

**IVRCL STEEL CONSTRUCTION &
SERVICES LIMITED**

SIXTH ANNUAL REPORT

2010-11

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the members of IVRCL STEEL CONSTRUCTION & SERVICES LIMITED will be held on Wednesday the 29TH June, 2011 at 2.00 P.M at the Registered Office of the company at M-22/3RT, Vijayanagar Colony, Hyderabad -500 057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit and loss Account for the year ended March 31, 2011, the Balance sheet as at that date and the Reports of the Board of Directors and the Auditors attached there on.
2. To elect a Director in place of Mr. Dinesh Ramachandra Degwekar, who retires by rotation and being eligible offers himself for re-election.
3. To appoint Auditor to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors


S. Ramachandran
(Director)

Place: Hyderabad

Date: 20.05.2011

NOTES:

1. A Member is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him self/her self and the proxy need not be a member of the company.
2. The proxy form should be deposited at the registered office of the company at least 48 hours before the meeting.

DIRECTORS' REPORT

To
The Members

The Directors have pleasure in presenting the Sixth Annual Report and Audited Accounts of the Company for the year ended 31st March 2011.

REVIEW OF OPERATIONS

The Company is yet to start business and commence operations. It is hoped that during the current Financial Year the operations would commence. Your Directors are looking for opportunities in the Steel Sector.

DIVIDEND

As the company did not earn any profits, no dividend is recommended.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Dinesh Ramachandra Degwekar, Director of the company being longest in office is liable to retire at the forthcoming Annual General Meeting and offers himself for reappointment.

AUDITOR

Mr. T. Vijay Kumar, Chartered Accountant, retire at the ensuing Annual General Meeting and is eligible for reappointment. The company received confirmation that his appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

STATUTORY INFORMATION:

The Company has not employed any person who is in receipt of remuneration prescribed under section 217 (2A) of the Companies Act, 1956. Further there is no information to be furnished under Section 217 (1) (e) of the Companies Act 1956 as there were no Foreign Exchange earnings and outgo during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b. 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 31st March, 2011 and of the Loss of the Company for the period ended on that date.
- c. 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
- d. The directors have prepared the annual accounts of the company for the financial year ended 31st March, 2011 on a 'going concern' basis.

For and on behalf of the Board



G. Ramakrishna Rao
Director



S. Ramachandran
Director

Place: Hyderabad

Date: 20.05.2011

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

AUDITOR'S REPORT

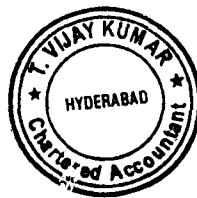
To the members of IVRCL Steel Construction & Services Limited

1. I have audited the attached Balance Sheet of **IVRCL Steel Construction & Services Limited**, as at 31st March, 2011, the Profit and loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my Audit.
2. I conducted the Audit in accordance with Auditing Standards generally accepted in India. Those standards require that I plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to above, I report that:
 - i) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - iii) The Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

- iv) In my opinion the Balance Sheet , Profit and loss Account and Cash Flow Statement of the Company dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of the written representations received from the Directors, as on 31st March,2011 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In my opinion and to the best of the information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011
- b) In the case of the Profit and loss Account of the profit for the year ended on that date;
- c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

Place: Hyderabad
Date : 20.05.2011



T. Vijay Kumar

T. VIJAY KUMAR
Chartered Accountant
Membership No: 023499

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

Annexure to the Auditor's Report referred to in Paragraph 3 of my report of even date

1. Based on my scrutiny of the Company's books of accounts and other records and according to the information and explanations received by me from the management, I am of the opinion that the question of commenting on maintenance of proper records of fixed assets, physical verification of assets and any substantial sale thereof does not arise, since the Company had no fixed assets on 31st March, 2011 nor at any time during the financial year ended 31st March, 2011.
2. As the Company has not purchased / sold goods during the year nor is there any opening stock, requirement of reporting on physical verification of stocks or maintenance of inventory records, in my opinion does not arise.
3. a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans secured or unsecured to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b) (c) and (d) of the Order are not applicable.

b) 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. However the Company had received an earnest money deposit of Rs.18,77,65,091/- from a company covered in the register maintained under Section 301 of the Act, towards development rights of land.
4. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
5. There were no transactions entered into in pursuance of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The company has not accepted any deposits from the public to which the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and rules made thereunder apply.
7. In my opinion and in accordance with the information and explanations provided by the management, the aggregate paid up capital and reserves did not exceed Rs. fifty lakhs as at 1st April 2010 nor did the average turnover for the immediately three preceding financial years exceed Rupees five crores. Hence, no comment on the internal audit system is required.

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

8. According to the information and explanations given to me, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the activities of the company.
9. a) The Company has been regular in depositing undisputed statutory dues including income tax, wealth tax, sales tax, service tax, customs duty and excise duty and cess.

b) According to the information and explanations given to me, no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they became payable. According to information and explanations given to me, The Provident Fund Act and Employees State Insurance Act are not applicable to the Company.
10. The accumulated losses of the company are not more than fifty percent of its networth. The company has not incurred any cash losses during the financial year covered by my audit and in the immediately preceding financial year.
11. According to the records of the Company, the company has not borrowed from financial institutions or banks or issued debentures till 31st March, 2011. Hence, in my opinion the question of reporting on defaults in repayment of dues to financial institutions or banks or debentures does not arise.
12. The company, during the year has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
14. As per the records of the Company and the information and explanations given to me by the management, Company is not dealing or trading in shares, securities and debentures and other investments.
15. According to the information and explanations given to me and the records examined by me, the company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interests of the company.
16. According to the records of the company, the company had not obtained any term loans. Hence, comments under the clause are not called for.
17. In my opinion and according to the information and explanations given to me and on an overall examination of the Balance Sheet of the company, I report that no funds raised on short term basis have been used for long term investment and vice-versa.

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

- 18.** According to the records of the Company and the information and explanations provided by the management, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act.
- 19.** In my opinion and according to the information and explanations given to me, the company has not issued any secured debentures during the period covered by my report.
- 20.** During the period covered by my audit report, the company has not raised any money by public issue.
- 21.** According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the period.

Place: Hyderabad
Date : 20.05.2011



T. Vijay Kumar
T. VIJAY KUMAR
Chartered Accountant
Membership No: 023499

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

	SCH. NO.		AS AT 31.03.2011		AS AT 31.03.2010
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS:					
1. SHARE HOLDERS FUNDS					
Share Capital	A		500,000		500,000
			500,000		500,000
II. APPLICATION OF FUNDS:					
1. FIXED ASSETS					
			-		-
2. CASH & BANK					
CURRENT ASSETS, LOANS & ADVANCES	B	604,343		592,071	
	C	187,802,799		114,682,156	
		188,407,142		115,274,227	
Less: CURRENT LIABILITIES & PROVISIONS					
NET CURRENT ASSETS	D	187,937,185		