are conducted in each function on weekly, fortnightly or monthly basis.

- (ii) **External Risks** : Risks that arise out of changes in the external environment are classified under this head. These are mostly outside of our control for e.g. changes in interest rates, changes in exchange rates, changes in commodity prices etc. Our endeavor has been in taking proactive steps to mitigate these in the form of creating sufficient buffers in the pricing, making suitable provisions in books, insurance cover etc.

We are also regularly tracking key matrices in order to create stronger forecasting abilities and prepare ourselves better. To the extent possible, IVRCL has also incorporated strong internal processes like disaster management process to control such eventualities.

- (iii) **Strategy Risk** : Risks that arise out of strategic decisions may be grouped under this head. IVRCL has recognized this and has put in place a strategy team to analyze, advice and forecast consequences of strategic decisions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

IVRCL is maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the company and ensuring compliance with all laws and regulations.

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

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

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

OPPORTUNITIES & THREATS

In India, the infrastructure sector is instrumental in creating myriad sources of employment. It also has extensive backward and forward linkages with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, timber and building materials are dependent on the construction industry. Infrastructure growth is necessary for the growth of the overall economy. Both are inter-dependent. Government policies and budgets have therefore been progressively geared to promote infrastructure development.

The prospects in infrastructure development seem to be good with numerous opportunities opening up for infrastructure companies such as IVRCL in construction of pipelines, transmission lines, roads, railways, buildings & industrial structures. The company's specialized strengths in complex structures and its versatility ensure a healthy order book.

We have extended our capabilities into new markets of mining and water treatment projects, among others. We have begun to serve the mining market- serving global mining corporations, exploration companies, mining contractors and the world's premier mining consultancies. IVRCL is making use of all opportunities, domestic as well as global, to diversify business into various eligible sectors.

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

All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and management's responses/replies thereon. The minutes of Audit Committee are reviewed by the Board for its suggestions/recommendations to further improve the internal control systems. The Audit Committee periodically

reviews audit plans, observations and recommendations of internal auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

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

HUMAN RESOURCE MANAGEMENT

IVRCL is at the forefront of people management with its new and improved HR policy. Over the years the company has built a strong force of its people, who numbered 3737. IVRCL also enjoys the advantage of long associations with senior professional managers to shepherd its continuous investment in youth and build a pipeline of young talent with training and career development efforts. They invest lot of time on talent retention and skill development.

Our HRD team is trying to increase the employee productivity by initiating studies for rationalizing roles, responsibilities and rightsizing. Another notable achievement from the department is the integration of human resource management for all Group companies to enhance productivity.

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

HR Department is at the verge of creating a talent pool, which encompasses the best brains within the group companies. They meet periodically and share their expertise in fine tuning the critical performance levers.

FUTURE OUTLOOK

In the last few years, there is an inevitable shift of the global economy towards Asia, even as the economies of the developed western world struggles to cope with a breakdown of financial systems, steep fall in asset values, corresponding destruction of wealth and employment prospects and aging population.

As a 27 year old corporate, we are creative, ambitious and bold. We shaped our destiny and set rock-solid fundamentals, not by emulating the examples set by others. We believe in a pioneering and trend-setting approach to business. We always have. Today, our efforts yield solid results. The orders continue to flow. Work at most of our project sites continues at a fair pace.

The infrastructure industry in India is seeing rapid growth. The EPC proposals from across the nation are seeing a massive acceleration. We at IVRCL are as hungry to register more growth not just in turn-over or profits but in new technologies and grasp greener pastures. The future is promising and beckoning. We are moving ahead by envisioning a new world.

Financial Review



The following table sets forth the income statement for the financial year ended March 31, 2014 and 9 months period ended March 31, 2013. The components of expenses have been expressed as a percentage of total income for the period indicated.

(₹ in million)

	March 31, 2014	March 31, 2013
Net Income from operations	43,048.07	37,590.88
Other income	452.40	788.66
Total income	43,500.47	38,379.54
Construction expenses	37,330.81	32,065.39
Construction expenses as a percentage to total income	85.81%	83.55%
Employee Benefit expenses	2,105.12	1,774.21
Employee Benefit expenses as a percentage to total income	4.84%	4.62%
Other Expenses	2,016.73	1,112.60
Other expenses as a percentage to total income	4.63%	2.90%
EBITDA	2,047.81	3,427.34
EBITDA- percentage to total income	4.71%	8.93%
Finance cost	5,847.25	3,478.88
Finance cost as a percentage to total income	13.44%	9.06%
Depreciation	879.82	639.67
Depreciation as a percentage to total income	2.02%	1.67%
Profit/(loss) before tax(PBT)	(6,970.81)	(691.21)
PBT-percentage to total income	(16.02%)	(1.80%)
Profit/(loss) after tax(PAT)	(7,167.79)	(1,016.61)
PAT-percentage to total income	(16.48%)	(2.65%)

The order book position of the Company stood at ₹ 199,000 million as on March 31, 2014.

Revenue from operations:

The Company's turnover dropped by almost 14.1% for the current year as compared to the previous period on an annualized basis due to adverse business conditions for the infrastructure industry. The problem of unavailability of liquid fund in the system adversely affected execution of projects and resulted in lower turnover.

Profitability:

EBITDA for the year ending March 31, 2014 reduced by 4.22% because of increase in prime cost and lower turnover. The negative Profit before Tax (PBT) is primarily due to higher finance cost. The Company is continuously following up with its clients for realization of the claim amount lodged to the extent of around ₹ 26,400 million towards deviation in design, idle time charges etc., out of which claim amount of ₹ 8,300 million are under arbitration. The above claims would be accounted for as and when certainty as regards acceptance of the claims are established.

AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IVRCL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **IVRCL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

Attention is invited to

1. Note 40 to the Financial Statements regarding Trade Receivables and Other Current Assets aggregating to ₹ 6,447.45 million in respect of which the Company has initiated action for recovery from the customers.
2. Note 41 to the Financial Statements wherein the Management of the Company has considered unbilled revenue amounting to ₹ 995.33 million, as good and fully recoverable.
3. Note 44 to the Financial Statements regarding the managerial remuneration where the Company is awaiting Central Government approval and/or in the process of making application to the Central Government.
4. Note 45 to the Financial Statements regarding the investment amounting to ₹ 657.53 million in its subsidiary Hindustan Dorr-Oliver Limited whose net worth has been eroded due to its accumulated losses and financial statements have been prepared on going concern basis for the reason is stated therein.

5. Note 51 in respect of pending winding up petitions against the company and the matter is subjudice.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read together with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Registration No. 307068E)

R N CHATURVEDI
Partner
(Membership No. 092087)

Hyderabad, May 30, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT



(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business / activities during the year, clauses (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of physical verification by way of physical count are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating ₹ 146.02 million to two parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹ 1,422.84 million (two parties) and the maximum amount involved during the year was ₹ 1,422.84 million (two parties).
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) In accordance with the terms of loan, the principal, along with interest thereon is receivable in five annual installments after a moratorium of five years from the date of disbursement, or earlier. No installments were due during the current year.
 - (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(e), (f) and (g) of CARO are not applicable.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, and that the invoices issued by the company involve technical estimates and measurements which may not at times be readily accepted by the customer, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. The Internal Control System in respect to the accounting of purchases, and sales of inventory need to be further strengthened. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder with regard to the deposit accepted from the public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has not been regular in depositing undisputed statutory dues, in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax and Service Tax with the appropriate authorities. Further, there have been serious delays in large number of cases. The Company has been regular in depositing undisputed dues relating to Wealth Tax, Customs Duty and Investor Education and Protection Fund.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues, except in respect of Sales Tax, Provident Fund, Service Tax and Professional Tax which are in arrears as at March 31, 2014 for a period of more than six months from the date they became payable. The details of the such delays are set out in Appendix I to the Reports.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are set out in Appendix II to the Reports.
- (xi) The Company's accumulated losses are not more than fifty percent of the net worth at the end of the financial year. The Company has incurred cash losses during the financial year but not in the immediately preceding financial period.
- (xii) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of certain dues to financial institutions, banks and debenture holders. The details of such delays are set out in Appendix III to the Reports.
- (xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, except for mixed utilization of certain project specific and other loans in projects of the company.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹16,555.62 million have been used for long term purposes (i.e. Non-Current Assets).
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Registration No. 307068E)

R N CHATURVEDI
Partner
(Membership No. 092087)

Hyderabad, May 30, 2014

Appendix I as referred to in para X(b) of the Annexure to the Independent Auditors' Report

Name of the Statute	Nature of Due	Period to which amount relates (₹ in million)					
		Up to 2012-13	April'13	May'13	June'13	July'13	August'13
Sales Tax & VAT Laws: Tamil Naidu Bihar	Work Contract Tax	20.50	0.78	4.32	2.09	3.88	1.47
	Work Contract Tax	10.63	0.06	0.20	0.08	0.07	0.12
	Due Date	20 of next month	20/5/2013	20/6/2013	20/7/2013	20/8/2013	20/9/2013
Sales Tax & VAT Laws: Gujarat MP	Work Contract Tax	10.79	0.30	0.28	0.19	0.11	0.05
	Work Contract Tax	0.16	0.17	1.13	1.37	0.88	0.52
	Due Date	22 of next month	22/5/2013	22/6/2013	22/7/2013	22/8/2013	22/9/2013
Sales Tax & VAT Laws: Chattisgarh	Work Contract Tax	1.34		0.04	0.11		
	Due Date	10 of next month		10/6/2013	10/7/2013		
Tamilnadu professional Tax	Professional Tax		0.07	0.07	0.07	0.06	0.06
	Due Date		30/09/2013	30/09/2013	30/09/2013	30/09/2013	30/09/2013
Provident Fund and Misc. Provision Act	Provident Fund	29.99	9.90	9.76	9.72	9.60	9.53
	Due Date	15 of next month	15/5/2013	15/6/2013	15/7/2013	15/8/2013	15/9/2013
Service Tax Rule	Service Tax						61.77
	Due Date						5/9/2013

Appendix II as referred to in para X(c) of the Annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in million)
Sales Tax and VAT Laws	Sales Tax and VAT	Appellate Authority – Upto Commissioner's/ Revisional Authorities Level	2004-05 to 2011-12	501.49
		Appellate Authority – Tribunal Level	2003-04 to 2006-07	74.51
		High Court	2007-08 to 2012-13	1,210.38
Andhra Pradesh Tax on Entry of Motor Vehicles Act, 1996	Entry Tax	Appellate Authority – Tribunal Level	2001-02	0.83
The Odisha Entry Tax Act, 1999	Entry Tax	High Court	2007-08 to 2012-13	32.28
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	Appellate Authority – Upto Commissioner's Level	2006-07	6.47
Finance Act, 1994	Service Tax	Commissioner	2005-06 to 2012-13	359.20
		Commissioner (Appeals)	2009-10 to 2011-12	5.94
		Tribunal	2004-05 to 2010-11	1,719.26

Appendix III as referred to in para xii of the Annexure to the Independent Auditors' Report

A. Details of defaults in repayment of Term Loans and Interest during the year

Amount of Defaults (₹ in million)		Period of Delay (in days)		Outstanding as on March 31, 2014 (₹ in million)	
Principal	Interest	Principal	Interest	Principal	Interest
3.50 - 48.91	0.53 - 1.53	29 - 304	1 - 365	50.55	9.88
6.89 - 14.50	1.82 - 4.55	14 - 244	1 - 246	170.07	43.39
250.00	0.28 - 12.70	1	7 - 149	250.00	37.18
100.00	0.15 - 5.32	98	1 - 117	-	8.39
0.08 - 2.44	0.01 - 0.34	6 - 75	6 - 75	6.50	0.73
0.05 - 1.19	0.03 - 0.05	5 - 89	5 - 89	6.53	2.76
15.00 - 35.00	1.16 - 10.36	3 - 4	1 - 90	50.00	97.37
50.00 - 100.00	2.25 - 2.52	33 - 91	1 - 60	-	7.23
-	2.54 - 5.63	-	1 - 60	-	16.57
-	0.12 - 14.19	-	1 - 115	-	17.01
18.85	0.32 - 2.60	226	1 - 40	-	3.63
2,000.00	60.75 - 60.75	102	102 - 289	2,000.00	250.99
-	0.23 - 2.42	-	1 - 77	-	2.38
-	0.65 - 3.00	-	1 - 90	-	11.19
-	7.84 - 10.57	-	1 - 50	-	8.61
-	10.83 - 19.35	-	1 - 74	-	19.35
-	0.29 - 3.35	-	1 - 365	-	25.28

B. Details of defaults in Credit facilities by the Company during the year

Amount of Default (₹ in million)	Period of Delay (in days)
30.07 - 560.42	94
139.52 - 405.19	84
19.58 - 1,536.87	84
159.02 - 323.43	38
169.80 - 2,066.16	77
307.26 - 437.51	64
403.17 - 423.18	13
18.02 - 1,028.92	88
153.17 - 1,250.31	54
157.71 - 176.47	48
1,364.10 - 1,590.25	33
14.21 - 188.32	180
32.93 - 427.43	78
199.98 - 842.67	10
86.65 - 929.04	81
485.52 - 1,191.80	89

Balance Sheet as at March 31, 2014



(₹ in million)

	Note No.	As at 31.03.2014		As at 31.03.2013	
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3	613.77		613.77	
(b) Reserves and Surplus	4	13,889.04		21,077.97	
			14,502.81		21,691.74
2. Non-Current Liabilities					
(a) Long-Term Borrowings	5	863.80		2,553.10	
(b) Long-Term Provisions	6	71.38		76.18	
			935.18		2,629.28
3. Current Liabilities					
(a) Short-Term Borrowings	7	34,535.95		22,494.35	
(b) Trade Payables	8	13,609.46		17,867.28	
(c) Other Current Liabilities	9	19,827.00		19,812.62	
(d) Short-Term Provisions	6	179.47		199.27	
			68,151.88		60,373.52
Total			83,589.87		84,694.54
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	5,764.92		6,563.29	
(ii) Intangible Assets	10	15.83		19.60	
(iii) Capital Work-in-Progress		-		5.40	
			5,780.75		6,588.29
(b) Non-Current Investments	11	17,407.54		16,535.46	
(c) Deferred Tax Assets (Net)	12	306.52		306.52	
(d) Long-Term Loans and Advances	13	7,299.83		8,454.36	
(e) Other Non-Current Assets	14	5,696.92		5,551.75	
			30,710.81		30,848.09
			36,491.56		37,436.38
2. Current Assets					
(a) Inventories	15	2,000.15		2,687.07	
(b) Trade Receivables	16	17,152.68		18,667.37	
(c) Cash and Bank Balances	17	1,243.24		923.82	
(d) Short-Term Loans and Advances	18	6,213.66		7,543.96	
(e) Other Current Assets	19	20,488.58		17,435.94	
			47,098.31		47,258.16
Total			83,589.87		84,694.54
Accompanying Notes forming part of the Financial Statements	1-52				

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

Statement of Profit and Loss for the Year ended March 31, 2014



(₹ in million)

	Note No.	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
I. Income					
(a) Income from Operations	20		43,048.07		37,590.88
(b) Other Income	21		452.40		788.66
Total Income			43,500.47		38,379.54
II. Expenditure					
(a) Purchase of Stock-in-Trade (Traded Goods)			49.04		5.83
(b) Construction Expenses	22		37,281.77		32,059.56
(c) Employee Benefits Expense	23		2,105.12		1,774.21
(d) Other Expenses	24		2,016.73		1,112.60
(e) Finance Costs	25		5,847.25		3,478.88
(f) Depreciation and Amortisation Expense	10	879.86		639.70	
Less :Transferred to Revaluation Reserve		0.04		0.03	
			879.82		639.67
Total Expenditure			48,179.73		39,070.75
III. (Loss) / Profit Before Tax and Exceptional Item (I - II)			(4,679.26)		(691.21)
IV. Exceptional Item	39		2,291.55		-
V. (Loss) / Profit After Exceptional Item and BeforeTax (III - IV)			(6,970.81)		(691.21)
VI. Tax Expense					
(a) Current Tax Expense for Current Year		-		390.05	
(b) Current Tax relating to prior years		196.98		(146.73)	
(c) Deferred Tax		-		82.08	
			196.98		325.40
VII. (Loss) / Profit for the Year / Period (V - VI)			(7,167.79)		(1,016.61)
VIII.Earnings Per Share (Face Value ₹ 2 each)	27				
Basic & Diluted (₹)					
Before Exceptional Item			(15.89)		(3.31)
After Exceptional Item			(23.36)		(3.31)
Accompanying Notes forming part of the Financial Statements	1-52				

In terms of our report attached

For Chaturvedi & Partners
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For and on behalf of the Board of Directors

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Partner

E.Sudhir Reddy
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R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

Cash Flow Statement for the Year ended March 31, 2014



(₹ in million)

	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
A. Cash Flow from Operating Activities				
(Loss) / Profit After Exceptional Item and Before Tax		(6,970.81)		(691.21)
Adjustment for				
Depreciation and Amortisation Expense	879.82		639.67	
Dividend received on Investments	(0.03)		(0.02)	
Loss on Sale of Fixed Assets	38.39		55.90	
Gain on Sale of Investments	-		(183.50)	
Exceptional Item	2,291.55		-	
Provision for doubtful debts, advances and deposits (net)	813.51		122.07	
Provision for diminution in value of Investments	200.00		1.28	
Liabilities no longer required written back	(5.58)		(6.87)	
Net Unrealised Exchange (Gain) / Loss	(22.27)		(12.73)	
Interest Income	(317.42)		(198.87)	
Finance Costs	5,847.25	9,725.22	3,478.88	3,895.81
Operating Profit before Working Capital Changes		2,754.41		3,204.60
<u>Changes in Working Capital</u>				
Decrease in Inventories	686.92		36.23	
(Increase) / Decrease in Trade Receivables	(1,478.26)		372.92	
Increase in Loans & Advances and Other Current Assets	(2,006.83)		(4,691.06)	
(Decrease) / Increase in Current Liabilities	(5,266.76)	(8,064.93)	4,908.74	626.83
Cash (Used in) / generated from Operations		(5,310.52)		3,831.43
Net Income Tax Refund / (paid)		219.85		(215.79)
Net Cash Flow (Used in) / from Operating Activities		(5,090.67)		3,615.64
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets (including Capital Advances)	(167.52)		(482.14)	
Proceeds from Sale of Fixed Assets	93.98		31.98	
Proceeds from Sale of Long-Term Investments	-		183.60	
Purchase / Subscription of Long-Term Investments :				
- Subsidiaries	(790.46)		(693.88)	
- Associates	(61.62)		-	
Loans given to Subsidiaries (net)	(513.93)		(1,387.70)	
Bank Balances / Term Deposits with Banks not considered as Cash and Cash Equivalents (net)	(48.77)		17.51	
Interest Received	307.97		187.91	
Dividend received on Long-Term Investments	0.03		0.02	
Net Cash Flow used in Investing Activities		(1,180.32)		(2,142.70)

Cash Flow Statement for the Year ended March 31, 2014



(₹ in million)

	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
C. Cash Flow from Financing Activities				
Repayment of Non-Convertible Debentures	-		(850.00)	
Proceeds from Long-Term Borrowings	21.35		807.14	
Proceeds from Public Deposits	33.03		-	
Repayment of Long-Term Borrowings	(520.48)		(561.72)	
Proceeds from Short-Term Borrowings	12,041.59		2,547.46	
(Net of Repayments)				
Finance Costs Paid	(5,076.92)		(3,313.90)	
Net Cash Flow used in Financing Activities		6,498.57		(1,371.02)
Net increase in Cash and Cash Equivalents (A + B + C)		227.58		101.92
Cash and Cash Equivalents at the beginning of the year / period		850.25		748.35
Effect of Exchange differences on restatment of Foreign Currency Cash and Cash Equivalents		0.39		(0.02)
Cash and Cash Equivalents at the end of the year / period		1,078.22		850.25

Notes:

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

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

1. Corporate Information

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

2. Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared under the historical cost convention on an accrual basis (except for revaluation of certain Fixed Assets) in accordance with Generally Accepted Accounting Principles (Indian GAAP) and Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956 read together with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

The previous financial period is for a period of 9 months i.e., July 01, 2012 to March 31, 2013. Hence, the figures for the current year are strictly not comparable with those of the previous period.

2.2 Use of Accounting Estimates

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

2.3 Recognition of Contract Revenue and Expenses

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

2.4 Revenue from Joint Venture Contracts

In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

2.5 Revenue from Sale of Goods

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

2.6 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

(i) Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.7 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

The Company revalued all its Land and Buildings in the year 2001-02. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation Reserve, in which case the decrease is charged to the Revaluation Reserve to the extent the reserve has not been subsequently reversed / utilised.

Capital work-in-progress:

Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.8 Depreciation and Amortization

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

- Steel Shuttering 10%

- Wood Shuttering 33 1/3 %

(ii) Pucca sheds and land acquired for quarrying are amortised over the period of the respective project.

2.9 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.10 Foreign Currency Transactions and Foreign Operations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the period-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation on its existing assets and liabilities, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract.

Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the net loss is charged to the Statement of Profit and Loss. Any profit or loss arising on cancellation of such contracts is recognised as income or expense in the Statement of Profit and Loss of the period.

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

2.11 Investments

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

2.12 Inventories

Inventories are valued at cost and the cost is determined on First-in-First-Out method.

2.13 Borrowing Costs

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

2.14 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.15 Income Taxes

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

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

2.16 Earnings Per Share (EPS)

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

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.18 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.19 Current / Non-Current Classification

The Company's activities (primarily construction activities in the infrastructure industry) have an operating cycle that exceeds a period of twelve months. The Company has chosen duration of upto a period of 36 months for classification of current assets and current liabilities into current or non-current.

3. Share Capital

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	(₹ in million)	No. of Shares	(₹ in million)
Authorised :				
Equity shares of ₹ 2 each	1,625,000,000	3,250.00	1,625,000,000	3,250.00
Preference shares of ₹ 2 each	25,000,000	50.00	25,000,000	50.00
	1,650,000,000	3,300.00	1,650,000,000	3,300.00
Issued, Subscribed and Paid-up :				
Equity shares of ₹ 2 each fully paid-up	306,886,648	613.77	306,886,648	613.77
	306,886,648	613.77	306,886,648	613.77

3.1 Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2014		As at 31.03.2013	
	No. of Equity Shares	(₹ in million)	No. of Equity Shares	(₹ in million)
At the beginning of the year / period	306,886,648	613.77	267,009,858	534.02
Add : Issued during the previous period pursuant to Composite Scheme of Arrangement	-	-	39,876,790	79.75
Outstanding at the end of the year / period	306,886,648	613.77	306,886,648	613.77

3.2 Terms / Rights attached to Equity Shares

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

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

3.3 Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet

- 1) The Company had allotted 133,504,929 equity shares of ₹ 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ₹ 267.01 million from General Reserve.
- 2) Pursuant to Composite Scheme of Arrangement, the Company has issued 39,876,790 shares of ₹ 2 each as fully paid-up shares during the previous period.

3.4 Shareholder holding more than 5% of shares of the Company

No shareholder is holding more than 5% of shares of the Company during the current year and previous period.

4. Reserves and Surplus

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Capital Reserve	2,576.68	2,576.68
(b) Securities Premium Account	10,521.20	10,521.20
(c) Revaluation Reserve		
Opening Balance	28.30	28.33
Less : Depreciation on revalued portion of assets	(0.04)	(0.03)
Closing Balance	28.26	28.30
(d) General Reserve		
Opening Balance	3,359.85	3,247.35
Add : Transfer from Surplus in Statement of Profit and Loss	-	112.50
Closing Balance	3,359.85	3,359.85
(e) Debenture Redemption Reserve		
Opening Balance	500.00	612.50
Less : Transfer to Surplus in Statement of Profit and Loss (Refer Note below)	-	(112.50)
Closing Balance	500.00	500.00
(f) Foreign Exchange Translation Reserve		
Opening Balance	(1.17)	(4.75)
Add : Effect of Foreign Exchange variations during the year / period	(21.10)	3.58
Closing Balance	(22.27)	(1.17)
(g) Surplus in Statement of Profit and Loss		
Opening Balance	4,093.11	5,109.72
Add: (Loss) / Profit for the year / period	(7,167.79)	(1,016.61)
Less : Appropriations		
Transfer from Debenture Redemption Reserve	-	112.50
Transfer to General Reserve	-	(112.50)
Closing Balance	(3,074.68)	4,093.11
	13,889.04	21,077.97

Note:

During the previous period 750 and 100 Non-Convertible Debentures of ₹ 1,000,000 each have been fully repaid. Consequently debenture redemption reserve in respect of such debentures has been transferred to Surplus in Statement of Profit and Loss.

5. Long-Term Borrowings

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current@	Non-Current	Current@
Secured				
(a) Debentures (Refer Note 5.1)				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	-	2,000.00
(b) Term Loans				
- From Banks (Refer Note 5.2, 5.4 and 5.6)	211.19	1,147.48	934.09	635.58
- From Others (Refer Note 5.3 and 5.6)	561.98	553.33	948.65	327.33
(c) Earth Moving Equipment and Vehicle Loans (Refer Note 5.5 and 5.6)				
- From Banks	70.66	76.51	134.15	62.48
- From Others	19.97	87.60	86.21	99.38
Unsecured				
(a) Term Loans from Banks [Refer Note 5.2 (d)]	-	600.00	450.00	150.00
(b) Public Deposits	-	33.03	-	-
	863.80	4,497.95	2,553.10	3,274.77

@ Amount included under Note 9 - Other Current Liabilities

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

12.15% Non-Convertible Debentures

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

Details of defaults in repayment of Non-Convertible Debentures and interest as on the Balance Sheet date

	Period of default (in days)	₹ in million
Principal	102	2,000.00
Interest	102 - 289	250.99

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

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The balance outstanding as at March 31, 2014 is ₹ 50.55 million, which is overdue.

(b) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of loan amount. The details for each disbursement are as under:

S. No.	Outstanding as on 31.03.2014		Repayable in	Period of maturity w.r.t. Balance sheet Date	Rate of Interest p.a.
	USD (million)	INR (million)			
1	2.50	116.00	8 equal quarterly installments of ₹ 14.50 million each	1 years 3 months	8.90%
2	3.44	155.89	11 equal quarterly installments of ₹ 14.17 million each	1 years 10 months	9.38%
3	1.72	77.60	11 equal quarterly installments of ₹ 7.05 million each	1 years 11 months	9.50%
4	3.75	169.05	12 equal quarterly installments of ₹ 14.08 million each	2 years 2 months	9.85%
5	2.03	89.58	13 equal quarterly installments of ₹ 6.89 million each	2 years 4 months	9.85%
Total	13.44	608.12			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations [Refer Note 47(a)]

(c) IndusInd Bank

The loan amount of ₹ 400.00 million, is secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is 13.25% p.a. and repayable in 4 equal semi-annual installment of ₹ 100.00 million each commencing from December 2013. The balance outstanding as at March 31, 2014 is ₹ 300.00 million.

(d) Union Bank of India

The existing unsecured short-term loan of ₹ 1,000.00 million, which was due for repayment in December, 2012 has been restructured into term loan of ₹ 1,000.00 million, repayable after moratorium period of one year in 4 equal installments of ₹ 250.00 million each. The rate of interest is base rate plus 4% p.a. The loan amount of ₹ 400.00 million has been included under secured loans and is secured by first charge on the immovable properties of the Company and the remaining balance of ₹ 600.00 million is secured by land belonging to RIHIM Developers Private Limited, wholly owned subsidiary of the Company and has been included under unsecured loan.

5.3 Term Loans from Others**(a) SREI Equipment Finance Private Limited****Loan I**

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 8 equal quarterly installments of ₹ 50.00 million and last installment of ₹ 250.00 million, the period of maturity is 1 year 1 month from balance sheet date. The balance outstanding as at March 31, 2014 is ₹ 550.00 million.

Loan II

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 18 quarterly installments of ranging from ₹ 17.00 million to ₹ 40.00 million. The period of maturity from balance sheet date is 3 years 3 months. The rate of interest is IDBI Bank Base Rate plus 4.50% p.a. The balance outstanding as at March 31, 2014 is ₹ 431.98 million.

(b) TATA Capital Financial Services Limited

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ₹ 26.67 million each, commencing from July 2013. The period of maturity from balance sheet date is 10 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at March 31, 2014 is ₹ 133.33 million.

5.4 Details of Long-Term Borrowings guaranteed by some of the Directors

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Term Loan from Banks	1,000.00	1,000.00

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

Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 7 to 43 months and carry interest rate ranging from 8.50% to 13.50% p.a.

5.6 Details of defaults in repayment of loans and interest as on the Balance Sheet date

	Period of default (in days)	(₹ in million)
Repayment of Term Loan		
- From Banks	212 - 304 14 - 244 1	50.55 170.07 250.00
- From Others	44 - 136 75 - 167 89	100.00 40.00 26.67
Repayment Earth Moving Equipment and Vehicle Loans		
- From Banks	16 - 75 9 - 89	6.50 6.53
- From Others	16 - 75 21 23 26 - 116 30	4.74 0.57 0.40 14.73 1.44
Interest on Term Loan		
- From Banks	1 - 365 1 - 246 1 - 90	9.88 43.40 37.18
- From Others	1 - 182 1 - 172	60.52 4.99
Interest on Earth Moving Equipment and Vehicle Loans		
- From Banks	16 - 75 9 - 89	0.73 2.76
- From Others	16 - 75 21 23 26 - 116 30	0.42 0.07 0.04 2.15 0.30

Notes forming part of Financial Statements



6. Provisions

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
	Long - Term	Short - Term	Long - Term	Short - Term
(a) Gratuity (Refer Note 36)	8.04	62.91	-	62.79
(b) Compensated Absences	63.34	116.56	76.18	136.48
	71.38	179.47	76.18	199.27

7. Short-Term Borrowings

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
Secured				
Loans repayable on demand from Banks				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 7.1 and 7.5)	23,223.19		10,156.85	
(b) Project - Specific Working Capital Loans (Refer Note 7.2 and 7.5)	10,020.62		9,724.69	
		33,243.81		19,881.54
Short-Term Loans				
from Banks (Refer Note 7.3 and 7.5)	320.00		-	
from Others (Refer Note 7.3 and 7.5)	400.00		-	
		720.00		-
Unsecured				
(a) Short-Term Loans from Banks (Refer Note 7.4 and 7.5)	250.00		250.00	
(b) Buyers' Credit	28.89		28.89	
(c) Working Capital Demand Loans and other Credit Facilities from Banks	293.25		2,333.92	
		572.14		2,612.81
		34,535.95		22,494.35

7.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and unencumbered Fixed Assets valuing ₹ 106.10 million not charged to other lenders. Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 107.10 million and lien of the Fixed Deposit of ₹ 4.20 million and also secured by mortgage of certain lands belonging to subsidiaries and others. The borrowings carry interest rate ranging from 10.20% to 14.50% p.a.

7.2 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loan from Banks are secured by hypothecation of book debts and inventory and other current assets of respective projects.

Short-Term Loans

7.3 Secured

(a) IndusInd Bank

Secured by mortgage of lands pertains to subsidiaries of the Company and further secured by pledge of shares of following subsidiaries

- (i) 15% shares of Chennai Water Desalination Limited
- (ii) 23% stake in IVRCL Chandrapur Tollways Limited.

The loan is repayable in one installment. The rate of interest is 11.50% p.a. and the balance outstanding as at March 31, 2014 is ₹ 120.00 million.

Notes forming part of Financial Statements



(b) Andhra Bank

Secured by proportionate share in book debts of the Company and further secured by land belonging to subsidiaries. The loan is repayable in 2 years i.e one year moratorium period and 1 year repayment on half yearly basis. The rate of interest is 14.25% p.a. with monthly resets and the balance outstanding as at March 31, 2014 is ₹ 200.00 million.

(c) TATA Capital Financial Services Limited

Secured by pledge of shares of following subsidiaries and subservient charge on the current assets.

(i) 29.70% shares of Salem Tollways Limited

(ii) 23% stake in Kumarpalyam Tollways Limited.

The loan is repayable in one installment. The rate of interest is 14.25% p.a. and the balance outstanding as at March 31, 2014 is ₹ 400.00 million.

Unsecured

7.4 Bank of Nova Scotia

Loan is repayable in one installment within 30 days (i.e., April 20, 2014) from the date of disbursement. The rate of interest is 12.75% p.a. and the balance outstanding as at March 31, 2014 is ₹ 250.00 million.

7.5 Details of defaults in repayment of Short-Term Borrowings as on the Balance Sheet date

	Period of default (in days)	(₹ in million)
Principal	3	15.00
	4	35.00
Interest	1 - 90	97.37
	1 - 90	11.19
	1 - 365	25.28
	1 - 59	8.39
	1	8.61
	1	19.35
	12	3.63
	1	17.01
	1	2.38
	1 - 60	7.23
	1 - 60	16.57
	1 - 40	7.31

8. Trade Payables

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(i) Acceptances	16.18	1,620.82
(ii) Other than Acceptances	13,593.28	16,246.46
	13,609.46	17,867.28

Notes forming part of Financial Statements



9. Other Current Liabilities

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	4,497.95	3,274.77
(b) Interest accrued but not due on Borrowings	19.19	38.49
(c) Interest accrued and due on Borrowings	637.75	83.27
(d) Advances received from Contractee-Clients	10,392.23	12,137.74
(e) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(f) Payable to Related Parties (Refer Note 35.2)		
- Subsidiaries	38.50	3.16
- Joint Ventures	349.66	700.74
(g) Other Payables		
(i) Interest accrued on others	523.00	291.78
(ii) Payables for purchase of Fixed Assets	20.31	38.20
(iii) Accrued Salaries and Employee Benefits	486.21	413.91
(iv) Statutory Remittances	943.01	1,145.26
(v) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956		
- Unclaimed Public Deposits (including interest)	1.46	0.25
- Unclaimed Dividends	4.31	4.96
- Unclaimed Share Application Money	0.48	0.48
(vi) Interest on amounts due to Micro and Small Enterprises	8.97	5.03
(vii) Others (includes ₹ 24.80 million payable to Chairman & Managing Director)	457.44	228.05
	19,827.00	19,812.62

Notes forming part of Financial Statements



10. Fixed Assets

(₹ in million)

	Gross Block				Depreciation			Net Block		
	As on 31.03.2013	Additions	Adj / Deletions	As on 31.03.2014	As on 31.03.2013	For the Year / Period	Adj / Deletions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Land - Freehold	451.47 (446.10)	24.82 (13.97)	13.81 (8.60)	462.48 (451.47)	-	-	-	-	462.48	451.47
Land - Leasehold	-	-	-	-	-	-	-	-	-	-
Buildings	1,111.55 (1,011.38)	33.10 (112.20)	3.16 (12.03)	1,141.49 (1,111.55)	(0.08) (389.46)	112.07 (63.14)	(0.08) (12.89)	548.67 (439.71)	592.82	-
Plant & Machinery	6,431.26 (6,548.57)	120.13 (256.90)	275.38 (374.21)	6,276.01 (6,431.26)	2,231.00 (1,944.20)	541.72 (399.21)	169.58 (112.41)	2,603.14 (2,231.00)	3,672.87	671.84
Motor Vehicles	1,803.23 (1,584.99)	11.43 (12.47)	42.60 (205.77)	1,772.06 (1,803.23)	802.06 (631.86)	188.23 (144.51)	36.43 (25.69)	953.86 (802.06)	818.20	4,200.26
Furniture	163.01 (157.34)	7.11 (5.67)	3.19 -	166.93 (163.01)	85.75 (79.07)	9.00 (8.23)	2.40 (1.55)	92.35 (85.75)	74.58	1,001.17
Office Equipment	170.14 (166.70)	5.50 (5.86)	8.64 (2.42)	167.00 (170.14)	50.14 (44.89)	8.29 (6.15)	2.87 (0.90)	55.56 (50.14)	111.44	77.26
Computers	141.07 (144.36)	6.07 (2.84)	0.56 (6.13)	146.58 (141.07)	99.78 (94.10)	14.82 (13.36)	0.55 (7.68)	114.05 (99.78)	32.53	120.00
Total	10,271.73 (10,059.52)	208.16 (409.91)	347.34 (197.70)	10,132.55 (10,271.73)	3,708.44 (3,183.66)	874.13 (634.60)	214.94 (109.82)	4,367.63 (3,708.44)	5,764.92	41.29
Intangible Assets										
Computer Software	55.61 (54.20)	1.96 (1.48)	0.01 (0.07)	57.56 (55.61)	36.01 (30.98)	5.73 (5.10)	0.01 (0.07)	41.73 (36.01)	15.83	6,563.29
Total	55.61 (54.20)	1.96 (1.48)	0.01 (0.07)	57.56 (55.61)	36.01 (30.98)	5.73 (5.10)	0.01 (0.07)	41.73 (36.01)	15.83	19.60
Grand Total	10,327.34 (10,113.72)	210.12 (411.39)	347.35 (197.77)	10,190.11 (10,327.34)	3,744.45 (3,214.64)	879.86 (639.70)	214.95 (109.89)	4,409.36 (3,744.45)	5,780.75	19.60
Previous Year										6,582.89

Notes

- Land-Freehold includes
 - ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - ₹ 50.66 million (2012-13 : ₹ 50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
 - ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
 - ₹ 150.20 million in respect of which the conveyance deed is yet to be executed
 - Leasehold premises of ₹ 27.50 million (2012-13 : ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid upfront with no further significant obligations.
- Figures in brackets and in italics represents numbers relating to previous period.
- Depreciation and Amortisation Expense:

(₹ in million)

	Year ended 31.03.2014	Period from 01.07.2012 to 31.03.2013
Depreciation for the year / period on Tangible Assets	874.13	634.60
Amortisation for the year / period on Intangible Assets	5.73	5.10
Less: Transferred to Revaluation Reserve	(0.04)	(0.03)
Depreciation and Amortisation Expense	879.82	639.67

Notes forming part of Financial Statements



11. Non - Current Investments (Face Value of ₹10 each fully paid-up unless otherwise specified)

	As at 31.03.2014		As at 31.03.2013	
	No.	₹ in million	No.	₹ in million
A. Trade Investments (At cost less provision for diminution in value)				
I. Equity Shares				
(i) Subsidiary Companies (Refer Note 38, 45 and 48)				
Quoted:				
Hindustan Dorr-Oliver Limited (Face Value of ₹ 2 each)	39,804,430	657.53	39,804,430	657.53
Unquoted:				
IVRCL PSC Pipes Private Limited	167,000	1.67	167,000	1.67
IVR Enviro Projects Private Limited	2,924,550	29.25	2,924,550	29.25
Chennai Water Desalination Limited ⁴	129,737,411	19.20	129,737,411	19.20
Salem Tollways Limited ⁴	51,303,160	489.50	51,303,160	489.50
Kumarpalyam Tollways Limited ⁴	33,403,600	2,116.30	33,403,600	2,116.30
IVRCL Steel Construction & Services Limited	50,000	0.50	50,000	0.50
Jalandar Amritsar Tollways Limited ^{1,4}	48,938,550	658.20	46,898,550	607.20
IVRCL Indore Gujarat Tollways Limited ^{1,4}	24,551,090	3,795.28	21,745,340	3,514.70
IVRCL Chengapalli Tollways Limited ^{1,4}	16,695,260	1,779.63	12,998,260	1,409.93
IVRCL Holdings & Services Pte Limited (Face Value of SGD 1)	1	-	1	-
IVRCL Patalaganga Trucks Terminal Private Limited	10,000	0.10	10,000	0.10
IVRCL Goa Tollways Limited	49,990	0.50	49,990	0.50
IVRCL-Cadagua Hogenakkal Water Treatment Company Pvt Limited	6,000	0.06	6,000	0.06
Alkor Petroo Limited	5,625,000	70.10	5,625,000	70.10
IVRCL Building Products Limited	599,995	6.03	599,995	6.03
IVRCL Chandrapur Tollways Limited ⁴	22,294,900	2,317.56	22,294,900	2,317.56
Sapthashva Solar Limited	52,100	0.52	52,100	0.52
RIHIM Developers Private Limited	10,000	0.10	10,000	0.10
IVRCL TLT Private Limited	10,000	0.10	10,000	0.10
IVRCL Raipur Bilaspur Tollways Limited	49,990	0.50	49,990	0.50
IVRCL Namual Bhiwani Tollways Limited	49,990	0.50	49,990	0.50
IVR Hotels and Resorts Limited	239,355	3,175.36	239,355	3,175.36
SPB Developers Private Limited ⁴	27,605,999	1,096.65	27,605,999	1,096.65
IVRCL Multilevel Car Parking Private Limited	5,100	0.05	5,100	0.05
IVRCL Lanka (Private) Limited ¹	81,997,756	354.91	61,862,381	265.73
First STP Private Limited	2,850,000	35.39	2,850,000	35.39
IVRCL Gundugolanu Rajahmundry Tollways Limited	49,900	0.50	49,900	0.50
IVRCL Patiala Bathinda Tollways Limited	49,900	0.50	49,900	0.50
IVR Prime Developers (Tambram) Private Limited	10,000	0.10	10,000	0.10
IVRCL International FZE (Face Value of AED 100,000)	1	1.28	1	1.28
(ii) Associate Bodies Corporate (Unquoted)				
Viva Infrastructures Private Limited	50,000	0.50	50,000	0.50
Paresh Infrastructure Private Limited	4,900	0.05	4,900	0.05
IVRCL International Infrastructures & Projects LLC (Face Value of Dhs.1,500 each)	49	0.91	49	0.91
IOTL Utkal Energy Services Limited ^{3,4}	97,000,000	302.80	75,000,000	82.80
Sushee - IVRCL Arunachal Highway Limited ⁴	6,175,000	61.75	13,000	0.13
		16,973.88		15,901.80
II. Preference Shares of Subsidiary Company				
Salem Tollways Limited (7% Cumulative Redeemable Preference Shares of Face Value of ₹ 100 each)	5,000,000	500.00	5,000,000	500.00
		500.00		500.00

Notes forming part of Financial Statements



Non - Current Investments Contd..

	As at 31.03.2014		As at 31.03.2013	
	No.	₹ in million	No.	₹ in million
III. Partnership Firm				
Bhanu IVRCL Associates (50:50 Share between the Company and Bhanu Construction Co. Limited respectively)		0.01		0.01
IVRCL - Tantia Joint Venture (AOP) (50:50 Share between the Company and Tantia Construction Co. Limited respectively)		0.20		0.20
		0.21		0.21
Total - Trade Investments		17,474.09		16,402.01
B. Others - Unquoted				
(i) Equity Shares				
Telcon Ecoroad Resurfaces Private Limited (Face Value of ₹ 100 each)	240,000	24.00	240,000	24.00
Tamilnad Mercantile Bank Limited	25	0.21	25	0.21
Rayalseema Expressway Private Limited	19,290	0.19	19,290	0.19
Telcon Construction Equipment Company Limited ²	4,800	-	4,800	-
		24.40		24.40
(ii) Debentures				
Rayalseema Expressway Private Limited (Face Value of ₹ 1,482 each)	88,413	131.03	88,413	131.03
		131.03		131.03
Total - Other Investments		155.43		155.43
C. Investment in Mutual Funds				
Union Bank of India Tax Saver Scheme		2.00		2.00
Total - Mutual Funds		2.00		2.00
D. Provision for diminution in value of Investment		(223.98)		(23.98)
		(223.98)		(23.98)
		17,407.54		16,535.46

Note :

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investment	657.53	657.53
Aggregate market value thereof	314.45	557.26
Aggregate amount of unquoted investment	16,750.01	15,877.93

1. Additional investment subscribed during the year
2. 4,800 equity shares of Telcon Construction Equipment Company Limited received on transfer of 'Road Laying Business' operations of Telcon Ecoroad Resurfaces Private Limited.
3. Additional investment of ₹ 220.00 million Sponsor Loan amount converted into equity during the year
4. Pledged against monies borrowed by the Company, Subsidiaries and Associate (Refer Note 48)

Notes forming part of Financial Statements



12. Deferred Tax Assets (Net)

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
(a) Deferred Tax Liability				
- Depreciation and amortisation		(359.17)		(359.17)
(b) Deferred Tax Asset				
- Compensated Absences	57.80		57.80	
- Gratuity	21.34		21.34	
- Doubtful debts, Advances and Deposits	428.71		428.71	
- Expenses relating to Amalgamation	3.74		3.74	
- Others	154.10	665.69	154.10	665.69
Deferred Tax Assets (Net)		306.52		306.52

13. Long Term Loans and Advances (Unsecured, considered good)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Capital Advances	23.56	78.60
(b) Security Deposits	59.53	65.52
(c) Tax Deducted at Source and Advance Tax [Net of provisions ₹ 7,079.94 million (2012-13 : ₹ 7,036.31 million)]	1,631.93	2,048.76
(d) Loans and Advances to Related Parties (Refer Note 35.2)		
- Subsidiaries	5,584.81	6,041.48
- Associates	-	220.00
	7,299.83	8,454.36

14. Other Non-Current Assets (Unsecured)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Long-Term Trade Receivables		
- Considered good	5,581.91	5,402.78
- Doubtful	56.61	4.96
	5,638.52	5,407.74
Less: Provision for Doubtful Trade Receivables	56.61	4.96
	5,581.91	5,402.78
(b) Non - Current Bank Balances		
- Deposit with maturity period of more than 12 months	81.02	120.18
- Margin money	-	3.51
(c) Interest accrued on loans and advances to related parties (Refer Note 35.2)	33.99	25.28
	5,696.92	5,551.75

15. Inventories

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Stores and Spares (at cost)	2,000.15	2,687.07
	2,000.15	2,687.07

Notes forming part of Financial Statements



16. Trade Receivables (Unsecured)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	10,894.16	8,234.26
- Doubtful (Refer Note 39)	3,711.27	949.08
	14,605.43	9,183.34
Less: Provision for Doubtful Trade Receivables	3,711.27	949.08
	10,894.16	8,234.26
(b) Other Receivables		
- Considered good	6,258.52	10,433.11
	17,152.68	18,667.37

17. Cash and Bank Balances

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Cash and Cash equivalents		
- Cash on Hand	6.39	10.40
- Balances with Banks		
- Current Accounts	866.01	810.76
- Deposits with maturity period of less than 3 months	205.82	29.09
	1,078.22	850.25
(b) Other Bank Balances		
- Earmarked Balances		
- Margin Money	46.48	3.51
- Unpaid Dividend Account	4.28	4.92
- Share Application Money Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	113.78	64.66
	165.02	73.57
	1,243.24	923.82

18. Short-Term Loans and Advances (Unsecured)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Loans and Advances to Related Parties (Refer Note 35.2)		
- Subsidiaries	543.65	765.88
- Associates	19.25	67.67
- Joint Ventures	1,161.46	702.29
- Directors	17.57	26.51
	1,741.93	1,562.35
- Considered good	1,578.46	1,435.38
- Doubtful	163.47	126.97
	1,741.93	1,562.35
Less: Provision for Doubtful Advances	163.47	126.97
	1,578.46	1,435.38
(b) Advance to Sub-Contractors and Suppliers		
- Considered good	1,940.45	2,930.42
- Doubtful	145.99	142.68
	2,086.44	3,073.10
Less: Provision for Doubtful Advances	145.99	142.68
	1,940.45	2,930.42

Notes forming part of Financial Statements



18. Short-Term Loans and Advances (Unsecured) *Contd...* (₹ in million)

	As at 31.03.2014	As at 31.03.2013
(c) Others		
- Considered good	96.59	131.18
- Doubtful	22.43	37.58
	119.02	168.76
Less: Provision for Doubtful Advances	22.43	37.58
	96.59	131.18
(d) Prepaid Expenses	157.94	172.66
(e) Other Deposits	294.17	447.13
(f) Balances with Statutory / Government Authorities	2,412.61	2,427.19
	2,864.72	3,046.98
- Considered good	2,598.16	3,046.98
- Doubtful	266.56	-
	2,864.72	3,046.98
Less: Provision for Doubtful Advances	266.56	-
	2,598.16	3,046.98
	6,213.66	7,543.96

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

	As at 31.03.2014	As at 31.03.2013
(a) Unbilled Revenue (Refer Note 41)	14,092.33	14,188.96
(b) Receivable against sale of Development Rights	1,523.13	1,523.13
(c) Interest on Term Deposit with Banks	4.10	3.36
(d) Other Receivables (Refer Note 40)	4,869.02	1,720.49
	20,488.58	17,435.94

20. Income from Operations (₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Construction Revenue	42,959.87	37,340.10
(b) Sale of Products - Traded	50.36	6.61
(c) Other Operating Income	37.84	244.17
	43,048.07	37,590.88

21. Other Income (₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Profit on Sale of Investment	-	183.50
(b) Interest Income		
- Loans and Advances to Subsidiaries and Sub-contractors	200.45	146.53
- Term Deposits with Banks	22.84	12.27
- Others	94.13	40.07
(c) Dividend Income		
- Long Term Investments	0.03	0.02
(d) Liabilities no longer required written back	5.58	6.87
(e) Provisions written back	32.58	84.53
(f) Foreign Exchange Gain (Net)	22.27	12.73
(g) Miscellaneous Income	74.52	302.14
	452.40	788.66

Notes forming part of Financial Statements



22. Construction Expenses

(₹ in million)

	Year ended 31.03.2014		01.07.2012 to 31.03.2013	
(a) Construction Stores, Spares and Materials Consumed				
Opening Stock	2,687.07		2,723.30	
Add: Purchases	9,470.87		10,491.00	
Less : Closing Stock	2,000.19		2,687.07	
		10,157.75		10,527.23
(b) Sub-contractors' work bills		16,554.55		11,257.00
(c) Masonry and other works		7,338.49		7,018.10
(d) Indirect Taxes and Cess		1,388.66		1,372.40
(e) Machinery Hire Charges		1,190.97		1,190.31
(f) Repairs and Maintenance				
- Construction Machinery	323.67		379.19	
- Others	99.21	422.88	88.98	468.17
(g) Electricity and Water Charges		150.96		138.76
(h) Royalty		52.18		60.88
(i) Laboratory Testing Charges		25.33		26.71
		37,281.77		32,059.56

23. Employee Benefits Expense

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Salaries, Wages and Bonus	1,711.06	1,433.04
(b) Contribution to Provident and Other Funds	157.25	144.91
(c) Staff Welfare Expenses	206.88	188.66
(d) Managerial Remuneration [Including sitting fee of ₹ 0.74 million (₹ 0.40 million) to Non-Executive Directors] (Refer Note 44)	29.93	7.60
	2,105.12	1,774.21

Notes forming part of Financial Statements



24. Other Expenses

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Rent	147.64	127.60
(b) Office Maintenance	161.90	149.12
(c) Rates and Taxes	41.30	38.63
(d) Travelling and Conveyance	122.54	94.76
(e) Legal and Professional Charges	164.88	166.05
(f) Insurance	181.40	159.15
(g) Communication Expenses	42.44	38.03
(h) Printing and Stationery	26.39	25.53
(i) Tender Expenses	4.92	8.40
(j) Business Promotion	10.01	7.63
(k) Auditors' Remuneration (Refer Note 28)	9.11	13.93
(l) Advertisement and Publicity	4.61	2.78
(m) Loss on Assets sold / discarded (Net)	38.39	55.90
(n) Provision for doubtful debts, advances and deposits	846.09	206.60
(o) Provision for diminution in the value of Investments	200.00	1.28
(p) Bad Debts Written Off	-	1.72
(q) Miscellaneous Expenses	15.11	15.49
	2,016.73	1,112.60

25. Finance Costs

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Interest Expense on:		
(i) Borrowings	4,123.35	2,584.02
(ii) Others		
- Interest on delayed payments of Income-Tax	165.33	180.01
- Interest on Advances received, Bills Discounting etc.	1,274.77	510.46
(b) Other Borrowing Cost	40.09	22.99
(c) Bank and other Financial Charges	243.71	181.40
	5,847.25	3,478.88

Notes forming part of Financial Statements



26. Disclosure pursuant to Accounting Standard – 7 “Construction Contracts”

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

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Contract Revenue recognised as revenue during the period	42,817.72	37,267.86
(b) Aggregate amount of Contract costs incurred and recognised profits, less losses	123,814.25	135,760.02
(c) Advances received, net of recoveries from progressive bills	10,391.51	12,137.74
(d) Gross amount due from customers for contract works	15,587.61	18,699.80
(e) Retention Money	6,465.28	6,324.40

27. Earnings Per Share (EPS)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) (Loss) / Profit After Tax before exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(4,876.24)	(1,016.61)
(b) (Loss) / Profit After Tax after exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(7,167.79)	(1,016.61)
(c) Weighted average number of equity shares outstanding for calculation of EPS	306,886,648	306,886,648
(d) Basic and Diluted EPS before exceptional item(₹)	(15.89)	(3.31)
(e) Basic and Diluted EPS after exceptional item(₹)	(23.36)	(3.31)

28. Auditors’ Remuneration (excluding service tax)

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Statutory Audit	5.00	10.00
(b) Limited Reviews	3.00	2.00
(c) Tax Audit	0.50	0.50
(d) Other Service	0.50	1.05
(e) Reimbursement of expenses	0.11	0.38
	9.11	13.93

29. Contingent Liabilities and Commitments

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(i) Contingent Liabilities:		
(a) Bank Guarantees issued by the banks on behalf of the Company and Letter of Credits	20,030.56	20,391.27
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates (Refer Note 1 below)	39,812.93	7,741.44
(c) Claims against the Company not acknowledged as debts	971.18	2,565.83
(d) Income Tax demand under appeal	-	160.32
(e) Disputed Value Added Tax / Service Tax	6,385.28	5,244.88
(ii) Commitments:		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	79.86	334.28
(b) Commitments towards investment in subsidiaries	1,283.64	7,697.30
(c) Other Commitments (Refer Note 2 below)	-	-

Notes:

- The Company has given Corporate Guarantees aggregating to ₹ 39,245.54 million (As at 31.03.2013 ₹ 6,587.50 million), on behalf of certain subsidiaries to Banks and Financial Institutions. The loan amount and compulsorily convertible debentures outstanding as on March 31, 2014 are ₹ 19,582.38 million (As at 31.03.2013: ₹ 924.28 million) and ₹ 2,367.30 million (As at 31.03.2013: ₹ 2,240.00 million) respectively.
- The Company enters into construction contracts with its vendors. The final amounts payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

30. CIF Value of imports

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Capital Goods	-	29.12
(b) Construction materials and others	8.80	11.24

31. Expenditure and Income in foreign currency

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
a. Income:		
(a) FOB value of Exports	3.53	6.61
(b) Overseas Contract Revenue	84.49	40.34
b. Expenditure		
(a) Travelling Expenses	0.60	1.36
(b) Professional and Consultancy Charges	6.08	9.78
(c) Interest Expenses	59.16	53.73
(d) Overseas Contract Expenditure	76.87	10.53

32. Construction material and stores consumed

(₹ in million)

	Year ended 31.03.2014		01.07.2012 to 31.03.2013	
	Value	%	Value	%
(a) Indigenous	10,148.95	99.91	10,515.99	99.89
(b) Imported	8.80	0.09	11.24	0.11
Total	10,157.75	100.00	10,527.23	100.00

33. Dues to Micro and Small Enterprises

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

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Dues remaining unpaid as at Balance Sheet date-		
- Principal amount	27.93	42.00
- Interest on the above	5.03	4.67
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period		
- Principal amount	-	-
- Interest on the above	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Act.	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	3.94	0.36
(e) Interest accrued and remaining unpaid as at Balance Sheet date	8.97	5.03

34. The Company has the following Joint Ventures (Jointly Controlled Operations) as on March 31, 2014 and its proportionate share is given below:

Sl No.	Name of the Joint Venture	Share of Interest
1	Bhanu - IVRCL Associates	50.00%
2	IVRCL – Tania (JV)	50.00%
3	IVRCL, SEW & Prasad Hyderabad J.V	50.00%
4	IVRCL, Navayuga & SEW Joint Venture	35.75%
5	Navayuga, IVRCL & SEW Joint Venture	35.75%
6	IVRCL – Harsha (JV)	80.00%
7	SPCL - IVRCL JV	49.00%
8	IVRCL - JL (JV)	90.00%
9	UAN Raju IVRCL Construction JV	51.00%
10	IVRCL – KBL (JV) Hyderabad	80.00%
11	IVRCL – KBL – MEIL (JV) Hyderabad	65.00%
12	IVRCL - CR18G (JV)	90.00%
13	IVRCL SEW & WPIL (JV) Hyderabad	60.00%
14	IVRCL – MBL (JV) Hyderabad	90.00%
15	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad	70.00%
16	IVRCL BATPASCO ABB & AAG (JV) Hyderabad	85.00%
17	IVRCL - CR18G Consortium (J.V)	70.00%
18	MEIL IVRCL HCC & WPIL (JV)	23.00%
19	IVRCL – KIPL (JV)	50.00%
20	IVRCL – RAJ (JV)	32.17%
21	UNITY – IVRCL Joint Venture	50.00%
22	IVRCL SAI SUDHIR (JV)	51.00%
23	CR18G - IVRCL (JV)	30.00%
24	IVRCL - SUSHEE Joint Venture	51.00%
25	IVRCL – KMB – HDO Joint Venture	70.00%
26	IVRCL-MEIL (NC-28) Joint Venture	65.00%
27	IVRCL-MEIL (NC-33) Joint Venture	65.00%
28	IVRCL - SUSHEE Consortium	51.00%
29	IVRCL – RTE Joint Venture	80.00%
30	KMB – IVRCL Joint Venture	49.00%
31	IVRCL - BPL -UCC (JV)	60.00%
32	IVRCL-MRT(JV)	85.00%
33	SAPL & MBL – IVRCL (JV)	39.00%
34	G.SHANKAR-IVRCL (J.V)	25.00%
35	IVRCL-MEIL (J.V)	80.00%
36	MEIL-IVRCL (J.V)	20.00%

35. Related Party Disclosure

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

35.1 List of Related Parties and Relationships

Sl No.	Name	Sl No.	Name
A	Subsidiaries {The ownership, directly or indirectly through subsidiary (ies)}		
1	Hindustan Dorr-Oliver Limited	45	IVR Prime Developers (Mylapore) Private Limited ¹
2	IVRCL PSC Pipes Private Limited	46	Chodavaram Developers Private Limited
3	IVR Enviro Projects Private Limited	47	Simhachalam Prime Developers Private Limited
4	Chennai Water Desalination Limited	48	Siripuram Developers Private Limited
5	Salem Tollways Limited	49	Bibinagar Developers Private Limited
6	Kumarapalyam Tollways Limited	50	IVR Prime Developers (Erode) Private Limited
7	IVRCL Steel Construction & Services Limited	51	IVR Prime Developers (Guntur) Private Limited
8	Jalandhar Amritsar Tollways Limited	52	IVR Prime Developers (Kakinada) Private Limited ¹
9	IVRCL Indore Gujarat Tollways Limited	53	IVR Prime Developers (Araku) Private Limited
10	IVRCL Chengapalli Tollways Limited	54	IVR Prime Developers (Pudukkottai) Private Limited ¹
11	IVRCL Patalaganga Truck Terminals Pvt. Limited	55	Absorption Aircon Engineer Private Limited
12	IVRCL Goa Tollways Limited	56	IVR Vaanaprastha Private Limited
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	57	IVR PUDL Resorts & Clubs Private Limited
14	Alkor Petroo Limited	58	IVR Prime Developers (Thandiarpet) Private Limited ¹
15	IVRCL Building Products Limited	59	IVR Prime Developers (Gummidipundi) Private Limited ¹
16	IVRCL Chandrapur Tollways Limited	60	IVR Prime Developers (Kodambakkam) Private Limited ¹
17	Sapthashva Solar Limited	61	IVR Prime Developers (Arumbakkam) Private Limited ¹
18	RIHIM Developers Private Limited	62	IVR Prime Developers (Anna Nagar) Private Limited ¹
19	IVRCL TLT Private Limited	63	IVRCL Solar Energy Private Limited
20	IVRCL Raipur Bilaspur Tollways Limited	64	IVR Prime Developers (Amalapuram) Private Limited
21	IVRCL Narnaul Bhiwani Tollways Limited	65	IVR Prime Developers (Anakapalle) Private Limited ¹
22	IVR Hotels and Resorts Limited	66	IVR Prime Developers (Rajampeta) Private Limited ¹
23	SPB Developers Private Limited	67	IVR Prime Developers (Tanuku) Private Limited ¹
24	IVRCL Multilevel Car Parking Private Limited	68	IVR Prime Developers (Red Hills) Private Limited
25	IVRCL Lanka (Private) Limited	69	IVR Prime Developers (Rajahmundry) Private Limited ¹
26	First STP Private Limited	70	IVR Prime Developers (Tuni) Private Limited
27	IVRCL Gundugolanu Rajahmundry Tollways Limited	71	IVR Prime Developers (Bobbilli) Private Limited
28	IVRCL Patiala Bathinda Tollways Limited	72	IVR Prime Developers (Bhimavaram) Private Limited
29	IVR Prime Developers (Tambram) Private Limited	73	IVR Prime Developers (Adayar) Private Limited
30	HDO Technologies Limited	74	IVR Prime Developers (Ananthapuram) Private Limited ¹
31	HDO (UK) Limited	75	IVR Prime Developers (Perumbalur) Private Limited ¹
32	Davymarkham Limited	76	IVR Prime Developers (Egmore) Private Limited
33	Davymarkham (India) Private Limited	77	IVR Prime Developers (Ashram) Private Limited ¹
34	HDO Zambia Limited	78	IVR Prime Developers (Retiral Homes) Private Limited ¹
35	IVR Prime Developers (Palakkad) Private Limited	79	Geo IVRCL Engineering Limited
36	IVR Prime Developers (Guindy) Private Limited	80	Duvvda Developers Private Limited
37	IVRCL Mega Malls Limited	81	Kunnam Developers Private Limited
38	Agaram Developers Private Limited	82	Vedurwada Developers Private Limited
39	Mummidhi Developers Private Limited	83	Rudravaram Developers Private Limited
40	Samatteri Developers Private Limited	84	Geo Prime Developers Private Limited
41	Annupampattu Developers Private Limited	85	Theata Developers Private Limited
42	Tirumani Developers Private Limited	86	Kasibugga Developers Private Limited
43	Ilavampedu Developers Private Limited	87	Vijayawada Developers Private Limited
44	Gajuwaka Developers Private Limited	88	Eluru Developers Private Limited

1. Applications have been filed before the Registrar of Companies, Andhra Pradesh to 'strike off' of names under the "Fast Track Exit Scheme".

Notes forming part of Financial Statements



Sl No.	Name	Sl No.	Name
B Associate (Where the Company Exercises Significant influence)			
1	Viva Infrastructure Pvt. Limited	4	IVRCL International Infrastructures & Projects LLC
2	Paresh Infrastructures Private Limited	5	Sushee - IVRCL Arunachal Highway Limited
3	IOT Utkal Energy Services Limited		
C Joint Ventures			
1	Bhanu - IVRCL Associates	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
2	IVRCL – Tantia (JV)	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	21	IVRCL - CR18G Consortium (J.V)
4	IVRCL, Navayuga & SEW Joint Venture	22	MEIL IVRCL HCC & WPIL (JV)
5	Navayuga, IVRCL & SEW Joint Venture	23	IVRCL – KIPL (JV)
6	IVRCL – Harsha (JV)	24	IVRCL – RAJ (JV)
7	SPCL - IVRCL JV	25	UNITY – IVRCL Joint Venture
8	IVRCL - JL (JV)	26	IVRCL SAI SUDHIR (JV)
9	UAN Raju IVRCL Construction JV	27	CR18G - IVRCL (JV)
10	IVRCL – KBL (JV) Hyderabad	28	IVRCL - SUSHEE JOINT VENTURE
11	IVRCL – KBL – MEIL (JV) Hyderabad	29	IVRCL – RTE Joint Venture
12	IVRCL - CR18G (JV)	30	KMB – IVRCL Joint Venture
13	IVRCL – KMB – HDO Joint Venture	31	IVRCL - BPL -UCC (JV)
14	IVRCL-MEIL (NC-28) Joint Venture	32	IVRCL-MRT(JV)
15	IVRCL-MEIL (NC-33) Joint Venture	33	SAPL & MBL – IVRCL (JV)
16	IVRCL - SUSHEE Consortium	34	G.SHANKAR-IVRCL (J.V)
17	IVRCL SEW & WPIL (JV) Hyderabad	35	IVRCL-MEIL (J.V)
18	IVRCL – MBL (JV) Hyderabad	36	MEIL-IVRCL (J.V)
D Enterprises owned or significantly influenced by key management personnel or their relatives			
1	S.V.Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A.P.Enercon Engineers Private Limited
4	Eragam Holdings Limited		
E Key Management Personnel			
1	Mr. E. Sudhir Reddy	Chairman & Managing Director	
2	Mr. K. Ashok Reddy	Executive Director	
3	Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	
F Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy	}	Relative of Chairman & Managing Director
2	Mrs. E. Sujatha Reddy		
3	Mr. E. Sunil Reddy		
4	Mrs. E. Indira Reddy		
5	Mr. E. Siddhanth Reddy		
6	Mr. E. Sanjeeth Reddy		
7	Ms.E.Suha Reddy	}	Relative of Director
8	Ms.E. Soma Reddy		

35.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on March 31, 2014.

(A) Transactions during the Year / Period:

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(₹ in million)						
Contract Revenue / Other Operational Income						
Hindustan Dorr-Oliver Limited	187.42	546.46				
IVRCL Chandrapur Tollways Limited	1,981.03	748.72				
IVRCL Chengapally Tollways Limited	995.81	1,000.16				
IVRCL Indore Gujarat Tollways Limited	144.66	1,017.36				
IVRCL BATPASCO WPIL & MHI (IV) Hyderabad			1,993.85	615.58		
UNITY - IVRCL Joint Venture			2,415.19	634.72		
IVRCL-MEIL (NC-28) Joint Venture			459.50	1,899.37		
IVRCL-MEIL (NC-33) Joint Venture			423.41	898.94		
IOT Utkal Energy Services Limited					403.63	991.09
Others	390.33	315.25	4,641.13	4,885.19		
Total	3,699.25	3,627.95	9,933.08	8,933.80	403.63	991.09
Interest Income						
Alkor Petroo Limited	137.22	80.04				
IVRCL Building Products Limited	38.38	26.13				
UAN Raju IVRCL Construction JV			4.75	7.41	8.71	14.52
IOT Utkal Energy Services Limited						
Total	175.60	106.17	4.75	7.41	8.71	14.52
Interest Income on mobilisation advance						
Palladium Infrastructures & Projects Limited						3.61
Total	-	-	-	-	-	3.61
Rental Income						
Hindustan Dorr Oliver Limited	0.65	1.45				
IVR Hotels and Resorts Limited	0.61	0.30				
Others	0.02	0.11				
Total	1.28	1.86	-	-	-	-
Hire Charges Income						
IVRCL Lanka (Private) Limited	5.31	-			2.98	4.37
Palladium Infrastructures & Projects Limited						
Total	5.31	-	-	-	2.98	4.37

(A) Transactions during the Year / Period: (₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Rent Expense						
A.P Enercon Engineers Private Limited					18.93	14.20
Palladium Infrastructures & Projects Limited					-	0.21
Total	-	-	-	-	18.93	14.41
Sub-contracting Work Expenses / Purchase of construction material						
Hindustan Dorr Oliver Limited *		3.88				
IVRCL TLT Private Limited	7.92	218.82				
IVRCL - CR18G (JV)	403.70		509.99	279.24		
MEIL IVRCL HCC & WPIL (JV)			264.70	627.99		
UNITY – IVRCL Joint Venture			1,995.05	612.62		
IVRCL-MEIL (NC-28) Joint Venture			424.28	1,760.61		
IVRCL-MEIL (NC-33) Joint Venture			390.80	833.79		
Palladium Infrastructures & Projects Limited **					99.61	219.71
Others			749.34	620.14		
Total	411.62	222.70	4,334.16	4,734.39	99.61	219.71
Sale of Construction Material						
Palladium Infrastructures & Projects Limited					10.08	205.91
Total	-	-	-	-	10.08	205.91
Sale of Assets						
Palladium Infrastructures & Projects Limited					1.19	-
Total	-	-	-	-	1.19	-
Interest Expense on Mobilisation Advance						
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad				14.75		
CR18G - IVRCL (JV)			(1.34)	8.75		
IVRCL - CR18G Consortium (J.V)			11.48	-		
KMB – IVRCL Joint Venture			1.18	45.21		
IVRCL – KMB – HDO Joint Venture			79.96	7.31		
SAPL & MBL – IVRCL (JV)			12.41	2.86		
Total	-	-	117.66	78.88	-	-

(A) Transactions during the Year / Period: (₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Provision for doubtful Advances						
IVRCL – Harsha (JV)				-		
SPCL – IVRCL JV			36.50	0.03		-
UAN Raju IVRCL Construction JV			-	0.77		-
Total	-	-	36.50	0.80	-	-
Loans /Advances Given						
Alkor Petroo Limited	265.74	203.95				
Jalandhar Amritsar Tollways Limited	-	56.00				
Kumarapalyam Tollways Limited	42.30	1.80				
Chennai Water Desalination Limited	-	115.00				
Hindustan Dorr-Oliver Limited	150.00	-				
IVRCL Chengapalli Tollways Limited	5.44	35.52				
IVRCL Building Products Limited	36.15	30.33				
IVRCL Indore Gujarat Tollways Limited	23.62	35.25				
IVRCL Raipur Bilaspur Tollways Limited	-	965.70				
IVRCL Patiala Bathinda Tollways Limited	-	8.60				
IVRCL Gundagolanu Rajahmundry Tollways Limited	-	0.60				
IVRCL Lanka (Private) Limited	12.53	9.02				
IVRCL Patalaganga Truck Terminals Pvt. Limited	32.50	-				
Total	568.28	1,461.77	-	-	-	-
Investment in Equity Shares						
Jalandhar Amritsar Tollways Limited	51.00	-				
IVRCL Indore Gujarat Tollways Limited	280.58	348.00				
IVRCL Chengapalli Tollways Limited	369.70	13.85				
IVRCL Chandrapur Tollways Limited	-	254.82				
IVRCL Lanka (Private) Limited	89.18	77.21				
Sushee IVRCL Arunachal Highways Limited					61.62	-
IOT Uttkal Energy Services Limited		-			220.00	-
Total	790.46	693.88	-	-	281.62	-
Mobilisation Advance Received						
IVRCL Raipur Bilaspur Tollways Limited	-	979.50				
IVRCL Chengapalli Tollways Limited	200.00	-				
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad				87.44		
KMB – IVRCL Joint Venture				380.76		
IVRCL-KMB-HDO Joint Venture				61.43		
IVRCL-MRT(JV)				295.68		
SAPL & MBL – IVRCL (JV)			18.29	126.07		
Total	200.00	979.50	18.29	951.38	-	-

(B) Closing Balances as on March 31, 2014

(₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Advances – Receivable						
IVRCL TLT Private Limited	-	160.50				
Hindustan Dorr Oliver Limited	49.82	119.86				
RIHIM Developers Private Limited	272.36	255.73				
IVRCL Lanka (Private) Limited	104.96	100.84				
UAN Raju IVRCL Construction JV			175.12	172.24		
IVRCL, Navayuga & SEW Joint Venture			93.37	82.01		
UNITY – IVRCL Joint Venture			558.13	173.07		
IVRCL International Infrastructures & Projects LLC					19.25	67.67
Others	116.51	128.95	334.84	274.97		
Total	543.65	765.88	1,161.46	702.29	19.25	67.67
Other Payables						
IVR Hotels and Resorts Limited	0.45	0.85				
IVRCL Indore Gujarat Tollways Limited	10.76	0.99				
IVRCL Chandrapur Tollways Limited	-	0.87				
IVRCL Namual Bhiwani Tollways Limited	0.28	0.45				
IVRCL TLT Private Limited	11.22	-				
HDO Technologies Limited	5.10	-				
First STP Private Limited	9.75	-				
IVRCL – KBL (JV) Hyderabad			41.30	41.30		
IVRCL – KBL – MEIL (JV) Hyderabad			155.02	119.85		
IVRCL – CR18G (JV)			-	155.81		
IVRCL – KIPL (JV)			123.37	307.72		
SAPL & MBL – IVRCL (JV)			-	70.69		
Others	0.94	-	29.97	5.37		
Total	38.50	3.16	349.66	700.74	-	-
Trade Payables – Construction Expenses						
IVRCL TLT Private Limited	34.50	212.30				
Hindustan Dorr Oliver Limited	19.59	23.59				
SPB Developers Limited	372.56	277.12				
IVRCL Indore Gujarat Tollways Limited	86.60	-				
MEIL IVRCL HCC & WPIL (JV)			11.20	560.52		
IVRCL-MEIL (NC-28) Joint Venture			58.30	401.58		
IVRCL-MEIL (NC-33) Joint Venture			202.47	379.44		
Palladium Infrastructures & Projects Limited					1,368.25	1,273.71
Others	6.76	-	26.25	143.19	10.64	1.42
Total	520.01	513.01	298.22	1,484.73	1,378.89	1,275.13

(B) Closing Balances as on March 31, 2014		(₹ in million)					
		Subsidiary Companies		Joint Venture		Associate Companies & Others	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Provision for Doubtful Advances Bhanu IVRCL Associates SPCL - IVRCL JV UAN Raju IVRCL Construction JV IVRCL – Harsha (JV) IVRCL Goa Tollways Limited Others Total		10.45 10.45	10.45 10.45	32.12 17.05 66.73 36.50 0.62 153.02	32.12 17.05 66.73 - 0.62 116.52		
Trade Receivables and Retention Money Hindustan Dorr-Oliver Limited IVRCL Chengapally Tollways Limited IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited IVRCL Chandrapur Tollways Limited IVRCL, SEW & Prasad Hyderabad J.V IVRCL, Navayuga & SEW Joint Venture IVRCL BATPASCO ABB & AAG (JV) Hyderabad CR18G - IVRCL (JV) IVRCL – KIPL (JV) IVRCL - KBL - MEIL (JV) Hyderabad IVRCL – KBL (JV) Hyderabad IVRCL - CR18G Consortium (JV) IVRCL SAI SUDHIR (JV) MEIL IVRCL HCC & WPIL (JV) IOT Utkal Energy Services Limited Others Total		283.17 - 149.95 365.78 <					

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(B) Closing Balances as on March 31, 2014						
Mobilisation Advance Given						
Palladium Infrastructures & Projects Limited					118.50	88.50
Total					118.50	88.50
Retention Money Payable						
Hindustan Dorr Oliver Limited						
IVRCL, SEW & Prasad Hyderabad J.V	8.54	8.54	81.84	83.18		
IVRCL – KBL – MEIL (JV) Hyderabad			175.76	183.97		
MEIL IVRCL HCC & WPIL (JV)			55.03	120.75		
IVRCL SAI SUDHIR (JV)			6.50	110.71		
Palladium Infrastructures & Projects Limited			3.85	0.83	230.54	226.02
Others						
Total	8.54	8.54	322.98	499.44	230.54	226.02
Interest Accrued						
IOT Utikal Energy Services Limited					33.99	25.28
Total					33.99	25.28
Rent Deposit Given						
Palladium Infrastructures & Projects Limited					1.38	1.38
Indus Palms Hotels & Resorts Limited					2.64	2.64
A.P. Enercon Engineers Private Limited					2.58	2.58
Total					6.60	6.60
Loans /Advances						
Alkor Petroo Limited	1,126.01	860.27				
Jalandhar Amritsar Tollways Limited	939.80	928.40				
Salem Tollways Limited	1,022.72	1,022.72				
Chennai Water Desalination Limited	1,248.45	1,403.67				
IVRCL Raipur Bilaspur Tollways Limited	-	970.60				
IOT Utikal Energy Services Limited	1,247.83	855.82				220.00
Others						
Total	5,584.81	6,041.48				220.00
Corporate Guarantee						
Alkor Petroo Limited	3,500.00	3,500.00				
Hindustan Dorr-Oliver Limited	12,358.60	-				
HDO Technologies Limited	2,745.60	-				
IVRCL Indore Gujarat Tollways Limited	12,942.95	1,837.50				
IVRCL Chengapally Tollways Limited	1,250.00	1,250.00				
IVRCL TLT Private Limited	470.00	-				
Jalandhar Amritsar Tollways Limited	1,684.10		20.00			
IVRCL Lanka (Private) Limited	4,294.29					
CR18G - IVRCL (JV)						
IVRCL International Infrastructures & Projects LLC					547.39	1,153.94
Total	39,245.54	6,587.50	20.00		547.39	1,153.94

* Net of purchase returns / advance refund ₹ 1,754.18 million

** Net of purchase returns / advance refund ₹ 1,131.61 million

35.3 Transactions with Key Management Personnel / Relatives

(₹ in million)

Key Management Personnel/ Relatives	Designation	Remuneration		Office Rent		Rent Deposit		Advance	
		2013-14	2012-13	2013-14	2012-13	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1. Mr. E. Sudhir Reddy	Chairman & Managing Director	16.20*	3.60	2.73	1.72	0.50	0.50	13.02	16.68
2. Mr. E. Sunil Reddy [§]	Director	-	-	2.73	1.72	0.50	0.50	-	-
3. Mr. K. Ashok Reddy	Executive Director	6.96*	1.80	-	-	-	-	2.26	4.90
4. Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	7.08*	1.80	-	-	-	-	2.29	4.93
5. Mr. E. Ella Reddy [§]	Director	-	-	2.71	2.14	0.51	0.51	-	-
6. Relatives		-	-	-	-	0.43	0.43	-	-
Total		30.24	7.20	8.17	5.58	1.94	1.94	17.57	26.51

* Refer Note 44

§ Resigned with effect from November 14, 2013

Disclosure as per clause 32 of the Listing Agreement

Advances in the nature of loans given to related Parties:

(₹ in million)

	Balance as on		Maximum Outstanding	
	31.03.2014	31.03.2013	2013-14	2012-13
(A) Advances in the nature of loans where there is no repayment schedule and interest is charged				
(i) Subsidiaries				
Alkor Petroo Limited	1,126.01	860.27	1,126.01	860.27
IVRCL Building Products Limited	296.83	260.72	296.83	260.72
(ii) Associate				
IOT Utkal Energy Services Limited	-	220.00	220.00	220.00
Total (A)	1,422.84	1,340.99	1,642.84	1,340.99
(B) Advances in the nature of loans where there is no repayment schedule and no interest is charged				
Salem Tollways Limited	1,022.72	1,022.72	1,022.72	1,022.72
Kumarapalyam Tollways Limited	348.24	305.94	348.24	305.94
Chennai Water Desalination Limited	1,248.45	1,403.67	1,403.67	1,441.17
Jalandar Amritsar Tollways Limited	928.40	928.40	928.40	928.40
IVRCL Indore Gujarat Tollways Limited	224.10	160.70	241.90	160.70
IVRCL Chengapalli Tollways Limited	163.64	109.24	163.64	109.24
Total (B)	3,935.55	3,930.67	4,108.57	3,968.17
Grand Total	5,358.39	5,271.66	5,751.41	5,309.16

Notes forming part of Financial Statements



36. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

	2013-14	2012-13	2011-12	2010-11	2009-10
Components of Employer Expenses					
Current service cost	23.66	19.87	38.57	24.41	20.94
Interest cost	13.63	10.23	12.44	9.43	7.44
Expected return on plan assets	(8.45)	(7.33)	(9.90)	(7.18)	(4.96)
Net actuarial (gain) / loss	(20.68)	(5.42)	5.28	(5.76)	(0.69)
Total expense recognised in the Statement of Profit and Loss	8.16	17.35	46.39	20.90	22.73
Actual Contribution & Benefit Payments					
Actual benefit payments	(32.11)	(22.98)	(15.25)	(5.19)	(3.03)
Actual contribution	-	-	25.54	28.97	23.75
Net Asset / (Liability) recognized in Balance Sheet					
Liability at the end of the period	(147.28)	(165.15)	(160.48)	(120.65)	(98.64)
Fair value of plan assets at the end of the period	76.33	102.36	115.04	96.06	65.98
Net liability recognised in the Balance Sheet	(70.95)	(62.79)	(45.44)	(24.59)	(32.66)
Change in Defined Benefit Obligations (DBO)					
Present Value of DBO at the Beginning of the period	165.15	160.48	120.65	98.64	75.02
Interest Cost	13.63	10.23	12.44	9.43	7.44
Current Service Cost	23.66	19.87	38.57	24.41	20.94
Benefits Paid	(32.11)	(22.98)	(15.25)	(5.19)	(3.03)
Actuarial (gain) / loss on obligations	(23.05)	(2.45)	4.07	(6.64)	(1.73)
Present Value of DBO at the end of the period	147.28	165.15	160.48	120.65	98.64
Change in Fair Value of Plan Assets during the period					
Planned assets at the beginning of the period	102.36	115.04	96.06	65.98	41.35
Expected return on planned assets	8.45	7.33	9.91	7.18	4.96
Contributions	-	-	25.54	28.97	23.75
Benefit paid	(32.11)	(22.98)	(15.25)	(5.19)	(3.03)
Actuarial gain / (loss) on plan assets	(2.37)	2.97	(1.22)	(0.88)	(1.05)
Fair value of plan assets at the end of the period	76.33	102.36	115.04	96.06	65.98
Assumptions					
Discount rate	9.31%	8.25%	8.50%	8.25%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
Expected return on plan assets	9.31%	8.25%	8.50%	8.25%	8.00%
Attrition					
- First 5 years of service	10.00%	10.00%	10.00%	10.00%	-
- After 5 years of service	2.00%	2.00%	2.00%	2.00%	-
- All Employees	-	-	-	-	1.00%
Experience Adjustment					
Present Value of DBO	147.28	165.15	160.48	120.65	98.64
Fair value of plan assets	76.33	102.36	115.04	96.06	65.98
Funded Status [Surplus / (Deficit)]	(70.95)	(62.79)	(45.44)	(24.59)	(32.66)
Experience (Gain) / Loss adjustment on plan liabilities	(23.05)	(2.45)	4.07	(6.64)	(1.73)
Experience Gain / (Loss) adjustment on plan assets	(2.37)	2.97	(1.22)	(0.88)	(1.05)

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

- c) The expense pertaining to gratuity of ₹8.16 million (2012-13 : ₹17.35 million) has been considered in "Contribution to Provident and Other Funds" under Note 23.

d) Key Assumptions – Compensated Absences

	2013-14	2012-13	2011-12	2010-11	2009-10
Discount rate	9.31%	8.25%	8.50%	8.25%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%

- e) The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹127.76 million (2012-13: ₹ 110.32 million) for Provident Fund contributions, ₹ 21.31 million (2012-13: ₹ 17.24 million) for Superannuation Fund contributions and ₹ 1.49 million (2012-13: ₹ 2.21 million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the schemes.

37. Segment Reporting

a) Business Segment

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

b) Geographical Segment

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

38. The Company had entered into definitive sale agreements on March 30, 2013, with the strategic partner for disinvestment of 74% holdings in BOT Projects relating to Salem Tollways Limited, Kumarapalayam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement, subject to approvals for all the projects from National Highway Authority of India (NHAI) and the Lenders. Pending approval from the lenders the investments in these projects are considered as long-term investments. Based on the expected cash flows, no provision is considered necessary to the carrying value of the investments.
39. Exceptional Item relates to Trade Receivables, which were qualified by the Statutory Auditors in their Independent auditors' report for the nine months period ended March 31, 2013, in their Independent auditors' review report for the quarter ended June 30, 2013, the quarter and six months ended September 30, 2013, the quarter and nine months ended December 31, 2013. National Stock Exchange of India Limited vide letter dated March 24, 2014 has directed the company to rectify the qualification raised by the Statutory Auditors. Accordingly, provision has been made during the year ended March 31, 2014 for the same. However, the Board of Directors is of the view that these receivables are fully recoverable.
40. In respect of certain customers the Company has initiated legal / arbitration proceedings. The trade receivables and other current assets from such customers as at March 31, 2014 aggregates to ₹ 6,447.45 million. The management is confident that the outcome of the legal proceedings will be favorable and no provision is considered necessary at this stage.

41. Unbilled revenue includes ₹ 995.33 million outstanding for a period of more than three years and not billed to the customers. The Company is in continuous engagement with the customers for billing and realization of the work done.
42. During the year, subsequent to the Settlement Application made during the period ended March 31, 2013 in respect of the search and seizure operations carried out by the Income Tax authorities, the Income Tax Settlement Commission has issued final order under Section 245(D)4 of the Income Tax Act, 1961 based on which the Company has accounted additional tax expense of ₹ 66.66 million and interest on deferred payment of tax amounting to ₹ 106.30 million included under "Tax expense" and "Finance Cost" respectively. The aforesaid amounts are gross of interest on tax refunds receivable amounting to ₹ 94.13 million and has been included under "Other Income". The Company has also accounted for tax expense of ₹ 130.32 million relating to the previous year ended March 31, 2013.
43. The Company has on January 20, 2014 filed an application with Corporate Debt Restructuring (CDR) Cell as prescribed under the Reserve Bank of India (RBI) guidelines by way of reference to CDR Cell.
44. During the year ended March 31, 2014 managerial remuneration, amounting to ₹ 7.64 million in respect of an executive director is subject to Central Government approval and ₹ 4.55 million in respect of two executive directors for which the Company is in the process of making the application to the Central Government, has been paid. Pending the approval from the Central Government the excess amount of ₹ 17.57 million (including ₹ 5.38 million for the earlier period) has been accounted as due from directors.

During the current year, the Company has received Central Government approval in respect of excess remuneration paid during the period April 01, 2011 to June 30, 2012 amounting to ₹ 11.40 million which has been charged to "Employee Benefits Expense" for the year ended March 31, 2014.

45. The accumulated losses of the subsidiary, Hindustan Dorr-Oliver Limited, as at March 31, 2014, have eroded its net worth. The management of the Company is confident of improvement in the company's future operations and the financial statements have prepared on going concern basis. The Company is of the view that the investment in the company amounting to ₹ 657.53 million is a long-term investment and no provision for diminution in the value of investment is necessary.

46. Employee Share based Plan

ESOP 2013 Scheme

The IVRCL – ESOP 2013 Scheme approved by the shareholders in the 26th Annual General Meeting held on September 26, 2013 to grant 10,000,000 options, convertible in to 10,000,000 shares of ₹ 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

ESOP 2007 Scheme

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

47. Derivative Instruments

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

	As at 31.03.2014	As at 31.03.2013
No. of Instruments	5	5
USD Equivalent (million)	13.44	14.69
INR Equivalent (₹ million)	608.12	664.83

- (b) The details of un-hedged foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below.

Notes forming part of Financial Statements



	Currency	As at 31.03.2014		As at 31.03.2013	
		Foreign currency in million	₹ million	Foreign currency in million	₹ million
Short-Term Borrowings	EURO	0.41	28.89	0.41	28.89
Trade Payables	AED	0.84	13.77	0.27	3.98
	SAR	0.43	6.95	0.35	5.11
	NPR	7.55	4.67	3.63	2.24
	KES	22.13	15.37	0.38	0.24
	KWD	0.81	172.27	0.55	104.48
	TZS	83.04	3.04	-	-
Other Current Liabilities	AED	0.32	5.26	0.04	0.55
	NPR	358.69	221.78	358.52	221.17
	KES	516.07	358.47	-	-
	KWD	0.30	64.31	0.44	83.02
	TZS	4,555.04	166.76	-	-
Trade Receivables	AED	2.15	35.17	2.15	31.79
	NPR	4.69	2.90	2.25	1.39
	KWD	1.25	266.04	1.01	193.15
	KES	148.53	103.17	-	-
	TZS	3,259.49	119.33	-	-
Loans & Advances	AED	0.56	9.10	2.84	41.92
	TZS	562.69	20.60	-	-
	NPR	13.13	8.12	13.86	8.55
	KES	218.57	151.82	0.17	0.11
	KWD	0.01	1.24	0.01	1.16

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

Name of the Company	No. of Shares as at 31.03.2014	No. of Shares as at 31.03.2013	Pledged in favour of
(a) Salem Tollways Limited	26,164,612 15,237,039	26,164,612 -	IDBI Trusteeship Limited TATA Capital Financial Services Limited
(b) Kumarapalyam Tollways Limited	17,035,836 9,920,869	17,035,836 -	IDBI Trusteeship Limited TATA Capital Financial Services Limited
(c) IVRCL Indore Gujarat Tollways Limited	12,316,036 11,833,054	10,564,518 10,150,222	IDBI Trusteeship Limited IFCI Limited
(d) IVRCL Chengapalli Tollways Limited	8,514,583 8,180,671	6,615,598 6,356,162	IDBI Trusteeship Limited IFCI Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450 5,127,870	11,370,450 -	IDBI Trusteeship Limited IndusInd Bank
(f) SPB Developers Private Limited	8,281,800 8,281,800	8,281,800 -	Andhra Bank ICICI Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
(h) Chennai Water Desalination Limited	66,166,080 25,947,482	- -	Canara Bank IndusInd Bank
(i) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
(j) Sushee – IVRCL Arunachal Highway Limited	6,630	6,630	IDBI Trusteeship Limited
(k) Hindustan Dorr-Oliver Limited	21,155,306	-	Bank of India

Notes forming part of Financial Statements



49. Operating Lease

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2014 are as follows:

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Payable not later than 1 year	177.87	177.87
Payable later than 1 year and not later than 5 years	106.12	283.99
Later than 5 year	-	-

- ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 177.87 million (2012-13 : ₹ 133.44 million) have been included under "Machinery Hire Charges".

50. Details of purchase and sale of traded goods:

(₹ in million)

	2013-14	2012-13
Purchase:		
Construction equipment	49.04	5.83
Sale:		
Construction equipment	50.36	6.61

51. Certain creditors have filed winding up petitions against the Company under section 433, 434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Andhra Pradesh. The matter is presently subjudice and the company is taking appropriate steps to settle the matter.
52. Figures for the previous period have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

For and on behalf of the Board of Directors

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Place : Hyderabad
Date : May 30, 2014

AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IVRCL LIMITED

Report on the Financial Statements

We have audited the accompanied consolidated financial statement of **IVRCL LIMITED** ('the Company'), its subsidiaries, Associates and Joint Ventures (the Group) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and also the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. Attention is invited to note 47(A)(i) to 47(A)(iv) and 30(ii) to the consolidated financial statements in respect of Hindustan Dorr-Oliver Limited (HDO), a subsidiary of the Company, whereby the auditors of the Company have reported that:
 - a. *The financial statements of the Company have been prepared on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2014 have eroded its net worth. The appropriateness of assumption of going concern is dependent upon improvement of the Company's future operations and ability to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiaries.*
 - b. *Investments in its foreign Subsidiary and loans and advances receivable from such subsidiary aggregating to ₹1,495.88 million, whose accumulated losses exceeded their consolidated net worth and the financial statements have been prepared on going concern basis, considered good for the reasons stated therein. In the absence of audit evidence to corroborate management's assessment, we are unable to comment the extent to which these are recoverable.*
 - c. *Deferred tax assets on business losses aggregating to ₹1,089.37 million has been recognized on the basis of business plan prepared by the management. The Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. In absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the deferred tax assets can be realized, we are unable to comment the extent to which such deferred tax assets can be realized.*

- d. *The Management of the Company has considered Trade Receivables and other receivable amounting to ₹ 515.30 million in respect of certain projects, as good and fully recoverable. In view of non-availability of alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.*
- e. *Current year's consolidated financial statements which do not contain financial statements of certain foreign subsidiaries reflecting total assets of ₹ 989.49 million as at March 31, 2013, total revenue of ₹1264.60 million, net loss of ₹ 71.76 million and net cash outflow of ₹ 32.34 million for the period then ended.*
2. Attention is invited to note 47(B)(i) and 47(B)(ii) to the consolidated financial statements in respect of HDO Technologies Limited, a subsidiary of the Company, whereby the auditors of the Company have reported that:
 - a. *The status of trade receivables aggregating to ₹ 47.51 million appearing in the books of the Company which has been classified as good and in respect of which no provision has been considered necessary for the reasons explained therein.*
 - b. *Confirmation of the balances of trade receivables, trade payables, advances to sub-contractors and suppliers appearing in the books of the Company and reconciliation of the same and the possible resultant impact on the financial statements.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the basis for qualified opinion paragraph above,* the financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014,
- ii. in the case of the consolidated Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matters

1. Attention is invited to Note 35 to the consolidated Financial Statements regarding Trade Receivables and Other Current Assets aggregating to ₹ 6,447.45 million in respect of which the Company has initiated action for recovery from the customers.
2. Attention is invited to Note 36 to the consolidated Financial Statements wherein the Management of the Company has considered unbilled revenue amounting to ₹ 995.33 million, as good and fully recoverable.
3. Attention is invited to Note 39 to the consolidated Financial Statements regarding the managerial remuneration where the Company is awaiting Central Government approval and/or in the process of making application to the Central Government.
4. Attention is invited to Note 40 to the consolidated Financial Statements regarding the investment amounting to ₹ 657.53 million in its subsidiaries Hindustan Dorr-Oliver Limited whose net worth has been eroded.
5. Attention is invited to Note no. 30(i) of the consolidated financial statements regarding certain subsidiaries consolidated on the management certified accounts, which reflect total assets of ₹ 31,193.42 million as at March 31, 2014, total revenue of ₹ 193.27 million, loss of ₹ 44.99 million and net cash outflows amounting to ₹ 178.45 million for the period then ended are unaudited and we did not carry out any audit. 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.
6. Attention is invited to note 47 (E) to the consolidated financial statements in respect of IVRCL TLT Private Limited, a subsidiary of the Company, whereby the accumulated losses of the Company as at March 31, 2014 have eroded its net-worth. The Company's ability to continue as a going concern predominantly dependent on the improvement of the Company's future operations. The Company is confident of implementing its business plan and considering the future prospects. In view of this, the financial statements have been prepared on the basis that the Company is a going concern.

7. Attention is invited to note 47(A) (v) to 47(A) (vii) and 47(A) (ix) to the consolidated financial statements in respect of Hindustan Dorr-Oliver Limited (HDO), a subsidiary of the Company, whereby the auditors of HDO have reported that:
- Unbilled Revenue of ₹ 461.00 million in respect of certain projects where progress is, insignificant during the year and the billing is pending for a period of more than two years have been considered good and fully recoverable. In view of non-billing after a considerable period of time, we are unable to comment the extent to which these amounts will be billed and recoverable.
 - Pending winding up petitions against the Company before Hon'ble High Court of Bombay. The matter is subjudice and outcome of which is subject to the Company fulfilling the payment conditions of Memorandum of Understanding/consent terms.
 - Managerial remuneration paid to the executive director aggregating to ₹ 0.11 million is in excess of the prescribed limits specified under schedule XIII of the companies Act, 1956 and is subject to the central government approval.
 - The provision for impairment of goodwill, aggregating to ₹ 1,290.00 million arising on consolidation with its subsidiaries, whose accumulated losses have exceeded their consolidated net worth, is not considered necessary by the management.
8. Attention is invited to note 47(C)(i) and 47(C)(iv) to the consolidated financial statements in respect of Chennai Water Desalination Limited (CWDL), a subsidiary of the Company, whereby the auditors of CWDL have reported that :
- The income accrued from operations in the current financial period on account of Water Capacity Charges (WCC) of ₹ 37.83 million (Previous Year ₹ 111.40 million) has been accounted as income in the books of account. The total amount receivable on this account from CMWSSB upto March 31, 2014 is ₹ 590.35 million. The company has taken reasonable steps in the matter and is hopeful to recover the amount. Accordingly, the accrued income has been considered good of recovery.
 - Interest of ₹ 500.30 million calculated at Indian lenders' rates applicable to the Company on the claims receivables from EPC Contractor has not been provided till March 31, 2014 due to pending final documentation.
9. Attention is invited to Note 41 in respect of pending winding up petition against the company and the matter is subjudice.

Our opinion is not qualified in respect of these matters.

Other Matters

- We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 39,555.79 million as at March 31, 2014, total revenue of ₹ 2,847.59 million, loss of ₹ 653.82 million and net cash flows of ₹ 67.40 million, for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.
- Refer Note no 30 (iii) of the consolidated financial statements regarding non-availability of the financial statement of certain joint ventures as at March 31, 2014. The investment of joint ventures valued at ₹ 0.21 million in the consolidated financial statement have not been adjusted in the consolidated financial statements in absence of their financial statement as at March 31, 2014 and that may have been required had the financial statements are available.
- Refer Note no 30 (iii) of the consolidated financial statements regarding non-availability of the financial statement of certain associates as at March 31, 2014. The investment of associates valued at ₹ 365.51 million in the consolidated financial statement have not been adjusted in the consolidated financial statements in absence of their financial statement as at March 31, 2014 and that may have been required had the financial statements are available.

Our opinion is not qualified in respect of these matters.

For CHATURVEDI & PARTNERS

Chartered Accountants

(Firm Registration No. 307068E)

R N CHATURVEDI

Partner

(Membership No. 092087)

Hyderabad, May 30, 2014

Consolidated Balance Sheet as at March 31, 2014



(₹ in million)

	Note No.	As at 31.03.2014		As at 31.03.2013	
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3	613.77		613.77	
(b) Reserves and Surplus	4	19,797.42		25,961.88	
Minority Interest			20,411.19 1,837.75		26,575.65 1,870.20
2. Non-Current Liabilities					
(a) Long-Term Borrowings	5	37,017.36		35,657.16	
(b) Other Long-Term Liabilities	6	1,939.08		1,399.85	
(c) Long-Term Provisions	7	636.66		513.14	
			39,593.10		37,570.15
3. Current Liabilities					
(a) Short-Term Borrowings	8	39,777.50		25,679.84	
(b) Trade Payables	9	17,882.04		23,237.87	
(c) Other Current Liabilities	10	22,958.22		21,382.24	
(d) Short-Term Provisions	7	231.87		241.83	
			80,849.63		70,541.78
Total			142,691.67		136,557.78
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	13,957.84		14,206.22	
(ii) Intangible Assets	11	15,030.61		14,879.75	
(iii) Intangible Assets under development		33,098.94		27,494.46	
(iv) Capital Work-in-Progress		501.12		404.16	
			62,588.51		56,984.59
(b) Goodwill on Consolidation		1,014.11		1,486.19	
(c) Non-Current Investments	12	591.04		235.86	
(d) Deferred Tax Assets (Net)	13	1,455.35		1,073.20	
(e) Long-Term Loans and Advances	14	3,380.42		2,873.16	
(f) Other Non-Current Assets	15	8,835.54		8,811.53	
			15,276.46		14,479.94
			77,864.97		71,464.53
2. Current Assets					
(a) Inventories	16	12,588.19		12,984.90	
(b) Trade Receivables	17	19,956.44		22,050.14	
(c) Cash and Bank Balances	18	1,656.42		1,579.18	
(d) Short-Term Loans and Advances	19	8,162.94		9,044.65	
(e) Other Current Assets	20	22,462.71		19,434.38	
			64,826.70		65,093.25
Total			142,691.67		136,557.78
Accompanying Notes forming part of the Financial Statements	1-51				

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

Consolidated Statement of Profit and Loss for the Year ended March 31, 2014



(₹ in million)

	Note No.	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
I. Income					
(a) Income from Operations	21		49,565.40		45,118.67
Less : Excise Duty			118.37		166.13
Net Income from Operations			49,447.03		44,952.54
(b) Other Income	22		460.04		758.46
Total Income			49,907.07		45,711.00
II. Expenditure					
(a) Raw Materials Consumed	23A		542.95		1,670.17
(b) (Increase) / Decrease in Finished Goods, WIP and Development Rights/Plots Stock	23B		10.67		315.08
(c) Purchase of Stock-in-Trade (Traded Goods)			49.04		5.83
(d) Construction Expenses	23C		41,559.89		35,885.32
(e) Employee Benefits Expense	24		2,559.91		2,228.95
(f) Other Expenses	25		2,333.00		1,673.70
(g) Finance Costs	26		7,892.74		4,928.61
(h) Depreciation and Amortisation Expense	11	1,669.31		1,282.23	
Less : Transferred to Revaluation Reserve		0.04		0.03	
			1,669.27		1,282.20
Total Expenditure			56,617.47		47,989.86
III. (Loss) / Profit Before Exceptional Item (I - II)			(6,710.40)		(2,278.86)
IV. Exceptional Item	34 & 47A (viii)		2,291.55		763.06
V. (Loss) / Profit After Exceptional Item and Before Tax (III - IV)			(9,001.95)		(3,041.92)
VI. Tax Expense					
(a) Current Tax Expense for Current Year		5.92		408.89	
(b) Current Tax relating to prior years		196.98		(146.59)	
(c) Deferred Tax	47A (iii)	(382.15)		(511.21)	
			(179.25)		(248.91)
VII. (Loss) / Profit for the Year / Period Before Minority Interest (V - VI)			(8,822.70)		(2,793.01)
VIII. Share of Loss Transferred to Minority Interest			(289.00)		(387.50)
IX. (Loss) / Profit for the Year / Period After Minority Interest (VII - VIII)			(8,533.70)		(2,405.51)
X. Earnings Per Share (Face Value ₹ 2 each)	28				
Basic & Diluted (₹)					
Before Exceptional Item			(20.34)		(5.35)
After Exceptional Item			(27.81)		(7.84)
Accompanying Notes forming part of the Financial Statements	1-51				

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

Consolidated Cash Flow Statement for the Year ended March 31, 2014



(₹ in million)

	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
A. Cash Flow from Operating Activities				
(Loss) / Profit After Exceptional Item and Before Tax		(9,001.95)		(3,041.92)
Adjustment for				
Depreciation and Amortisation Expense	1,669.27		1,282.20	
Dividend received on Investments	(0.04)		(0.15)	
Loss on Sale of Fixed Assets	44.72		55.35	
Gain on Sale of Investments	-		(183.50)	
Exceptional Item	2,291.55		763.06	
Provision for doubtful debts, advances and deposits (net)	813.49		122.09	
Liabilities no longer required written back	(37.35)		(20.70)	
Net Unrealised Exchange (Gain) / Loss	17.02		(39.87)	
Interest Income	(156.78)		(105.11)	
Finance Costs	7,892.74	12,534.62	4,928.61	6,801.98
Operating Profit before Working Capital Changes		3,532.67		3,760.06
<u>Changes in Working Capital</u>				
Decrease / (Increase) in Inventories	382.87		(58.73)	
(Increase) in Trade Receivables	(1,025.44)		(139.26)	
(Increase) in Loans & Advances and Other Current Assets	(2,495.80)		(4,142.18)	
(Decrease) / Increase in Current Liabilities	(5,599.00)	(8,737.37)	3,739.78	(600.39)
Cash (Used in) / generated from operations		(5,204.70)		3,159.67
Net Income Tax Refund / (paid)		347.14		(278.21)
Net Cash Flow (Used in) / from Operating Activities		(4,857.56)		2,881.46
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets	(6,572.15)		(4,791.79)	
Proceeds from Sale of Fixed Assets	98.30		38.93	
Proceeds from Sale of Long-Term Investments	-		183.50	
Purchase / Subscription of Long-Term Investments	(61.62)		-	
Foreign Exchange Translation adjustment	228.91		72.08	
Bank Balances / Term Deposits with Banks not considered as Cash and Cash Equivalents (net)	(71.15)		23.66	
Interest Received	147.79		93.41	
Dividend received on Long-Term Investments	0.04		0.15	
Net Cash Flow used in Investing Activities		(6,229.88)		(4,380.06)

Consolidated Cash Flow Statement for the Year ended March 31, 2014



(₹ in million)

	Year ended 31.03.2014		Period from 01.07.2012 to 31.03.2013	
C. Cash Flow from Financing Activities				
Proceeds from Government Grants	808.55		147.06	
Repayment of Non-Convertible Debentures	-		(850.00)	
Proceeds from Long-Term Borrowings (net of repayments)	3,184.68		5,651.91	
Proceeds from Short-Term Borrowings (net of repayments)	14,097.66		1,119.50	
Interest and Finance Charges Paid	(6,963.09)		(4,298.10)	
Dividends Paid	(0.75)		(0.51)	
Net cash generated from financing activities		11,127.05		1,769.86
Net increase in Cash and Cash Equivalents (A+B+C)		39.61		271.26
Cash and Cash Equivalents at the beginning of the year / period		1,450.41		1,179.17
Less: Cash balance of subsidiary not consolidated during the year		(75.63)		-
Effect of Exchange differences on restatement of Foreign Currency		0.39		(0.02)
Cash and Cash Equivalents at the end of the year / period		1,414.78		1,450.41

Notes :

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

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014

Place : Hyderabad

1. Corporate Information

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

2. Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared under the historical cost convention on an accrual basis (except for revaluation of certain Fixed Assets) in accordance with Generally Accepted Accounting Principles (Indian GAAP) and Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956 read together with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

The previous financial period is for a period of 9 months i.e., July 01, 2012 to March 31, 2013. Hence, the figures for the current year are strictly not comparable with those of the previous period.

2.2 Use of Accounting Estimates

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

2.3 Principles of Consolidation

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

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

Accordingly, in case of BOT contracts awarded to group companies (operator), where work is subcontracted to group companies, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

- iii. In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- iv. The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

- v. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
 - a. The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - b. The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- vi. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- vii. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.
- viii. Investments in jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard 13 - "Accounting for Investments" notified by the Companies (Accounting Standard) Rules, 2006.

2.4 Recognition of Contract Revenue and Expenses

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

2.5 Revenue from Joint Venture Contracts

In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

2.6 Revenue from Sale of Goods

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

2.7 Sale of Bulk Water

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

2.8 Income from Toll Collection

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

2.9 Revenue from Real Estate

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

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

• Sale of land and development rights

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

• Sale of flats, villas, plots

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

- (i) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India in case where the seller is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method. Percentage of completion is determined on the basis of actual project cost (including cost of land) incurred thereon to total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.
- (ii) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India the Revenue from construction of villas is recognized on the 'percentage of completion method'. Percentage of completion is determined on the basis of actual project cost incurred thereon to total estimated project cost, where the actual cost is 25 percent or more of the 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.

2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

(i) Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past

service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.11 Fixed Assets

a) Tangible

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

The Company revalued all its Land and Buildings in the year 2001-02. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation Reserve, in which case the decrease is charged to the Revaluation Reserve to the extent the reserve has not been subsequently reversed / utilised.

Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

b) Intangible

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

c) Goodwill

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

d) Expenditure incurred during construction period pending allocation

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

2.12 Depreciation and Amortization

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

2.13 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.14 Government Grants

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

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

2.15 Foreign Currency Transactions and Foreign Operations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the period-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation on its existing assets and liabilities, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract.

Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the net loss is charged to the Statement of Profit and Loss. Any profit or loss arising on cancellation of such contracts is recognised as income or expense in the Statement of Profit and Loss of the period.

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

2.16 Investments

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

2.17 Inventories

Inventories are valued at cost and the cost is determined on First-in-First-Out method.

Inventory of manufactured goods and raw materials are valued at lower of cost and net realisable value. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

Residential Properties includes cost incurred towards development of such properties.

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

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

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

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

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

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

2.18 Borrowing Costs

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

2.19 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.20 Income Taxes

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

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

2.21 Earnings Per Share (EPS)

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

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.23 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.24 Current / Non-Current Classification

Infrastructure:

The construction and infrastructure activities are having an operating cycle that exceeds a period of twelve months. Hence, the Company has chosen a duration of upto a period of 36 months for classification of current assets and current liabilities into current or non-current.

Others:

For other activities period of twelve months is considered as operating cycle for classification of current assets and current liabilities into current or non-current.

3. Share Capital

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Authorised:				
Equity shares of ₹ 2 each	1,625,000,000	3,250.00	1,625,000,000	3,250.00
Preference shares of ₹ 2 each	25,000,000	50.00	25,000,000	50.00
	1,650,000,000	3,300.00	1,650,000,000	3,300.00
Issued, Subscribed and Paid up:				
Equity shares of ₹ 2 each fully paid up	306,886,648	613.77	306,886,648	613.77
	306,886,648	613.77	306,886,648	613.77

3.1 Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2014		As at 31.03.2013	
	No. of Equity Shares	₹ in million	No. of Equity Shares	₹ in million
At the beginning of the year / period	306,886,648	613.77	267,009,858	534.02
Add : Issued during the period pursuant to Composite Scheme of Arrangement	-	-	39,876,790	79.75
Outstanding at the end of the year / period	306,886,648	613.77	306,886,648	613.77

3.2 Terms / Rights attached to Equity Shares

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

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

3.3 Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet

- 1) The Company had allotted 133,504,929 shares of ₹ 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ₹ 267.01 million from General Reserve.
- 2) Pursuant to Composite Scheme of Arrangement, the Company has issued 39,876,790 shares of ₹ 2 each as fully paid-up shares during the previous period.

3.4 Shareholders holding more than 5% shares of the Company

No shareholder is holding more than 5% shares of the Company during the current year and previous period.

4. Reserves and Surplus

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Capital Reserve	3,294.79	3,294.79
(b) Business Restructuring Reserve	271.37	271.37
(c) Securities Premium Account	10,615.02	10,615.02
(d) Revaluation Reserve		
Opening Balance	28.31	28.34
Add : Additions during the year	905.67	-
Less: Depreciation on revalued portion of assets	(0.04)	(0.03)
Closing Balance	933.94	28.31
(e) General Reserve		
Opening Balance	9,011.05	8,898.55
Add: Transfer from Surplus in Statement of Profit and Loss	-	112.50
Closing Balance	9,011.05	9,011.05
(f) Government Grant	1,488.41	679.86
(g) Debenture Redemption Reserve		
Opening Balance	500.00	612.50
Less : Transfer to Surplus in Statement of Profit and Loss	-	(112.50)
Closing Balance	500.00	500.00

Consolidated Notes forming part of Financial Statements



(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(h) Foreign Exchange Translation Reserve		
Opening Balance	(115.76)	(187.83)
Add: Effect of foreign exchange variations during the year / period	119.52	72.07
Closing Balance	3.76	(115.76)
(i) Surplus in Statement of Profit and Loss		
Opening Balance	1,677.24	4,081.55
Add: Adjustment on account of closure of Subsidiary	-	1.20
Add: Adjustment on account of subsidiary not consolidated	535.54	-
Add: (Loss) / Profit for the year / period	(8,533.70)	(2,405.51)
Less: Appropriations		
Transfer from Debenture Redemption Reserve	-	112.50
Transfer to General Reserve	-	(112.50)
Closing Balance	(6,320.92)	1,677.24
	19,797.42	25,961.88

Note:

During the previous period 750 and 100 Non-Convertible Debentures of ₹ 1,000,000 each have been fully repaid. Consequently debenture redemption reserve in respect of such debentures has been transferred to Surplus in Statement of Profit and Loss.

5. Long-Term Borrowings

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
	Non-Current	Current [@]	Non-Current	Current [@]
Secured				
(a) Debentures (Refer Note 5.1)				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	-	2,000.00
(b) Term Loans (Refer Note 5.3 to 5.19)				
- From Banks	29,741.48	2,943.07	27,698.05	1,792.90
- From Others	4,817.95	809.56	5,048.75	501.34
(c) Earth Moving Equipment and Vehicle Loans (Refer Note 5.20)				
- From Banks	70.66	76.51	134.15	62.48
- From Others	19.97	87.60	86.21	99.38
Unsecured				
(a) Debentures				
Compulsory Convertible Debentures (Refer Note 5.2)	2,367.30	-	2,240.00	-
(b) Term Loans from Banks [Refer Note 5.3(d)]	-	600.00	450.00	150.00
(c) Public Deposits	-	33.03	-	-
	37,017.36	6,549.77	35,657.16	4,606.10

[@] Amount included under Note 10 - Other Current Liabilities

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

12.15% Non-Convertible Debentures

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

Details of defaults in repayment of Non-Convertible Debentures and interest as on the Balance Sheet date

	Period of default(in Days)	₹ in million
Principal	102	2,000.00
Interest	102 - 289	250.99

5.2 Compulsorily Convertible Debentures

(i) IVRCL Chengapalli Tollways Limited

- Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the Project of the company. The tenure of the CCDs is 6 years from the date of disbursement. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the company held by the Sponsor amounting to 49% of the paid up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.
- Default as on March 31, 2014
Interest: Amount ₹ 27.45 million and period of default is 90 days.
- The company could not create Debenture Redemption Reserve (DRR) in terms of provisions of section 117 C of the Companies Act, 1956 as the company has no profits and the project of the company is under implementation phase and company is yet to commence commercial operations.

(ii) IVRCL Indore Gujarat Tollways Limited

- Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the Project of the company. The tenure of the CCDs is 6 years from the date of disbursement. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the company held by the Sponsor amounting to 49% of the paid up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The Company is in the process of pledging 6,10,000 equity shares. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.
- The company could not create Debenture Redemption Reserve (DRR) in terms of provisions of section 117 C of the Companies Act, 1956 as the company has no profits and the project of the company is under implementation phase and company is yet to commence commercial operations.

5.3 Term Loans from Banks

a) Punjab & Sind Bank

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The balance outstanding as at March 31, 2014 is ₹ 50.55 million, which is overdue.

(b) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of loan amount. The details for each disbursement are as under:

S.No	Outstanding as on 31.03.2014		Repayable in	Period of maturity w.r.t Balance sheet Date	Rate of Interest p.a.
	USD (million)	INR (million)			
1	2.50	116.00	8 equal quarterly installments of ₹ 14.50 million each	1 years 3 months	8.90%
2	3.44	155.89	11 equal quarterly installments of ₹ 14.17 million each	1 years 10 months	9.38%
3	1.72	77.60	11 equal quarterly installments of ₹ 7.05 million each	1 years 11 months	9.50%
4	3.75	169.05	12 quarterly installments of ₹ 14.08 million each	2 years 2 months	9.85%
5	2.03	89.58	13 equal quarterly installments of ₹ 6.89 million each	2 years 4 months	9.85%
Total	13.44	608.12			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations (Refer Note 44).

(c) IndusInd Bank

The loan amount of ₹ 400.00 million is secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is 13.25% p.a. and repayable in 4 equal semi-annual installment of ₹ 100.00 million each commencing from December 2013. The balance outstanding as at March 31, 2014 is ₹ 300.00 million.

(d) Union Bank of India

The existing unsecured short-term loan of ₹ 1,000.00 million, which was due for repayment in December, 2012 has been restructured into term loan of ₹ 1,000.00 million, repayable after moratorium period of one year in 4 equal installments of ₹ 250.00 million each. The rate of interest is base rate plus 4% p.a. The loan amount of ₹ 400.00 million has been included under secured loans and is secured by first charge on the immovable properties of the Company and the remaining balance of ₹ 600.00 million is secured by land belonging to RIHIM Developers Private Limited, wholly owned subsidiary of the Company and has been included under unsecured loan.

5.4 Term Loans from Others

(a) SREI Equipment Finance Private Limited:

Loan I

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 8 equal quarterly installments of ₹ 50.00 million and last installment of ₹ 250.00 million, the period of maturity is 1 year 1 month from balance sheet date. The balance outstanding as at March 31, 2014 is ₹ 550.00 million.

Loan II

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 18 quarterly installments of ranging from ₹ 17.00 million to ₹ 40.00 million. The period of maturity from balance sheet date is 3 years 3 months. The rate of interest is IDBI Bank Base Rate plus 4.50% p.a. The balance outstanding as at March 31, 2014 is ₹ 431.98 million.

(b) TATA Capital Limited:

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ₹ 26.67 million each, commencing from July 2013. The period of maturity from balance sheet date is 10 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at March 31, 2014 is ₹ 133.33 million.

5.5 Details of Long-Term Borrowings guaranteed by some of the Directors

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Term Loan from Banks	1,000.00	1,000.00

5.6 Details of defaults in repayment of loans and interest as on the Balance Sheet date

	Period of default (in days)	₹ in million
Repayment of Term Loan		
- From Banks		
	212 – 304	50.55
	14 – 244	170.07
	1	250.00
- From Others		
	44 – 136	100.00
	75 – 167	40.00
	89	26.67
Interest on Term Loan		
- From Banks		
	1 – 365	9.88
	1 – 246	43.40
	1 – 90	37.18
- From Others		
	1 – 182	60.52
	1 – 172	4.99

5.7 Hindustan Dorr-Oliver Limited

During the year, Andhra Bank (consortium partner) vide their letter dated July 20, 2013 ('sanction/restructuring of working capital limits') has approved the Company's financial restructuring package in respect of credit facilities effective from April 1, 2013. As per the restructuring package, a part of the debts outstanding in respect of cash credit facilities aggregating to ₹ 460.46 million and ₹ 8.25 million have been converted into working capital term loan and funded interest term loan (i.e. WCTL and FITL) respectively.

a) (i) Working capital term loan from banks

Working capital Term loan from banks are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), The loan is further secured by fixed assets owned by wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat). The facility is further secured by corporate guarantee of the holding company and pledging of 29.38% shares of the Company held by IVRCL Limited (Holding Company). The facility carries interest @11.5% p.a.

(ii) **Repayment of Working Capital Term Loan** - Repayable in 24 quarterly installments after moratorium period, of 9 months (in case of Andhra Bank) and 12 months (in case of Bank of India), commencing from April 1, 2013 (in case of Andhra Bank) and December 31, 2012 (in case of Bank of India) with the first installment due on March 2014 and ending on December 2019.

(iii) **Repayment of Funded Interest Term Loan** - Repayable in 10 equal quarterly installments after moratorium period, of 9 months (in case of Andhra Bank) and 12 months (in case of Bank of India), commencing from April 1, 2013 (in case of Andhra Bank) and December 31, 2012 (in case of Bank of India) with the first installment due on March 2014 and ending on June 2016.

b) Default in repayment of dues to banks

- (i) Delay in repayment of working capital term loan and funded interest term loans aggregating to ₹ 36.45 million and ₹ 9.81 million respectively, which were due in the month of March'14, is by one day as at March 31, 2014.
- (ii) Interest aggregating to ₹ 5.53 million on Working Capital Term Loan and Funded Interest Term loan taken by wholly owned subsidiary (HDO Technologies Limited) was due on March 31, 2014 was unpaid.

c) External Commercial Borrowings

- (i) Secured by first charge over the land and building situated at Mumbai (the Company's Corporate office) along with other assets of the Company with current value not less than 1.25x of the facility amount. Borrowing is further secured by first charge over the existing fixed assets and current assets of Davy Markham Limited UK {a wholly owned subsidiary of HDO UK Limited (a wholly owned foreign subsidiary of the Company)}
- (ii) Terms of Repayment: Repayable in 16 equal quarterly installments with the first installment due on April 17, 2013 (i.e. at the end of 15th month from the date of disbursement) and ending on January 17, 2017.
- (iii) Terms of Interest: USD 3 months LIBOR as prevailing at the start of every interest period plus margin (300 bps p.a.) payable in arrears at the end of every interest period net of withholding tax or deductions, if any.
- (iv) Default in repayment of dues to banks
 - (a) Quarterly instalments of External Commercial Borrowings aggregating to ₹ 225.37 million {i.e. quarterly installment of ₹ 75.12 million each (i.e. USD 1.25 million each)} falling due on 17th of July'13, October'13 and January'14 were unpaid as at March 31, 2014.
 - (b) Quarterly interest on External Commercial Borrowings aggregating to ₹ 54.93 million {i.e. quarterly interest of ₹ 18.31 million each (i.e. USD 0.30 million each)} falling due on 17th of July'13, October'13 and January'14 were unpaid as at March 31, 2014.

5.8 Salem Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrowers immovable properties present and future and intangible assets, movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & 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 Salem Kumarapalayam Chengapalli section of NH-47 from km 0 to km 53 in the state of Tamilnadu on BOT Toll basis, Borrowers bank account, Escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and Insurance contracts.

- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment: Total Senior Debt was availed of ₹ 2,228.30 million and repayment of the loan was started from August 31, 2010 with total 138 unequal monthly installments ranging from ₹ 1.86 million to ₹ 32.50 million and the Sub Debt was availed of ₹ 200.00 million and repayment of loan was started from February 28, 2011 with total 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.17 million.
- (iv) Default as on March 31, 2014
 - (a) Principal: Amount ₹ 7.93 million and period of default is 59 days
 - (b) Principal: Amount ₹ 9.79 million and period of default is 31 days
 - (c) Interest: Amount ₹ 3.12 million and period of default is 121 days
 - (d) Interest: Amount ₹ 3.23 million and period of default is 90 days
 - (e) Interest: Amount ₹ 3.86 million and period of default is 75 days
 - (f) Interest: Amount ₹ 16.90 million and period of default is 59 days
 - (g) Interest: Amount ₹ 3.83 million and period of default is 44 days
 - (h) Interest: Amount ₹ 18.31 million and period of default is 31 days
 - (i) Interest: Amount ₹ 3.50 million and period of default is 16 days

5.9 Kumarapalayam Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets both present and future, movables including plant & machinery, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets, machinery spares, excluding crushers, operating cash flows, book debts, receivables, including grant, revenue shortfall loan to be received from NHAI and any other revenues whatsoever nature and wherever arising present and future subject to charge of working capital lenders on operating cash flows subject to the amount of their loans not exceeding ₹ 20.00 million. Borrowers bank account including without limitation the escrow account, major maintenance reserve account, DSRA and each of any other accounts required to be created by the Borrower under any project document or contract, first charge on all intangible assets, security interest in project document and contracts, and insurance proceeds.
- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment: Senior Debt availed of was ₹ 3,189.46 million carrying interest with reset clause. Repayment of the loan commenced from September 15, 2009 with 138 unequal monthly installments ranging from ₹ 2.66 million to ₹ 39.87 million and the Sub Debt availed of, was ₹ 200.00 million carrying interest with reset clause. Repayment of loan commenced from March 15, 2010 with 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.67 million.
- (iv) Default as on March 31, 2014
 - a) Principal : Amount ₹ 2.45 million and period of default is 106 days
 - b) Principal : Amount ₹ 13.95 million and period of default is 75 days
 - c) Principal : Amount ₹ 13.95 million and period of default is 44 days
 - d) Principal : Amount ₹ 16.36 million and period of default is 16 days
 - e) Interest : Amount ₹ 4.42 million and period of default is 121 days
 - f) Interest : Amount ₹ 4.29 million and period of default is 106 days
 - g) Interest : Amount ₹ 4.55 million and period of default is 90 days

- h) Interest : Amount ₹ 4.27 million and period of default is 75 days
- i) Interest : Amount ₹ 23.08 million and period of default is 59 days
- j) Interest : Amount ₹ 3.87 million and period of default is 44 days
- k) Interest : Amount ₹ 20.77 million and period of default is 31 days
- l) Interest : Amount ₹ 1.92 million and period of default is 16 days

5.10 Jalandhar Amritsar Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets, both present and future, movables including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets (present & future) operating cash flows, book debts and receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues of whatsoever nature and wherever arising, present and future bank accounts including without limitation the escrow account and debt service reserve account and each of the other accounts required to be created by the borrower under any project document or contract, all intangibles present and future. A first charge by way of assignment or creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever in the project document and contracts, clearances, letter of credit, guarantees, performance bond and liquidity damages provided by any party to the project documents and all insurance contract and insurance proceeds.
- (ii) As per terms of the restructured debt, in addition to the existing terms of security under the common rupee loan agreement, Corporate Guarantee is provided by IVRCL Limited to secure the outstanding obligations.
- (iii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iv) Terms of repayment: The senior debt outstanding of ₹ 1,638.30 million as on 30.06.2013 was restructured and revised repayment of the loan commenced from December 31, 2013 with 47 unequal quarterly installments ranging from ₹ 2.00 million to ₹ 150.60 million. As per the approved master restructuring package vide agreement dated December 28, 2013 an amount of ₹ 45.10 million was provided as Funded Interest Term Loan - I (FITL-I) with repayment in two quarterly installments commencing from December 31, 2013 and ending on March 31, 2014.

5.11 IVRCL Chengapalli Tollways Limited

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

Pledge of 51% of the shares of the Company held by the sponsors up to the second anniversary of the Commercial Operation Date (COD) and 26% thereafter.
- (ii) Interest payable to lenders on monthly basis at rates linked to their respective base rates plus applicable spread (except Andhra Bank whose applicable interest rate shall be linked to the base rate of lead bank). The interest rates shall be subject to annual reset from scheduled COD or actual COD whichever is earlier.
- (iii) Terms of repayment: Term loans are repayable in 44 unequal quarterly installments commencing from April 01, 2017 ranging from ₹ 5.00 million to ₹ 351.13 million.

5.12 SPB Developers Private Limited

- (i) A First Charge of all the Book Debts, Operating Cash Flows, Revenues and Receivables of the Company, present and future including by way of a charge on the Escrow account, Retention account, Debt Service Reserve account and Other Reserves and Bank accounts of the company, wherever maintained.

- (ii) A First Charge on the Escrow account, Debt Service Reserve account and Other Reserves and any other Bank accounts of the company, wherever maintained.
- (iii) A First Charge on all Intangibles of the Company including but not limited to Goodwill, Uncalled Capital, Present and Future.
- (iv) Pledge of 51% shares of the Company held by the Sponsors up to the third anniversary of the COD and 26% of the shares of the Company thereafter. 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 of Banking Regulations Act to be ensured.
- (v) Interest payable to lender on monthly basis @ 11% (fixed) p.a. during construction period and 10.50% (fixed) p.a. after construction period and interest will be reset after three years from the date of first disbursement and every three years thereon.
- (vi) Terms of repayment: Repayment of term loan will be in 44 quarterly unequal installments ranging from ₹ 4.78 million to ₹ 76.41 million. Term loan drawn up to March 31, 2014 is ₹ 1,664.60 million.

5.13 IVRCL Chandrapur Tollways Limited

- (i) The term loan is secured pari pasu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, goodwill, rights, undertakings and all other movable assets (present and future) except project assets, immovable property both present and future, operating cash flows, book debts, toll collection, receivables, revenue to be received from Government of Maharashtra, Public Works Department (PWD) and any other revenues relating to four laning and improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 & 7 in Yavatmal and Chandrapur District length 85.112 Kms in the state of Maharashtra on a BOT basis, Borrower's bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.
- (ii) Terms of Interest: Interest payable to lenders on monthly basis linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall remain fixed till the COD. The interest rate and spread shall be reset on COD and every year thereafter.
- (iii) Terms of repayment: Term loans are repayable in 49 quarterly installments of unequal amounts commencing from August 31, 2014, ranging from ₹ 3.10 million to ₹ 125.60 million. The term loan drawn up to March 31, 2014 is ₹ 2,375.85 million out of total term loan of ₹ 3,139.90 million.

5.14 Chennai Water Desalination Limited

- (i) A first charge by way of mortgage of all the immovable properties of the Company, present and future.
- (ii) 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 the Company, present and future including by way of a charge on the Trust and Retention Account II Debt Service Reserve Account and Other Reserve and Bank accounts of the Company subject only to the charge of working capital lenders for their loans to the extent of ₹100.00 million to the project on the operating cash flows.
- (iv) Terms of Interest: Interest payable to domestic lenders on monthly basis and foreign lenders on quarterly basis. The interest rates on domestic loan shall be subject to annual reset. Interest rate on foreign lenders carrying of LIBOR + 2.25%.
- (v) Terms of repayment: Loan from Indian lenders availed of, was ₹ 3,000.00 million. Repayment of the loan commenced from May 31, 2010 with 117 monthly equal installments and the loan from foreign lender availed of, was Euro 14.06 million. Repayment of loan commenced from December 31, 2009 with 40 quarterly equal installments.

5.15 IVRCL Indore Gujarat Tollways Limited

- (a) The term loan is secured by pari passu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future) operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Indore to Gujarat-MP border section of NH-59 from Km 9.5000 to Km 171.100 in the state of Madhya Pradesh on a DBFOT basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.
- (b) As per the CDR Package duly approved by the CDR Cell, the Interest obligations on the Term Loans are proposed to be funded through Funded Interest Term Loan (FITL) of ₹ 1,203.00 million from cutoff date i.e., October 01, 2013 till the estimated project completion date of September 30, 2014. The FITL carries a Moratorium of 6 months from September 30, 2014 and shall be repaid in 24 quarterly installments beginning from June 30, 2015. The existing first charge on the primary security held by the Lenders for the Term Loan shall be extended to the FITL facility. The additional security as per the CDR package includes, Corporate Guarantee of Holding Company i.e., IVRCL Limited, Personal Guarantee of promoter of IVRCL Limited and Collateral security of immovable properties to the extent of FITL amount, to be offered within 6 months from the date of signing of the Master Restructuring Agreement.
 - (i) Pledge of 51% of the shares of the borrower held by the sponsors up to the second anniversary of the COD and 26% thereafter.
 - (ii) Interest payable to lenders on monthly basis is linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall be fixed till scheduled COD or actual COD whichever earlier. The interest rate shall be reset on earlier of actual COD or Scheduled COD and every year thereafter.
 - (iii) Terms of repayment:
 - (a) The term loans are repayable in 48 quarterly installments of unequal amounts ranging from ₹ 14.28 million to ₹ 628.53 million. The term loan drawn up to March 31, 2014 is ₹ 10,129.98 million (2012-13: ₹ 10,129.98 million) out of total term loan of ₹ 11,427.80 million.
 - (b) Funded Interest Term Loan (FITL) drawn up to March 31, 2014 is ₹ 375.62 million out of total term loan of ₹ 1,203.00 million.

5.16 Alkor Petroo Limited

Indian rupee term loan from bank carries interest @ 12.25%. The loan is repayable in 10 equal quarterly installments after a moratorium period of 2.5 years from the date of first disbursement. The repayment would commence from April 4, 2014. The loan is secured by assignment of Company's interest in Block 6 and Block 8 in Egypt. Further, the loan has been guaranteed by the corporate guarantee of IVRCL Limited, the holding company and secured by land belonging to fellow subsidiaries and other related parties of the holding company.

5.17 IVR Hotels and Resorts Limited

- (i) Loan is secured by exclusive charge on underlying property (land and structure) and exclusive charge on all present and future receivables of underlying project.
- (ii) Loan carries interest rate of bank's base rate plus 3.50% and is repayable in 12 quarterly installments after a principal moratorium period of 3 years from the date of first disbursement (i.e September 26, 2012).

5.18 IVRCL Patalganga Truck Terminals Private Limited

Indian Rupee Loan from Tamilnad Mercantile Bank carries interest @ 11.50%. The loan is repayable in 44 quarterly instalments commencing from June 15, 2015. The loan is secured by way of first charge of all the book-debts, operating cash flows, revenues and receivables of the Company, present and future including by way of charge on the escrow account, retention account, debt service reserve account and other reserves and bank accounts of the Company wherever maintained.

5.19. IVRCL Lanka Private Limited

USD 65 million multi - currency term loan sanctioned by banks, USD 5 million drawn upto March 31, 2014. The loan carried interest rate of LIBOR + Margin of 5% p.a. The loan is repayable in one bullet installment at the end of 3.5 years from the first drawdown date. The loan is secured by residual charge on current assets of the holding company, first exclusive charge over all assets of the Company, assignment of bank guarantee in favour of the lenders and first exclusive charge over escrow account and DSRA.

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

- (a) Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 7 to 43 months and carry interest rate ranging from 8.50% to 13.50% p.a.

Consolidated Notes forming part of Financial Statements



- b) Details of defaults in repayment of Earth Moving Equipment and Vehicle Loans and interest as on the Balance Sheet date

	Period of default (in days)	₹ in million
Principal		
- From Banks	16 - 75	6.50
	9 - 89	6.53
- From Others	16 - 75	4.74
	21	0.57
	23	0.40
	26 - 116	14.73
	30	1.44
Interest		
- From Banks	16 - 75	0.73
	9 - 89	2.76
- From Others	16 - 75	0.42
	21	0.07
	23	0.04
	26 - 116	2.15
	30	0.30

6. Other Long-Term Liabilities

(₹ in million)

	As at 31.03.2014	As At 31.03.2013
(a) Deferred Credit Liability payable	1,840.00	1,295.50
(b) Retention Money	0.62	5.89
(c) Claim payable to the Client	98.46	98.46
	1,939.08	1,399.85

In case of Jalandhar Amritsar Tollways Limited, subsidiary of the Company has accounted provision for negative grant payable to NHAI during the operations period i.e., from 13th to 15th years has been accounted for in terms of clause 23.2 of Chapter V of Concession Agreement read with the AS 29.

7. Provisions

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
	Long-term	Short-term	Long-term	Short-term
(a) Gratuity	29.02	70.14	20.94	68.60
(b) Compensated Absences	73.61	131.17	89.55	150.30
(c) Resurfacing Obligation (Refer Note 45)	534.03	-	402.65	-
(d) Payable on Derivatives	-	5.64	-	8.04
(e) Provision for Notional Loss / (Gain) on derivative contracts	-	19.99	-	5.91
(f) Provision for Tax	-	4.93	-	8.98
	636.66	231.87	513.14	241.83

8. Short-Term Borrowings

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
Secured				
Loans repayable on demand from Banks:				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 8.1)	28,294.74		13,342.34	
(b) Project Specific Working Capital Loans (Refer Note 8.2 and 8.5)	10,020.62	38,315.36	9,724.69	23,067.03
Short-Term Loans (Refer Note 8.3)				
- from Banks	320.00		-	
- Others	400.00	720.00	-	-
Unsecured (Refer Note 8.4 and 8.5)				
(a) Short-Term Loans from Banks	250.00		250.00	
(b) Buyer's Credit	28.89		28.89	
(c) Working Capital Demand Loans and other credit facilities from Banks	293.25		2,333.92	
(d) Others	170.00		-	
		742.14		2,612.81
		39,777.50		25,679.84

8.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and unencumbered Fixed Assets valuing ₹ 106.10 million not charged to other lenders. Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 107.10 million and lien of the Fixed Deposit of ₹ 4.20 million and also secured by mortgage of certain lands belonging to subsidiaries and others. The borrowings carry interest rate ranging from 10.20% to 14.50% p.a.

(a) Hindustan Dorr-Oliver Limited

(i) Consortium of Banks - Bank of India and Andhra Bank

Working capital loan from banks are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), fixed assets owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat). The facility is further secured by corporate guarantee of holding company and pledge of 29.38% shares of the Company held by holding company. The facility carries interest @11% to 13% p.a.

(ii) ICICI Bank

Working capital loan from banks are secured by first and exclusive charge on all the current assets (including receivables) and movable fixed assets related to OPaL project and second paripassu charge on factory land and building owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat), and building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat). The facility carries interest of 13%.

(iii) Default in repayment of dues to banks

- (a) ₹ 17.34 million and ₹ 46.39 million in respect of working capital loan from Bank of India and Andhra Bank were overdrawn on March 12, 2014 and March 26, 2014 which become ₹ 96.56 million and ₹ 38.03 million as at March 31, 2014 i.e. continuous overdrawn upto 20 days and 6 days respectively.

- (b) ₹ 201.83 million in respect of working capital loan of Indian subsidiary company HDO Technologies Limited from Andhra Bank remain overdrawn as at March 31, 2014 upto 6 days.

(b) IVRCL TLT Private Limited

Working capital demand loan from banks are secured by hypothecation of inventories, book debts and other current assets and all present and future fixed assets of the company except assignment of lease rights of the lease hold land (on which the movables/ immovable of the Company are located). The loan is further secured by corporate guarantee of ₹ 300.00 million issued by the holding company i.e. IVRCL Limited.

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

8.2 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loan from Banks is secured by hypothecation of book debts and inventory and other current assets of respective projects.

Short-Term Loans

8.3 Secured:

(a) IndusInd Bank

Secured by mortgage of lands pertains to subsidiaries of the Company and further secured by pledge of shares of following subsidiaries

- (i) 15% shares of Chennai Water Desalination Limited
- (ii) 23% stake in IVRCL Chandrapur Tollways Limited.

The loan is repayable in one installment. The rate of interest is 11.50% p.a. and the balance outstanding as at March 31, 2014 is ₹ 120.00 million.

(b) Andhra Bank

Secured by proportionate share in book debts of the Company and further secured by land belonging to subsidiaries. The loan is repayable in 2 years i.e one year moratorium period and 1 year repayment on half yearly basis. The rate of interest is 14.25% p.a. with monthly resets and the balance outstanding as at March 31, 2014 is ₹ 200.00 million.

(c) TATA Capital Financial Services Limited

Secured by pledge of shares of following subsidiaries and subservient charge on the current assets.

- (i) 29.70% shares of Salem Tollways Limited
- (ii) 23% stake in Kumarpalyam Tollways Limited.

The loan is repayable in one installment. The rate of interest is 14.25% p.a. and the balance outstanding as at March 31, 2014 is ₹ 400.00 million.

8.4 Unsecured:

Bank of Nova Scotia

Loan is repayable in one installment within 30 days (i.e., April 20, 2014) from the date of disbursement. The rate of interest is 12.75% p.a. and the balance outstanding as at March 31, 2014 is ₹ 250.00 million.

IVRCL TLT Private Limited

SREI Equipment Finance Private Limited

Loan is secured by pledge of land by the fellow subsidiaries as collateral security in favour of the lenders. Further, loan is secured by corporate guarantee given by the fellow subsidiaries to the tune of the loan amount. The Loan is further secured by corporate guarantee ₹ 170.00 million (Excluding Interest) by the holding company IVRCL Limited.

8.5 Details of defaults in repayment of Short-Term Borrowings as on the Balance Sheet date

	Period of default (in days)	₹ in million
Principal		
	3	15.00
	4	35.00
Interest		
	1 - 90	97.37
	1 - 90	11.19
	1 - 365	25.28
	1 - 59	8.39
	1	8.61
	1	19.35
	12	3.63
	1	17.01
	1	2.38
	1 - 60	7.23
	1 - 60	16.57
	1 - 40	7.31

9. Trade Payables

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Acceptances	797.98	2,962.32
(b) Other than Acceptances	17,084.06	20,275.55
	17,882.04	23,237.87

10. Other Current Liabilities

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	6,549.77	4,606.10
(b) Interest accrued but not due on Borrowings	38.53	57.66
(c) Interest accrued and due on Borrowings	1,284.46	583.24
(d) Advances received from Contractee-Clients	10,088.83	10,960.44
(e) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(f) Payable to Related Parties		
- Joint Ventures	349.66	700.74
(g) Other Payables		
(i) Interest accrued on others	535.40	291.78
(ii) Payables on purchase of Fixed Assets	275.98	373.75
(iii) Accrued salaries and Employee Benefits	536.88	496.52
(iv) Statutory Remittances	1,270.78	1,535.92
(v) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956 - Not due		
- Unclaimed Public Deposit (including interest)	1.47	0.37
- Unclaimed Dividends	5.33	6.08
- Unclaimed Share Application Money	0.48	0.48
(vi) Interest on amounts due to Micro and Small Enterprises	8.97	5.03
(vii) Claims Payable to Client	93.99	79.44
(viii) Security Deposit	0.70	0.57
(ix) Others (includes ₹ 24.80 million payable to Chairman & Managing Director)	470.46	237.59
	22,958.22	21,382.24

11. Consolidated Fixed Assets

(₹ in million)

	Gross Block						Depreciation					Net Block	
	As on 31.03.2013	Additions during the Year	Foreign Currency Adjustment	Adj on account of Subsidiary not Consolidated	Adj/ Deletions	As on 31.03.2014	For the Year /Period	Foreign Currency Adjustment	Adj on account of Subsidiary not Consolidated	Adj/ Deletions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets													
Land - Freehold	1,348.64 (1,343.27)	930.49 (13.97)	-	-	14.08 (8.60)	2,265.05 (1,348.64)	-	-	-	-	-	2,265.05	1,348.64
Land - Leasehold	830.16 (930.02)	-	-	-	-	830.16 (830.16)	13.00 (9.59)	-	-	-	39.30 (26.30)	790.86	803.86
Buildings	1,747.97 (1,568.52)	33.73 (130.33)	0.53 (0.09)	1.32	8.12 (49.03)	1,772.79 (1,747.97)	129.28 (77.70)	0.13 (0.02)	0.39	5.20 (19.13)	703.03 (579.21)	1,069.76	1,168.76
Plant & Machinery	12,999.70 (13,207.71)	235.49 (281.22)	1.79 (0.11)	157.86	293.25 (478.52)	12,785.87 (12,999.70)	890.99 (675.64)	0.11 (0.02)	91.39	183.42 (91.66)	4,052.21 (3,435.92)	8,733.66	9,563.78
Motor Vehicles	1,865.39 (1,553.82)	11.60 (13.08)	-	-	43.42 (298.49)	1,833.46 (1,865.39)	195.76 (151.28)	0.01	-	37.04 (7.87)	994.66 (835.93)	838.80	1,029.46
Furniture	239.43 (239.01)	8.19 (6.53)	0.05 (0.47)	6.75	4.13 (6.58)	236.79 (239.43)	13.01 (12.89)	0.01 (0.41)	6.20	3.28 (6.41)	139.27 (135.73)	97.52	103.70
Office Equipment	236.50 (236.03)	6.92 (6.80)	0.05	-	8.67 (6.33)	234.80 (236.50)	11.73 (8.64)	0.01	-	2.91 (6.42)	111.46 (102.63)	123.34	133.87
Computers	253.55 (286.00)	9.87 (3.40)	0.06 (0.13)	1.89	0.81 (35.98)	260.78 (253.55)	24.95 (23.45)	0.13 (0.12)	1.79	0.76 (20.83)	221.93 (199.40)	38.85	54.15
Total	19,521.34 (19,364.38)	1,236.29 (455.33)	2.37 10.02	167.82 -	372.48 (288.35)	20,219.70 (19,521.34)	1,278.72 (959.19)	0.40 5.57	99.77 -	232.61 (178.53)	6,261.86 (5,315.12)	13,957.84 -	- 14,206.22
Intangible Assets													
Software	152.27 (121.56)	1.96 (3.54)	-	-	-	154.23 (152.27)	19.04 (18.54)	-	-	0.03 (11.19)	120.04 (101.03)	34.19	51.24
Goodwill	6.90 (6.90)	-	-	-	-	6.90 (6.90)	-	-	-	-	6.90 (6.90)	-	-
Technical knowhow	9.81 (9.81)	-	-	-	-	9.81 (9.81)	-	-	-	-	9.81 (9.81)	-	-
Carriage Ways	16,422.16 (16,419.65)	559.05 (2.51)	-	-	-	16,981.21 (16,422.16)	391.14 (280.11)	-	-	-	1,984.79 (1,593.65)	14,996.42	14,828.51
Total	16,591.14 (16,557.92)	561.01 (6.05)	- -	- -	- 27.17	17,152.15 (16,591.14)	410.18 (298.65)	- -	- -	0.03 11.19	2,121.54 (1,711.39)	15,030.61 -	- 14,879.75
Grand Total	36,112.48 (35,922.30)	1,797.30 (461.38)	2.37 10.02	167.82 -	372.48 (261.18)	37,371.85 (36,112.48)	1,688.90 (1,257.84)	0.40 5.57	99.77 -	232.64 (167.34)	8,383.40 (7,026.51)	28,988.45 -	- 29,085.97
Previous Year													

Notes :

- Land-Freehold includes
- ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- ₹ 50.66 million (2012-13 : ₹ 50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
- ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- Leasehold premises of ₹ 27.50 million (2012-13 : ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid upfront with no further significant obligations.
- In case of subsidiary companies**
Depreciation amounting to ₹ 19.59 million (2012-13 : ₹ 8.75 million) for the Year ended March 31, 2014 transferred to expenditure incurred during construction period pending allocation.
Depreciation is excluding of ₹ 33.11 million pertaining to Goodwill written off during the previous period.
During the year Hindustan Dorr-Oliver Limited, subsidiary of the Company has revalued its land situated at Chakala Andheri (East) Mumbai at ₹ 1,050 million thereby increasing land value by ₹ 905.66 million and creating revaluation reserve of the same amount.
- Buildings include Company owned residential flats of the Book Value of ₹ 8.85 million (2012-13 : ₹ 8.85 million) including face value of shares held in Co-operative Housing Societies of ₹ 0.01 million in respect of which documents lodged with the Registrar of Properties for registration are yet to be received back.

Consolidated Notes forming part of Financial Statements



12. Non-Current Investments

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
Long-Term Investments				
Investment in equity instruments				
In Subsidiaries [Refer Note 30 (ii)]		73.56		-
In Partnership Firms		0.21		0.21
In Associate Bodies Corporates – Unquoted		365.51		83.89
Other bodies corporates				
Quoted	16.56		16.56	
Unquoted	24.90		24.90	
Less : Provision for diminution in value of Investment	(22.73)		(22.73)	
		18.73		18.73
Investment in Debentures		131.03		131.03
Investment in Mutual Funds		2.00		2.00
		591.04		235.86

13. Deferred Tax Assets (Net)

(₹ in million)

	As at 31.03.2014		As at 31.03.2013	
(a) Deferred Tax Liability				
- Depreciation		(415.11)		(442.80)
(b) Deferred Tax Asset				
- Compensated Absences and Gratuity	98.82		98.86	
- Doubtful debts, Advances and Deposits	428.71		428.71	
- Business Loss / Unabsorbed Depreciation [Refer Note 47 A (iii)]	1,185.09		830.33	
- Expenses relating to Amalgamation	3.74		3.74	
- Others	154.10	1,870.46	154.36	1,516.00
Deferred Tax Assets (Net)		1,455.35		1,073.20

14. Long-Term Loans and Advances

(Unsecured, considered good)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Capital Advances	36.17	177.06
(b) Security Deposits	91.81	98.07
(c) Tax Deducted at Source and Advance Tax (net of provisions)	1,820.76	2,369.11
(d) Balance with Government Authorities	9.31	8.92
(e) Loans and Advances to Related Parties		
- Subsidiaries [Refer Note 30 (ii)]	1,422.37	-
- Associates	-	220.00
	3,380.42	2,873.16

Consolidated Notes forming part of Financial Statements



15. Other Non-Current Assets

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Long-Term Trade Receivables		
- Considered good	7,434.01	7,377.00
- Doubtful	56.61	4.96
	7,490.62	7,381.96
Less: Provision for Doubtful Trade Receivables	56.61	4.96
	7,434.01	7,377.00
(b) Non-Current Bank Balances		
- Deposit with maturity period of more than 12 months	82.60	120.80
- Margin Money	-	3.51
(c) Claims Receivable	810.00	810.00
(d) Interest accrued other than on Investments	34.22	25.51
(e) Other Receivables	474.71	474.71
	8,835.54	8,811.53

16. Inventories

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) At Project sites - (at cost)		
- Stores and Spares	2,111.87	2,747.37
- Work-in-Progress	863.25	570.61
(b) At Factory - (at lower of cost and net realisable value)		
- Raw Material, Stores and Spares	466.26	482.66
- Finished Goods	52.78	100.49
- Work-in-Progress	290.32	360.41
(c) Freehold Land	4,469.15	4,481.33
(d) Development Rights for Land	2,726.17	2,699.70
(e) Plots Stock	182.60	207.23
(f) Residential Properties	75.29	75.29
(g) Development Work-in-Progress	1,350.50	1,259.81
	12,588.19	12,984.90

17. Trade Receivables (Unsecured)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Outstanding for period exceeding six months from the date they are due for payment		
- Considered good	13,189.47	10,388.59
- Doubtful (Refer Note 34)	3,713.97	951.78
	16,903.44	11,340.37
Less: Provision for Doubtful Trade Receivables	3,713.97	951.78
	13,189.47	10,388.59
(b) Other Receivables		
- Considered good	6,766.97	11,661.55
- Doubtful	-	-
	6,766.97	11,661.55
Less: Provision for Doubtful Trade Receivables	-	-
	6,766.97	11,661.55
	19,956.44	22,050.14

Consolidated Notes forming part of Financial Statements



18. Cash and Bank Balances

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
a) Cash and Cash equivalents		
- Cash on Hand	21.27	23.35
- Balances with Banks		
- Current Accounts	1,173.06	1,268.23
- Deposits with maturity period of less than 3 months	220.45	158.83
	1,414.78	1,450.41
(b) Other Bank Balances		
- Earmarked Balances		
- Margin Money	46.47	8.55
- Unpaid Dividend Accounts	5.30	6.04
- Share Application Money Due for Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	189.39	113.70
	241.64	128.77
	1,656.42	1,579.18

19. Short-Term Loans and Advances

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Loans and Advances to Related Parties		
- Associates	19.25	67.67
- Joint Ventures	1,161.46	702.30
- Directors	27.94	36.76
	1,208.65	806.73
- Considered good	1,045.18	679.76
- Doubtful	163.47	126.97
	1,208.65	806.73
Less: Provision for Doubtful Advances	163.47	126.97
	1,045.18	679.76
(b) Advance to Sub-Contractors and Suppliers		
- Considered good	3,771.45	4,547.42
- Doubtful	198.73	210.57
	3,970.18	4,757.99
Less: Provision for Doubtful Advances	198.73	210.57
	3,771.45	4,547.42
(c) Prepaid Expenses	252.60	227.08
(d) Other Deposits	372.61	511.01
(e) Balances with Statutory / Government Authorities	2,949.43	3,039.46
	3,574.64	3,777.55
- Considered good	3,308.08	3,777.55
- Doubtful	266.56	-
	3,574.64	3,777.55
Less: Provision for Doubtful Advances	266.56	-
	3,308.08	3,777.55
(f) Tax Deducted at Source and Advance Tax (net of provisions)	38.23	39.92
	8,162.94	9,044.65

Consolidated Notes forming part of Financial Statements



20. Other Current Assets

(Unsecured, considered good)

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(a) Unbilled Revenue (Refer Note 36)	16,055.32	16,175.14
(b) Receivable against Sale of Development Rights	1,523.13	1,523.13
(c) Claims Receivable	9.50	10.16
(d) Interest on Term Deposit with Banks	5.73	5.46
(e) Other Receivables (Refer Note 35)	4,869.03	1,720.49
	22,462.71	19,434.38

21. Income from Operations

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Construction Revenue	43,019.53	37,750.46
(b) Sale of Systems, equipment, services and Spares	2,349.54	2,199.03
(c) Sale of Villas, Flats and Plots	126.31	181.08
(d) Income from Toll Collection	1,177.98	886.59
(e) Sewerage Treatment Revenue	16.05	12.14
(f) Sale of Bulk Water	1,791.49	1,291.08
(g) Sale of Products	1,026.10	2,514.43
(h) Other Operating Income	58.40	283.86
	49,565.40	45,118.67

22. Other Income

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Profit on Sale of Investment	-	183.50
(b) Interest Income		
- Advances to Sub-contractors	24.84	40.35
- Term Deposits with Banks	29.48	19.28
- Others	102.46	45.47
(c) Dividend Income on Long-Term Investments	0.04	0.15
(d) Liabilities no longer required written back	37.35	20.70
(e) Income from Mutual Funds	2.24	1.47
(f) Miscellaneous Income	231.05	363.01
(g) Provisions written back	32.58	84.53
	460.04	758.46

Consolidated Notes forming part of Financial Statements



23. A. Raw Material Consumed

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
Opening Stock	437.80	400.30
Add: Purchases	532.09	1,707.67
Less : Closing Stock	426.94	437.80
	542.95	1,670.17

B. (Increase) / Decrease in Finished Goods, Work-in-progress and Development Rights / Plots Stock

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
Opening Balance	5,901.40	6,216.48
Less : Adjustment on account of non-consolidation of subsidiary	13.83	-
Closing Balance	5,876.90	5,901.40
	10.67	315.08

C. Construction Expenses

(₹ in million)

	Year ended 31.03.2014		01.07.2012 to 31.03.2013	
(a) Construction Stores, Spares and Materials Consumed				
- Opening Stock	2,702.80		2,739.02	
- Add: Purchases	10,948.86		11,317.21	
- Less : Closing Stock	2,048.06		2,702.80	
		11,603.60		11,353.43
(b) Development Expenditure		227.50		141.45
(c) Sub-contractors' work bills		17,638.93		12,731.23
(d) Masonry and other works		7,339.55		7,021.61
(e) Operation and Maintenance Expenses		551.30		552.32
(f) Manufacturing Expenses		128.59		267.22
(g) Resurfacing Expenses		131.38		98.53
(h) Indirect Taxes and Cess		1,471.39		1,414.54
(i) Machinery Hire Charges		1,193.79		1,191.68
(j) Repairs and Maintenance				
- Construction Machinery	324.96		380.44	
- Others	120.07		110.43	
		445.03		490.87
(k) Electricity and Water Charges		751.32		534.85
(l) Royalty		52.18		60.88
(m) Laboratory Testing Charges		25.33		26.71
		41,559.89		35,885.32

Consolidated Notes forming part of Financial Statements



24. Employee Benefits Expense

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Salaries, Wages and Bonus	2,132.57	1,845.67
(b) Contribution to Provident and Other Funds	182.19	174.85
(c) Staff Welfare Expenses	234.52	211.65
(d) Managerial Remuneration	35.24	12.03
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(24.61)	(15.25)
	2,559.91	2,228.95

25. Other Expenses

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Rent Expenses	159.20	192.23
(b) Office Maintenance	183.06	163.01
(c) Rates and Taxes	53.62	52.01
(d) Travelling and Conveyance	173.78	133.43
(e) Legal and Professional Charges	255.38	256.48
(f) Insurance	200.71	168.71
(g) Communication Expenses	50.51	46.41
(h) Printing and Stationery	32.46	31.58
(i) Tender Expenses	5.28	8.66
(j) Business Promotion	10.01	7.63
(k) Auditors' Remuneration	12.53	14.01
(l) Advertisement and Publicity	11.95	8.72
(m) Loss on Assets sold / discarded (Net)	44.72	55.35
(n) Provision for doubtful debts, advances and deposits	846.07	206.62
(o) Provision for diminution in the value of Investments	200.00	1.28
(p) Bad Debts Written Off	-	161.17
(q) Net loss on foreign currency transactions and translations	17.02	25.46
(r) Preliminary Expenses	0.06	-
(s) Miscellaneous Expenses	86.84	149.33
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(10.20)	(8.39)
	2,333.00	1,673.70

26. Finance Cost

(₹ in million)

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) Interest on Term Loan and Working Capital Facilities		
(i) Borrowings	5,945.95	3,929.56
(ii) Others		
- Interest on delayed payments of Income-Tax	167.71	181.22
- Interest on Advances received, Bills Discounting etc.	1,274.78	510.46
(b) Other Borrowing Cost	213.71	74.36
(c) Bank and other Financial Charges	256.70	207.23
(d) Foreign Exchange Loss (Net)	33.89	25.78
	7,892.74	4,928.61

Consolidated Notes forming part of Financial Statements



27. 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 ₹ 3,768.83 million and ₹ 571.66 million respectively. These intra-group transactions and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

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

	Year ended 31.03.2014	01.07.2012 to 31.03.2013
(a) (Loss) / Profit After Tax before exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(6,242.15)	(1,642.45)
(b) (Loss) / Profit After Tax after exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(8,533.70)	(2,405.51)
(c) Weighted average number of equity shares outstanding for calculation of EPS	306,886,648	306,886,648
(d) Basic and Diluted EPS before exceptional item(₹)	(20.34)	(5.35)
(e) Basic and Diluted EPS after exceptional item(₹)	(27.81)	(7.84)

29. Contingent Liabilities and Commitments

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
(i) Contingent Liabilities:		
(a) Bank Guarantees issued by the banks on behalf of the Company and Letter of Credits	22,758.39	25,713.79
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates	39,946.78	7,875.29
(c) Claims against the Company not acknowledged as debts	2,057.06	2,610.56
(d) Income Tax demand under appeal	61.22	214.70
(e) Disputed Value Added Tax/Sales Tax/Service Tax	6,866.87	5,359.53
(f) Disputed Central Excise, Customs Duty, Cess and Stamp Duty	415.69	374.65
(g) Others	23.00	23.00
(ii) Other Commitments:		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	16,678.23	18,447.05
(b) Commitments towards investment in subsidiaries	1,283.64	7,697.30
(c) Other Commitments	-	-

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

As at March 31, 2014, 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, 2014.

Consolidated Notes forming part of Financial Statements



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

Sl No.	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2013-14	2012-13	
1	Hindustan Dorr-Oliver Limited	55.28%	55.28%	India
2	IVRCL PSC Pipes Private Limited	66.43%	66.43%	India
3	IVR Enviro Projects Private Limited	97.49%	97.49%	India
4	Chennai Water Desalination Limited	75.00%	75.00%	India
5	Salem Tollways Limited	100.00%	100.00%	India
6	Kumarapalyam Tollways Limited	100.00%	100.00%	India
7	IVRCL Steel Constructions & Services Limited	100.00%	100.00%	India
8	Jalandhar Amritsar Tollways Limited	100.00%	100.00%	India
9	IVRCL Indore Gujarat Tollways Limited ¹	100.00%	100.00%	India
10	IVRCL Chengapalli Tollways Limited	100.00%	100.00%	India
11	IVRCL Patalaganga Truck Terminals Private Limited ¹	100.00%	100.00%	India
12	IVRCL Goa Tollways Limited	100.00%	100.00%	India
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	60.00%	60.00%	India
14	Alkor Petroo Limited	64.03%	64.03%	India
15	IVRCL Building Products Limited	60.00%	60.00%	India
16	IVRCL Chandrapur Tollways Limited	100.00%	100.00%	India
17	Sapthashva Solar Limited ¹	51.00%	51.00%	India
18	RIHIM Developers Private Limited ¹	100.00%	100.00%	India
19	IVRCL TLT Private Limited	100.00%	100.00%	India
20	IVRCL Raipur Bilaspur Tollways Limited	100.00%	100.00%	India
21	IVRCL Narnual Bhiwani Tollways Limited	100.00%	100.00%	India
22	IVR Hotels and Resorts Limited ¹	66.88%	66.88%	India
23	SPB Developers Private Limited ¹	100.00%	100.00%	India
24	IVRCL Multilevel Car Parking Private Limited	51.00%	51.00%	India
25	IVRCL Lanka Private Limited ¹	100.00%	100.00%	Sri Lanka
26	First STP Private Limited	95.00%	95.00%	India
27	IVRCL Gundugolanu Rajahmundry Tollways Limited	100.00%	100.00%	India
28	IVRCL Patiala Bathinda Tollways Limited	100.00%	100.00%	India
29	IVR Prime Developers (Tambram) Private Limited	100.00%	100.00%	India
30	HDO Technologies Limited	55.28%	55.28%	India
31	IVR Prime Developers (Palakkad) Private Limited	60.00%	60.00%	India
32	IVR Prime Developers (Guindy) Private Limited	60.00%	60.00%	India

Consolidated Notes forming part of Financial Statements



Sl No.	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2013-14	2012-13	
33	IVRCL Mega Malls Limited	100.00%	100.00%	India
34	Agaram Developers Private Limited	100.00%	100.00%	India
35	Mummidi Developers Private Limited	100.00%	100.00%	India
36	Samatteri Developers Private Limited	100.00%	100.00%	India
37	Annupampattu Developers Private Limited	100.00%	100.00%	India
38	Tirumani Developers Private Limited	100.00%	100.00%	India
39	Ilavampedu Developers Private Limited	100.00%	100.00%	India
40	Gajuwaka Developers Private Limited	100.00%	100.00%	India
41	Chodavaram Developers Private Limited	100.00%	100.00%	India
42	Simhachalam Prime Developers Private Limited	100.00%	100.00%	India
43	Siripuram Developers Private Limited	100.00%	100.00%	India
44	Bibinagar Developers Private Limited	100.00%	100.00%	India
45	IVR Prime Developers (Erode) Private Limited	100.00%	100.00%	India
46	IVR Prime Developers (Guntur) Private Limited	100.00%	100.00%	India
47	IVR Prime Developers (Araku) Private Limited	100.00%	100.00%	India
48	Absorption Aircon Engineer Private Limited	100.00%	100.00%	India
49	IVR Vaanaprastha Private Limited	66.67%	66.67%	India
50	IVR PUDL Resorts & Clubs Private Limited	66.67%	66.67%	India
51	IVRCL Solar Energy Private Limited	100.00%	100.00%	India
52	IVR Prime Developers (Amalapuram) Private Limited	100.00%	100.00%	India
53	IVR Prime Developers (Red Hills) Private Limited	100.00%	100.00%	India
54	IVR Prime Developers (Tuni) Private Limited	100.00%	100.00%	India
55	IVR Prime Developers (Bobbilli) Private Limited	100.00%	100.00%	India
56	IVR Prime Developers (Bhimavaram) Private Limited	100.00%	100.00%	India
57	IVR Prime Developers (Adayar) Private Limited	100.00%	100.00%	India
58	IVR Prime Developers (Egmore) Private Limited	100.00%	100.00%	India
59	Geo IVRCL Engineering Limited	100.00%	100.00%	India
60	Duvvda Developers Private Limited	100.00%	100.00%	India
61	Kunnam Developers Private Limited	100.00%	100.00%	India
62	Vedurwada Developers Private Limited	100.00%	100.00%	India
63	Rudravaram Developers Private Limited	100.00%	100.00%	India
64	Geo Prime Developers Private Limited	100.00%	100.00%	India
65	Theata Developers Private Limited	100.00%	100.00%	India
66	Kasibugga Developers Private Limited	100.00%	100.00%	India
67	Vijayawada Developers Private Limited	100.00%	100.00%	India
68	Eluru Developers Private Limited	100.00%	100.00%	India

Consolidated Notes forming part of Financial Statements



1. Consolidated based on Management certified accounts

(ii) Subsidiaries not included in consolidation

Sl No.	Name of Subsidiaries Subsidiaries through direct, indirect control	Ownership in %		Country of Incorporation
		2013-14	2012-13	
1	HDO (UK) Limited	55.28%	55.28%	United Kingdom
2	Davymarkham Limited	55.28%	55.28%	United Kingdom
3	Davymarkham India Private Limited	55.28%	55.28%	India
4	HDO Zambia Limited	55.28%	55.28%	Zambia
5	IVR Prime Developers (Mylapore) Private Limited ¹	100.00%	100.00%	India
6	IVR Prime Developers (Kakinada) Private Limited ¹	100.00%	100.00%	India
7	IVR Prime Developers (Pudukkottai) Private Limited ¹	100.00%	100.00%	India
8	IVR Prime Developers (Thandiarpet) Private Limited ¹	100.00%	100.00%	India
9	IVR Prime Developers (Gummidipundy) Private Limited ¹	100.00%	100.00%	India
10	IVR Prime Developers (Kodambakkam) Private Limited ¹	100.00%	100.00%	India
11	IVR Prime Developers (Arumbakkam) Private Limited ¹	100.00%	100.00%	India
12	IVR Prime Developers (Anna Nagar) Private Limited ¹	100.00%	100.00%	India
13	IVR Prime Developers (Anakapalle) Private Limited ¹	100.00%	100.00%	India
14	IVR Prime Developers (Rajampeta) Private Limited ¹	100.00%	100.00%	India
15	IVR Prime Developers (Tanuku) Private Limited ¹	100.00%	100.00%	India
16	IVR Prime Developers (Rajahmundry) Private Limited ¹	100.00%	100.00%	India
17	IVR Prime Developers (Ananthapuram) Private Limited ¹	100.00%	100.00%	India
18	IVR Prime Developers (Perumbadur) Private Limited ¹	100.00%	100.00%	India
19	IVR Prime Developers (Ashram) Private Limited ¹	100.00%	100.00%	India
20	IVR Prime Developers (Retiral Homes) Private Limited ¹	100.00%	100.00%	India

1. Applications have been filed before the Registrar of Companies, Andhra Pradesh to 'strike off' of names under the "Fast Track Exit Scheme".

(iii) Associates and Joint Ventures not included in consolidation

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

Consolidated Notes forming part of Financial Statements



31. Related Party Disclosure

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

31.1 List of Related Parties and Relationships

Sl No.	Name	Sl No.	Name
A Associate (Where the Company Exercises Significant influence)			
1	Viva Infrastructure Pvt. Limited	4	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	5	IVRCL International Infrastructures & Projects LLC
3	IOT Utkal Energy Services Limited	6	Sushee - IVRCL Arunachal Highway Limited
B Joint Ventures			
1	Bhanu - IVRCL Associates	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
2	IVRCL – Tantia (JV)	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	21	IVRCL - CR18G Consortium (J.V)
4	IVRCL, Navayuga & SEW Joint Venture	22	MEIL IVRCL HCC & WPIL (JV)
5	Navayuga, IVRCL & SEW Joint Venture	23	IVRCL – KIPL (JV)
6	IVRCL – Harsha (JV)	24	IVRCL – RAJ (JV)
7	SPCL - IVRCL JV	25	UNITY – IVRCL Joint Venture
8	IVRCL - JL (JV)	26	IVRCL SAI SUDHIR (JV)
9	UAN Raju IVRCL Construction JV	27	CR18G - IVRCL (JV)
10	IVRCL – KBL (JV) Hyderabad	28	IVRCL - SUSHEE JOINT VENTURE
11	IVRCL – KBL – MEIL (JV) Hyderabad	29	IVRCL – RTE Joint Venture
12	IVRCL - CR18G (JV)	30	KMB – IVRCL Joint Venture
13	IVRCL – KMB – HDO Joint Venture	31	IVRCL - BPL -UCC (JV)
14	IVRCL-MEIL (NC-28) Joint Venture	32	IVRCL-MRT(JV)
15	IVRCL-MEIL (NC-33) Joint Venture	33	SAPL & MBL – IVRCL (JV)
16	IVRCL - SUSHEE Consortium	34	G.SHANKAR-IVRCL (J.V)
17	IVRCL SEW & WPIL (JV) Hyderabad	35	IVRCL-MEIL (J.V)
18	IVRCL – MBL (JV) Hyderabad	36	MEIL-IVRCL (J.V)
C Enterprises owned or significantly influenced by key management personnel or their relatives			
1	S.V.Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A.P.Enercon Engineers Private Limited
4	Eragam Holdings Limited		
D Key Management Personnel			
1	Mr. E. Sudhir Reddy	4	Mr.S.C.Sekaran
2	Mr. K. Ashok Reddy		
3	Mr. R. Balarami Reddy		
E Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy	} Relative of Chairman & Managing Director	
2	Mrs. E. Sujatha Reddy		
3	Mr. E. Sunil Reddy		
4	Mrs. E. Indira Reddy		
5	Mr. E. Siddhanth Reddy		
6	Mr. E. Sanjeeth Reddy		
7	Ms.E.Suha Reddy	} Relative of Director	
8	Ms.E. Soma Reddy		

31.2 Disclosure of transactions between the Company and related parties and the status of closing balances
a) Transactions during the Year / Period

	Joint Venture		Associate & Others	
	2013-14	2012-13	2013-14	2012-13
Contract Revenue / Other Operational Income	9,933.08	8,933.80	403.63	991.09
Interest Income	4.75	7.41	8.71	14.52
Interest Income on Mobilisation Advance	-	-	-	3.61
Purchase of Construction Material *	-	-	-	-
Hire Charges Income	-	-	30.46	4.37
Rent Expense	-	-	2.98	18.06
Sub-contracting Work Expenses	-	-	24.07	303.03
Sale of Construction Material	4,334.16	4,734.39	219.44	205.91
Sale of Assets	-	-	10.08	-
Interest Expense on Mobilisation Advance	117.66	78.88	1.19	-
Provision for Doubtful Advances	36.50	0.80	-	-
Investments	-	-	281.62	-
Mobilisation Advance Received	18.29	951.38	-	-

* Net of purchase returns / advance refund ₹ 1,948.55 million

(B) Closing Balances as on March 31, 2014

	Joint Venture		Associate & Others	
	As at 2013-14	As at 2012-13	As at 2013-14	As at 2012-13
Advances Receivable	1,161.46	702.29	19.25	67.67
Other Payables	349.66	700.74	-	-
Trade Payables for Construction Expenses	298.22	1,484.73	1,382.16	1,351.22
Provision for Doubtful Advances	153.02	116.52	-	-
Trade Receivables and Retention Money	3,853.40	3,421.10	1,300.46	1,414.60
Mobilisation Advance Received	1,622.97	1,940.46	-	-
Mobilisation Advance Given	-	-	118.50	88.50
Retention Money Payable	322.98	499.44	230.54	226.02
Interest Accrued	-	-	33.99	25.28
Rent Deposit	-	-	6.60	6.60
Loans Given	-	-	-	220.00
Corporate Guarantee	20.00	-	547.39	1,153.94

31.3 Transactions with Key Management Personnel / Relatives

(₹ in million)

Key Management Personnel/ Relatives	Designation	Remuneration		Office Rent		Rent Deposit		Advance	
		2013-14	2012-13	2013-14	2012-13	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Mr. E. Sudhir Reddy	Chairman & Managing Director	16.20*	3.60	2.73	1.72	0.50	0.50	13.02	16.68
Mr. E. Sunil Reddy ^s	Director	-	-	2.73	1.72	0.50	0.50	10.11	10.11
Mr. K. Ashok Reddy	Executive Director	6.96*	1.80	-	-	-	-	2.26	4.90
Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	7.08*	1.80	-	-	-	-	2.29	4.93
Mr. E. Ella Reddy ^s	Director	-	-	4.09	3.06	0.51	0.51	-	-
Mr. S.C.Sekaran	Executive – Director	4.77*	4.13	-	-	-	-	0.26	0.14
Mr.D.P.Mishra	Manager (Subsidiary)	-	0.09	-	-	-	-	-	-
Relatives		-	-	1.14	0.76	0.43	0.43	-	-
Total		35.01	11.42	10.69	7.26	1.94	1.94	27.94	36.76

* Refer Note 39 and 47A (vii)

^s Resigned with effect from November 14, 2013

Consolidated Notes forming part of Financial Statements



32. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

Particulars	2013-14	2012-13
Components of Employer Expenses		
Current service cost	30.92	30.56
Interest cost	17.53	13.90
Expected return on plan assets	(9.66)	(8.89)
Benefits Transferred	-	(0.98)
Experience Adjustment / Non-management fund	(1.19)	1.84
Net Actuarial (Gain) / Loss to be recognized	(24.99)	(10.03)
Total expense recognised in the Statement of Profit and Loss	12.61	26.40
Actual Contribution & Benefit Payments		
Actual Benefit Payments	(40.84)	(30.17)
Actual Contribution	2.68	1.24
Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the period	(200.43)	(220.84)
Fair value of plan assets at the end of the period	101.27	131.30
Net Asset/ (Liability) recognised in the Balance Sheet	(99.16)	(89.54)
Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at beginning of period	220.84	214.08
Interest Cost	17.53	13.90
Current Service Cost	30.92	30.56
Benefits Paid	(40.84)	(30.17)
Actuarial (Gain) / Loss on obligations	(28.02)	(7.53)
Present Value of DBO at the end of period	200.43	220.84
Change in Fair Value of Plan Assets during the period		
Planned assets at beginning of the period	131.30	148.84
Expected return on planned assets	9.66	8.89
Other planned assets	1.50	-
Contributions	2.68	1.24
Benefit paid	(40.84)	(30.17)
Actuarial Gain / (Loss) on plan assets	(3.03)	2.50
Fair value of plan assets at the end of the period	101.27	131.30
Defined benefit plan – Gratuity Assumptions		
Discount rate	9.31%	8.25%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	9.31%	8.25%

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

c) The expense pertaining to gratuity of ₹ 12.61 million (2012-13 : ₹ 26.40 million) has been considered in "Contribution to Provident and Other Funds" under Note 24.

33. The Company had entered into definitive sale agreements on March 30, 2013, with the strategic partner for disinvestment of 74% holdings in BOT Projects relating to Salem Tollways Limited, Kumarapalayam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement, subject to approvals for all the projects from National Highway Authority of India (NHAI) and the Lenders. Pending approval from the lenders the investments in these projects are considered as long-term investments. Based on the expected cash flows, no provision is considered necessary to the carrying value of the investments.

34. Exceptional Item relates to Trade Receivables, which were qualified by the Statutory Auditors in their Independent auditors' report for the nine months period ended March 31, 2013, in their Independent auditors' review report for the quarter ended June 30, 2013, the quarter and six months ended September 30, 2013, the quarter and nine months ended December 31, 2013. National Stock Exchange of India Limited vide letter dated March 24, 2014 has directed the company to rectify the qualification raised by the Statutory Auditors. Accordingly, provision has been made during the year ended March 31, 2014 for the same. However, the Board of Directors is of the view that these receivables are fully recoverable.
35. In respect of certain customers the Company has initiated legal / arbitration proceedings. The trade receivables and other current assets from such customers as at March 31, 2014 aggregates to ₹ 6,447.45 million. The management is confident that the outcome of the legal proceedings will be favorable and no provision is considered necessary at this stage.
36. Unbilled revenue includes ₹ 995.33 million outstanding for a period of more than three years and not billed to the customers. The Company is in continuous engagement with the customers for billing and realization of the work done.
37. During the year, subsequent to the Settlement Application made during the period ended March 31, 2013 in respect of the search and seizure operations carried out by the Income Tax authorities, the Income Tax Settlement Commission has issued final order under Section 245(D)4 of the Income Tax Act, 1961 based on which the Company has accounted additional tax expense of ₹ 66.66 million and interest on deferred payment of tax amounting to ₹ 106.30 million included under "Tax expense" and "Finance Cost" respectively. The aforesaid amounts are gross of interest on tax refunds receivable amounting to ₹ 94.13 million and has been included under "Other Income". The Company has also accounted for tax expense of ₹ 130.32 million relating to the previous year ended March 31, 2013.
38. The Company has on January 20, 2014 filed an application with Corporate Debt Restructuring (CDR) Cell as prescribed under the Reserve Bank of India (RBI) guidelines by way of reference to CDR Cell.
39. During the year ended March 31, 2014 managerial remuneration, amounting to ₹ 7.64 million in respect of an executive director is subject to Central Government approval and ₹ 4.55 million in respect of two executive directors for which the Company is in the process of making the application to the Central Government, has been paid. Pending the approval from the Central Government the excess amount of ₹ 17.57 million (including ₹ 5.38 million for the earlier period) has been accounted as due from directors.

During the current year, the Company has received Central Government approval in respect of excess remuneration paid during the period April 01, 2011 to June 30, 2012 amounting to ₹ 11.40 million which has been charged to "Employee Benefits Expense" for the year ended March 31, 2014.
40. The accumulated losses of the subsidiary, Hindustan Dorr-Oliver Limited, as at March 31, 2014, have eroded its net worth. The management of the Company is confident of improvement in the company's future operations and the financial statements have prepared on going concern basis. The Company is of the view that the investment in the company amounting to ₹ 657.53 million is a long-term investment and no provision for diminution in the value of investment is necessary.
41. Certain creditors have filed winding up petitions against the Company under section 433, 434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Andhra Pradesh. The matter is presently subjudice and the company is taking appropriate steps to settle the matter.

Consolidated Notes forming part of Financial Statements



42. Segment Reporting

Information about Primary Business Segments

(₹ in million)

Particulars	Engineering & Construction	Real Estate & Others	Manufacturing	Eliminations	Total
Revenue:					
Total External Sales	48,410.39	179.27	975.74	-	49,565.40
	42,429.79	181.08	2,507.80	-	45,118.67
Add : Inter segment sales	355.52	-	126.78	(482.30)	-
	191.07	-	213.68	(404.75)	-
Total Revenue	48,765.91	179.27	1,102.52	(482.30)	49,565.40
	42,620.86	181.08	2,721.48	(404.75)	45,118.67
Segment result before interest, exceptional items and tax					1,182.34
Less: Interest	7,690.90	2.07	199.77	-	2,649.75
	4,730.42	0.21	197.97	-	7,892.74
(Loss) / Profit before Exceptional items and tax					4,928.61
					(6,710.40)
Exceptional items:					(2,278.86)
(Loss) / Profit Before Tax					2,291.55
					763.06
Tax					(9,001.95)
(Loss) / Profit After tax					(3,041.92)
					(179.25)
					(248.91)
					(8,822.70)
					(2,793.01)
Segment Assets	134,559.31	11,093.83	2,654.16	(8,676.13)	139,631.17
	128,531.22	10,849.56	4,847.94	(10,466.19)	133,762.53
Unallocated Corporate Assets					3,060.50
					2,795.25
Total Assets					142,691.67
					136,557.78
Segment Liabilities	126,074.40	1,310.16	2,710.48	(9,652.31)	120,442.73
	112,660.10	1,023.97	4,685.34	(10,257.48)	108,111.93
Unallocated Corporate Liabilities					-
					-
Total Liabilities					120,442.73
					108,111.93
Segment Depreciation	1,628.70	3.35	37.22	-	1,669.27
	1,160.65	3.55	118.00	-	1,282.20
Non - Cash Expenses other than Depreciation					3,129.42
					1,041.09

Figures in *italics* pertains to previous period

Geographical Segment

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

43. Employee Share based Plan

ESOP 2013 Scheme

The IVRCL – ESOP 2013 Scheme approved by the shareholders in the 26th Annual General Meeting held on September 26, 2013 to grant 10,000,000 options, convertible in to 10,000,000 shares of ₹ 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

ESOP 2007 Scheme

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

44. Derivative Instruments

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

	As at 31.03.2014	As at 31.03.2013
No. of Instruments	5	5
USD Equivalent (million)	13.44	14.69
INR Equivalent (₹ million)	608.12	664.83

- (b) The details of un-hedged foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below.

Particulars	Currency	As at 31.03.2014		As at 31.03.2013	
		Foreign currency in million	₹ in million	Foreign currency in million	₹ in million
Short-Term Borrowings	EURO	0.41	28.89	0.41	28.89
Trade Payables	AED	0.84	13.77	0.27	3.98
	SAR	0.43	6.95	0.35	5.11
	NPR	7.55	4.67	3.63	2.24
	KES	22.13	15.37	0.38	0.24
	KWD	0.81	172.27	0.55	104.48
	TZS	83.04	3.04	-	-
Other Current Liabilities	AED	0.32	5.26	0.04	0.55
	NPR	358.69	221.78	358.52	221.17
	KES	516.07	358.47	-	-
	KWD	0.30	64.31	0.44	83.02
	TZS	4,555.04	166.76	-	-
Trade Receivables	AED	2.15	35.17	2.15	31.79
	NPR	4.69	2.90	2.25	1.39
	KWD	1.25	266.04	1.01	193.15
	KES	148.53	103.17	-	-
	TZS	3,259.49	119.33	-	-
Loans & Advances	AED	0.56	9.10	2.84	41.92
	TZS	562.69	20.60	-	-
	NPR	13.13	8.12	13.86	8.55
	KES	218.57	151.82	0.17	0.11
	KWD	0.01	1.24	0.01	1.16

45. Provision for resurfacing obligation

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

(₹ in million)

Particulars	As on April 1, 2013	Additions during the period	Amount used during the period	Amounts reversed during the period	As on March 31, 2014
Provision for resurfacing obligation	402.65	131.38	-	-	534.03
	402.65	131.38	-	-	534.03

46. Operating Lease

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2014 are as follows:

(₹ in million)

	As at 31.03.2014	As at 31.03.2013
Payable not later than 1 year	177.87	177.87
Payable later than 1 year and not later than 5 years	106.12	283.99
Later than 5 year	-	-

- ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 177.87 million (2012-13 : ₹ 133.44 million) have been included under "Machinery Hire Charges".

47. Specific Notes relating to subsidiaries

A. Hindustan Dorr-Oliver Limited

- i. The accumulated losses of the Company as at March 31, 2014 have eroded its net worth. The management of the Company is confident of improvement in the Company's future operations and the financial statements have been prepared on going concern basis. The appropriateness of assumption of going concern is dependent upon improvement of the Company's future operations and ability to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiaries. The Company intend to operate efficiently and is confident of implementing its business plan.
- ii. The Company has equity investments aggregating to ₹ 73.51 million and an amount of ₹ 1,422.37 million advanced as interest free loans as at March 31, 2014 in HDO (UK) Limited, a wholly owned subsidiary. The Subsidiary Company, HDO (UK) Limited, and its wholly owned subsidiary, Davy Markham Limited, have accumulated losses exceeding the consolidated net worth of the Subsidiary Company as at the balance sheet date. The appropriateness of assumption of going concern is dependent upon improvement of the Company's future operations and ability to raise requisite finance/generate cash flows in future to meet its obligations. The management, considering the fulltime business prospects, believes that, growth in operations of the Company will result into increase in its revenue and consequently profitability and net worth and in the opinion of the management no provision for impairment is required at this stage.
- iii. As at March 31, 2014, deferred tax assets, on business losses, aggregating to ₹ 1,089.37 million have been recognized. The management believes that, growth in operations of the Company will result into increase in its revenue on the basis of business plan prepared by the management and profitability and consequently sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv. Trade receivables and other receivable as at March 31, 2014 include amounts aggregating to ₹ 360.00 million and ₹ 155.30 million respectively, receivable from contractee clients, considered good and receivable. The company has been in continuous engagement with the parties and taking necessary steps for realization of its dues. The Company is of the view that the receivables are good and realizable.
- v. Unbilled revenue as at March 31, 2014 includes ₹ 461.00 million in respect of certain projects where progress is insignificant during the year and the billing is pending for a period of more than two years. In the opinion of management such unbilled revenue has been considered good and fully recoverable.
- vi. Certain creditors have filed winding up petitions against the Company under section 433 and 439 of the Companies Act, 1956 before Hon'ble High Court of Bombay. The company is taking necessary steps including signing of Memorandum of Understanding and/ or filing the Consent Terms in the High Court with the creditors for withdrawal of such petitions. The matter is subjudice and outcome of which is subject to the Company fulfilling the payment conditions of Memorandum of Understanding / Consent Terms.
- vii. The shareholders of the Company, through a special resolution, have approved the remuneration of executive directors in the Annual General Meeting held on December 29, 2012. Due to inadequate profits during the period ended June 30, 2012, managerial remuneration paid to the executive directors aggregating to ₹ 10.26 million was in excess of the prescribed limits specified under Schedule XIII of the Companies Act, 1956, and is subject to the Central Government approval. Pending approval from the Central Government, the excess amount of ₹ 10.37 million (including ₹ 10.26 million relating to the previous period and ₹ 0.11 million for the current year) has been included under due from directors.
- viii. During the previous period ended on March 31, 2013, due to significant revision of estimated cost, exceptional items aggregating to ₹ 763.06 million comprising of provision for expected losses on ongoing projects and certain claims of vendor/sub-contractor in case of recently completed projects had been charged off to statement of profit and loss while the company continues to pursue its entitlements.
- ix. Investments in Indian wholly owned subsidiary company, (HDO Technologies Limited) having book value aggregating to ₹ 1,538.00 million as at March 31, 2014, are stated at fair value in standalone financial statements of the Company. HDO Technologies Limited, suffered losses during the year which resulted in Increase in accumulated losses and substantial erosion of net worth of the Subsidiary Company as at the balance sheet date. The management, considering the future business prospects believes that, growth in operations of the Company will result into increase in its revenue and consequently profitability and net worth. In the opinion of the management, the carrying value of Goodwill aggregating to ₹ 1,290.00 million arising on consolidation of this subsidiary represents its recoverable amount and no provision is required at this stage.

Consolidated Notes forming part of Financial Statements



- x. The balances in Trade Receivables, Retention Money, Sundry Creditors and Advances are subject to confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.

In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

xi. **Un-hedged foreign currency exposure**

Particulars	Currency	As at 31.03.2014		As at 31.03.2013	
		(in million)	(₹ in million)	(in million)	(₹ in million)
Payables					
Loans	USD	18.75	1,126.87	20.00	1,087.79
Interest payable on Loan	USD	0.91	54.93	0.26	14.33

Particulars of derivative instruments outstanding

Particulars	Purpose	As at 31.03.2014 (in million)	As at 31.03.2013 (in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month USD LIBOR and pay a fixed rate equal to 6.50% p.a. on the notional amount. (As per agreement rate was 3 months USD LIBOR + 300 bps)	USD 18.75	USD 20.00

B. HDO Technologies Limited

- i) Trade receivables as at March 31, 2014 include ₹ 47.51 million outstanding for a long period. The company is in engagement with the customers for realization of dues. In the opinion of the management the receivables are good and fully recoverable.
- ii) The balances in Trade Receivables, Sundry Creditors and Advances are subject to confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.

C. Chennai Water Desalination Limited

- i) Income from Operations: The income in respect of Water Capacity Charges (WCC) has been recognized in the books of account on accrual basis, and an amount of ₹ 37.83 million (₹ 111.40 million) representing differential amount of WCC from April 01, 2013 to March 31, 2014, to be received as per Schedule V of Bulk Water Purchase agreement, has been considered as receivable pending receipt of the amount from CMWSSB. The total amount receivable on this account from CMWSSB up to March 31, 2014 is ₹ 590.35 million.
- ii) Net notional loss on Mark to Market (MTM) Valuation of Derivative Contracts:

Date	Name of the Bank	Currency (\$ million)	Conversion Rate	(₹ million)	Gain/Loss
Currency swap:					
31.03.2014	ICICI Bank Limited	-	-	25.49	Notional loss
31.03.2014	Standard Chartered Bank Ltd.	0.14	54.39	(5.50)	Notional gain
Net loss on Currency swap				19.99	

iii) **Un-hedged foreign currency exposure**

Particulars	Currency	As at 31.03.2014		As at 31.03.2013	
		(in million)	(₹ in million)	(in million)	(₹ in million)
Payables					
Loans	EURO	8.08	667.54	9.13	635.52

Particulars of derivative instruments outstanding

Particulars	Purpose	As at 31.03.2014 (in million)	As at 31.03.2013 (in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month EURIBOR and pay a fixed rate equal to 2.46% p.a. on the notional amount.	EURO 8.08	EURO 9.13
Currency Swap	Hedge against principal instalment outflow on foreign currency loan. Swap the EURO principal payments to USD.	EURO 0.35	EURO 0.35
	Hedge against principal instalment outflow on foreign currency loan. Swap the USD payments to INR.	USD 0.45	USD 0.45

- iv) Interest of ₹ 500.30 million calculated at Indian lenders' interest rates applicable to the company, on the claims receivable from EPC contractor, has not been accounted, pending final documentation.
- v) In terms of clause No.4 of the O&M agreement (as amended) date January 05, 2007, the O&M contractor is liable to pay liquidated damages @ 7.50% on their annual O&M contract price, on account of any shortfall in the quantity produced by them from the date of commercial operations (COD). The same amounting to ₹ 49.63 million (INR equivalent to Euros 0.61 million) for the period from 25.07.2012 to 24.07.2013 [₹ 41.96 million (INR equivalent to Euros 0.61 million) for the period from 25.07.2011 to 24.07.2012], has been accounted as receivable from the contractor.

D. IVR Hotels & Resorts Limited

The Company has incurred an aggregate cost of ₹ 3,940.32 million as at March 31, 2014 (₹ 3,882.74 million), on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The Company has acquired various land parcels and is into initial stage of project implementation. As per the Company's business plan, the projects will have multiple properties consisting of integrated townships, golf course, golf club, service apartments and mega malls which will be classified under fixed assets, investment properties and inventories as the case may be, based on ultimate end use pattern as per final business plan of the Company. Pending such reclassification, the cost incurred on development of projects in respect of balance land parcels is included under the head 'inventory'.

The said land parcels / projects are being carried in the books at cost, which in the opinion of the Management is lower than the Net Realisable Value / Value in use, based on the assessment carried out by the Management. Accordingly, no adjustment has been made to the carrying value of these land parcels / projects.

E. IVRCL TLT Private Limited

The Company had incurred substantial loss and accumulated loss of the Company as at March 31, 2014 have eroded its net-worth. The Company to continue as a going concern predominantly dependent on the improvement of the Company's future operations. The Company has also drawn up plans to operate efficiently and to improve future operations. The Company is confident of implementing its business plan and considering the future prospects, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

F. IVRCL Indore Gujarat Tollways Limited

- i. The implementation of the project was delayed due to delay in handing over of land, handing over Right of Way and delay in utility shifting which was beyond the control of the company. Out of the total stretch request for delinking of 16.20 km related to bird sanctuary on forest land was also requested and approved. Further, the Company has also faced liquidity challenges during the year. This has resulted into realignment and rescheduling of work. In view of substantial technical and administrative work being carried out, capitalisation of borrowing cost is continued.
- ii. The Company approached Corporate Debt Restructuring (CDR) cell with a scheme seeking certain reliefs in relation to repayment of loans and accumulated unpaid interest and additional funding to complete the projects. Further this restructuring envisages certain sacrifices from lenders and commitments from the company in terms of infusion of additional equity by the promoters. The Corporate Debt Restructuring (CDR) empowerment committee approved the restructuring scheme dated March 20, 2014 with cut-off date October 1, 2013. The Company has submitted its request to the National Highway Authority of India regarding Financial Restructuring.
- iii. The Company had transferred Interest accrued and due to funded loan of those banks who had signed Master Restructuring Agreement and accounted in its books of account upto March 31, 2014 and Interest accrued and due of other banks are disclosed as Interest accrued and due in the Financial Statement.
- iv. The NHAI has issued an Intention to termination notice vide Letter No.NHAI/MP/BOT/1102/04/2007/ 49301 dated February 24, 2014 under clause 37.1.2 of the Concession agreement due to non-achievement of various milestones. The Company has requested to withdraw its notice citing the reasons of delay in handing over Right of Way (RoW) in time and submitted a program for execution of balance work for approval. The Management of the company is confident of amicable resolution of the issue with the National Highway Authority of India.
- v. The Company and the CDR lenders executed a Master Restructuring Agreement (MRA) during the period. The MRA as well as the provisions of the master circular on corporate debt restructuring issued by the Reserve Bank of India, gives a right to the lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposals. The recompense payable by the company is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability. The aggregate value of the outstanding sacrifice made by the CDR lenders upto March 31, 2014 as per MRA is approximately ₹ 84.50 million for the company.

Consolidated Notes forming part of Financial Statements



48. The following investments in equity shares have been pledged in respect of loans taken by the subsidiaries and associates:

Name of the Company	No. of Shares as at 31.03.2014	No. of Shares as at 31.03.2013	Pledged in favour of
(a) Salem Tollways Limited	26,164,612 15,237,039	26,164,612 -	IDBI Trusteeship Limited TATA Capital Financial Services Limited
(b) Kumarapalyam Tollways Limited	17,035,836 9,920,869	17,035,836 -	IDBI Trusteeship Limited TATA Capital Financial Services Limited
(c) IVRCL Indore Gujarat Tollways Limited	12,316,036 11,833,054	10,564,518 10,150,222	IDBI Trusteeship Limited IFCI Limited
(d) IVRCL Chengapalli Tollways Limited	8,514,583 8,180,671	6,615,598 6,356,162	IDBI Trusteeship Limited IFCI Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450 5,127,870	11,370,450 -	IDBI Trusteeship Limited Indusind Bank
(f) SPB Developers Private Limited	8,281,800 8,281,800	8,281,800 -	Andhra Bank ICICI Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
(h) Chennai Water Desalination Limited	66,166,080 25,947,482	- -	Canara Bank Indusind Bank
(i) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
(j) Sushee – IVRCL Arunachal Highway Limited	6,630	6,630	IDBI Trusteeship Limited
(k) Hindustan Dorr-Oliver Limited	21,155,306	-	Bank of India

49. Development rights for land

Inventories include Earnest Money Deposits paid towards consideration for acquiring development rights of land as per Development Agreements amounting to ₹ 2,726.17 million (₹ 2,699.70 million).

50. Details of purchase and sale of traded goods:

(₹ in million)

	2013-14	2012-13
Purchase:		
Construction equipment	49.04	5.83
Sale:		
Construction equipment	50.36	6.61

51. Figures for the previous period have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

In terms of our report attached

For Chaturvedi & Partners
Chartered Accountants

For and on behalf of the Board of Directors

R.N.Chaturvedi
Partner

E.Sudhir Reddy
Chairman &
Managing Director

R.Balarami Reddy
Executive Director -
Finance & Group CFO

B.Subrahmanyam
Company Secretary

Date : May 30, 2014
Place : Hyderabad

Financial Information of Subsidiary Companies

S. No	Name of the Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1&2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
											(₹ in million)
1	Hindustan Donr-Oliver Limited	144.01	422.33	12,564.87	11,998.53	16.52	2,551.99	(1,374.31)	(359.27)	(1,015.04)	-
2	IVRCL PSC Pipes Private Limited	2.51	(4.88)	70.39	72.76	-	-	(2.66)	-	(2.66)	-
3	IVR Enviro Projects Private Limited	30.00	(23.84)	52.11	45.95	-	0.14	(1.62)	-	(1.62)	-
4	IVRCL Steel Construction & Services Limited	0.50	0.01	190.16	189.65	-	0.04	0.01	-	0.01	-
5	IVRCL Patalaganga Trucks Terminal Private Limited	0.53	45.69	177.45	131.23	-	14.00	8.50	2.63	5.87	-
6	Alkor Petroo Limited	87.85	(47.64)	2,115.09	2,074.88	-	2.62	1.10	0.70	0.40	-
7	IVRCL Building Products Limited	10.00	(191.24)	121.24	302.48	-	0.04	(38.82)	-	(38.82)	-
8	Saphashva Solar Limited	1.02	(19.77)	32.09	50.84	-	0.91	(8.03)	-	(8.03)	-
9	RIHIM Developers Private Limited	0.10	5,271.05	5,834.69	563.54	-	46.40	(7.00)	-	(7.00)	-
10	IVRCL TLT Private Limited	0.10	(7.62)	535.85	543.37	-	544.34	(92.06)	(22.75)	(69.31)	-
11	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	0.10	12.81	60.43	47.52	-	197.46	2.79	0.92	1.87	-
12	IVR Hotels and Resorts Limited	3.58	4,515.19	5,106.52	587.75	-	134.74	(35.97)	(0.14)	(35.83)	-
13	First STP Private Limited	30.00	37.87	151.17	83.30	-	16.24	8.43	1.61	6.82	-
14	Jalandhar Amritsar Tollways Limited	489.39	360.94	5,449.06	4,598.73	-	355.99	(97.51)	-	(97.51)	-
15	Chennai Water Desalination Limited	1,729.83	(1,489.16)	4,797.49	4,556.82	-	1,850.97	(281.65)	-	(281.65)	-
16	Kumarapalayam Tollways Limited	334.04	(292.69)	3,826.29	3,784.94	-	432.29	(120.70)	-	(120.70)	-
17	Salem Tollways Limited	1,013.03	1,279.78	5,930.82	3,638.01	-	411.14	(119.22)	-	(119.22)	-
18	SPB Developers Private Limited	276.06	1,299.27	3,342.85	1,767.52	-	-	-	-	-	-
19	IVRCL Indore Gujarat Tollways Limited	245.51	2,205.10	15,695.42	13,244.81	-	-	-	-	-	-
20	IVRCL Chengapalli Tollways Limited	166.95	1,498.07	8,757.82	7,092.80	-	-	-	-	-	-
21	IVRCL Goa Tollways Limited	0.50	-	10.98	10.48	-	-	-	-	-	-
22	IVRCL Chandrapur Tollways Limited	222.95	2,787.97	5,768.26	2,757.34	-	-	-	-	-	-
23	IVRCL Multilevel Car Parking Pvt Limited	0.10	-	1.27	1.17	-	-	-	-	-	-
24	IVRCL Raipur Bilaspur Tollways Limited	0.50	-	21.66	21.16	-	-	-	-	-	-
25	IVRCL Narnaul Bhiwani Tollways Limited	0.50	-	0.56	0.06	-	-	-	-	-	-
26	IVRCL Gundugolanu Rajahmundry Tollways Limited	0.50	-	1.34	0.84	-	-	-	-	-	-
27	IVRCL Patla Bathinda Tollways Limited	0.50	-	19.51	19.01	-	-	-	-	-	-
28	IVRCL Lanka Private Limited	354.91	0.47	1,004.40	649.02	-	-	-	-	-	-
29	HDO Technologies Limited	12.88	1,358.22	3,543.00	2,171.90	-	570.51	(68.59)	0.06	(68.65)	-
30	IVR Prime Developers (Palakkad) Private Limited	0.10	(1.87)	2.99	4.76	-	-	(0.03)	-	(0.03)	-
31	IVR Prime Developers (Gundiy) Private Limited	0.10	(1.55)	3.28	4.73	-	-	(0.03)	-	(0.03)	-
32	Mummidhi Developers Private Limited	0.10	(0.19)	64.87	64.96	-	-	(0.03)	-	(0.03)	-
33	Samatturi Developers Private Limited	0.10	(0.19)	54.66	54.75	-	-	(0.03)	-	(0.03)	-
34	IVR Prime Developers (Amalapuram) Private Limited	0.10	(0.16)	0.55	0.61	-	-	(0.02)	-	(0.02)	-

Financial Information of Subsidiary Companies

(₹ in million)

S. No	Name of the Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1&2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
35	IVR Prime Developers (Guntur) Private Limited	0.10	(0.16)	36.38	36.44	-	-	(0.02)	-	(0.02)	-
36	Absorption Aircon Engineer Private Limited	0.37	(0.56)	111.52	111.71	-	-	(0.03)	-	(0.03)	-
37	IVRCL Solar Energy Private Limited	0.50	(0.15)	0.37	0.02	-	-	(0.02)	-	(0.02)	-
38	Bibnagar Developers Private Limited	0.10	(0.14)	22.81	22.85	-	-	(0.02)	-	(0.02)	-
39	IVR Prime Developers (Red Hills) Private Limited	0.10	(0.14)	59.85	59.89	-	-	(0.02)	-	(0.02)	-
40	IVR Prime Developers (Tuni) Private Limited	0.10	(0.14)	28.20	28.24	-	-	(0.03)	-	(0.03)	-
41	IVR Prime Developers (Bobbili) Private Limited	0.10	(0.14)	33.19	33.23	-	-	(0.02)	-	(0.02)	-
42	IVR Prime Developers (Bhimavaram) Private Limited	0.10	(0.14)	22.98	23.02	-	-	(0.03)	-	(0.03)	-
43	Simhachalam Prime Developers Private Limited	0.10	(0.16)	91.07	91.13	-	-	(0.02)	-	(0.02)	-
44	Agaram Developers Private Limited	0.10	(0.19)	34.92	35.01	-	-	(0.03)	-	(0.03)	-
45	Sripuram Developers Private Limited	0.10	(0.16)	35.78	35.84	-	-	(0.03)	-	(0.03)	-
46	IVR Prime Developers (Araku) Private Limited	0.10	(0.16)	0.93	0.99	-	-	(0.02)	-	(0.02)	-
47	IVR Prime Developers (Erode) Private Limited	0.10	(0.16)	1.13	1.19	-	-	(0.02)	-	(0.02)	-
48	IVR Vaanaprastha Private Limited	0.15	(0.31)	14.09	14.25	-	-	(0.03)	-	(0.03)	-
49	IVR PUDL Resorts & Clubs Private Limited	0.15	(0.26)	113.11	113.22	-	-	(0.03)	-	(0.03)	-
50	IVRCL Megamalls Limited	0.50	(0.34)	32.46	32.30	-	-	(0.03)	-	(0.03)	-
51	Annapampattu Developers Private Limited	0.10	(0.19)	23.89	23.98	-	-	(0.03)	-	(0.03)	-
52	Ilavampadu Developers Private Limited	0.10	(0.19)	20.08	20.17	-	-	(0.02)	-	(0.02)	-
53	Chodavaram Developers Private Limited	0.10	(0.17)	28.46	28.53	-	-	(0.02)	-	(0.02)	-
54	Gajuwaka Developers Private Limited	0.10	(0.16)	176.57	176.63	-	-	(0.03)	-	(0.03)	-
55	Trumant Developers Private Limited	0.10	(0.17)	91.75	91.82	-	-	(0.03)	-	(0.03)	-
56	IVR Prime Developers (Adayar) Private Limited	0.10	(0.14)	20.95	20.99	-	-	(0.02)	-	(0.02)	-
57	IVR Prime Developers (Egmore) Private Limited	0.10	(0.14)	24.83	24.87	-	-	(0.02)	-	(0.02)	-
58	Geo IVRCL Engineering Limited	0.50	(0.09)	43.25	42.84	-	-	0.02	-	0.02	-
59	Geo Prime Developers Private Limited	0.10	(0.16)	178.53	178.59	-	-	(0.02)	-	(0.02)	-
60	Kasibugga Developers Private Limited	0.10	(0.16)	127.66	127.72	-	-	(0.02)	-	(0.02)	-
61	Kunnam Developers Private Limited	0.10	(0.19)	143.72	143.81	-	-	(0.03)	-	(0.03)	-
62	Rudravaram Developers Private Limited	0.10	(0.17)	142.86	142.93	-	-	(0.02)	-	(0.02)	-
63	Theata Developers Private Limited	0.10	(0.16)	172.29	172.35	-	-	(0.02)	-	(0.02)	-
64	Vedurwada Developers Private Limited	0.10	(0.17)	164.95	165.02	-	-	(0.02)	-	(0.02)	-
65	Vijayawada Developers Private Limited	0.10	(0.16)	212.56	212.62	-	-	(0.02)	-	(0.02)	-
66	Duvvada Developers Private Limited	0.10	(0.17)	130.89	130.96	-	-	(0.02)	-	(0.02)	-
67	Eluru Developers Private limited	0.10	(0.16)	104.85	104.91	-	-	(0.02)	-	(0.02)	-
68	IVR Prime Developers (Tambaram) Private Limited	0.10	(0.14)	23.31	23.35	-	-	(0.02)	-	(0.02)	-



IVRCL LIMITED

(CIN:L45201AP1987PLC007959)

Registered Office: M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P., India.
Ph.No.040 23343550; Fax.No. 040-23345004, E-Mail: in_grievances@ivrinfra.com; Website:www.ivrcl.com

ATTENDANCE SLIP

(To be presented at the entrance)

27th ANNUAL GENERAL MEETING ON 26th SEPTEMBER 2014 AT 3.30 p.m.
at "K.L.N. Prasad Auditorium", The Federation of Andhra Pradesh Chambers of
Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500004

Folio No: _____ DP ID: _____ Client ID: _____ No.of Shares: _____

Name of the Member _____ Signature : _____

Name of the Proxy Holder _____ Signature : _____

1. Only Member/ Proxyholder can attend the Meeting
2. Member / Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



IVRCL LIMITED

(CIN:L45201AP1987PLC007959)

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

Form MGT - 11

PROXY FORM

{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014}

Name of the Member : _____

Registered Address : _____

E-Mail Id : _____

Folio No./Client ID.No: _____ DP.ID No.: _____

I/We, being the member(s) of _____ shares of IVRCL Limited, hereby appoint

1. Name : _____ E-Mail Id : _____
Address: _____
Signature : _____ or failing him
2. Name : _____ E-Mail Id : _____
Address: _____
Signature : _____ or failing him
3. Name : _____ E-Mail Id : _____
Address: _____
Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 27th Annual General Meeting of the Company, to be held on 26th September, 2014 at 3. 30 p.m. at "K.L.N. Prasad Auditorium", The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500004, and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business	Special Business
1. Adoption of Financial Statements for the year ended March 31, 2014	9. Appointment of Mr. V. Murahari Reddy as an independent Director of the Company.
2. Re-appointment of Mr. R. Balarami Reddy, Director retiring by rotation	10. Qualified Institutions Placement
3. Appointment of Auditors	11. Preferential Issue of Warrants
Special Business	12. Borrowing powers of the Company
4. To reappoint Mr. E. Sudhir Reddy (DIN. 00023518) as Chairman & Managing Director of the Company.	13. Ratification of remuneration to be paid to cost Auditor
5. Appointment of Mr. R. Balarami Reddy as Joint Managing Director.	14. To amend Articles of Association of the Company.
6. Appointment of Mr. K. Ashok Reddy as Joint Managing Director.	15. Option to CDR Lenders for conversion of Debt into Equity Shares and Issue of Equity Shares to CDR Lenders on preferential basis on conversion of Funded Interest Term debt (FITL), Term Debt, Working Capital Term Loan – I (WCTL-I) and Working Capital Term Loan – II (WCTL-II) into Equity Shares of the Company
7. Appointment of Mr. Prabhakar Ram Tripathi as an independent Director of the Company.	
8. Appointment of Mr. Tummla Ramesh Chandra Bose as an independent Director of the Company.	

Signed this day of 2014

Signature of Shareholder

Signature of Proxyholder(s).....

Affix
Revenue
Stamp

- Notes :
1. This proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at M-22/3RT, Vijaynagar Colony, Hyderabad -57, not less than 48 hours before the commencement of the Meeting.
 2. Please completed all details, including details of member(s) in above box before submission.

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Our 'can do' spirit is the cause for our celebration.

*We have laid over 25,000 kms of water pipelines,
2300 kms of canals.*

*Well over 150 million hectares are irrigated
through our engineering expertise.*

*In this odyssey,
we have laid 3400 kms of roads and are laying
another 4009 kms right now. What's more?*

*100 kms of tunnels,
28 million sft of buildings are completed and
yet another 24.20 million are under execution.*

We own India's largest desalination plant.

*A testimonial to our globetrotting spree comes in the form of construction,
completion and maintenance of irrigation water tanks in Kuwait;
hydro-electric station in Nepal; irrigation projects in Kenya; and
4100 apartments for a mass housing project in Sri Lanka. The eternal saga
of IVRCL is built on our engineering which is born from our vision.*

We call it Engi-visioning™

IVRCL LIMITED

Registered Office: M-22/3 RT, Vijayanagar Colony, Hyderabad - 500 057

Tel: +91-40-2334 3550/3678/8467, 3093 1999. Fax: +91-40-2334 5004

Corporate Office: 'Mihir', 8-2-350/5/A/24/1B

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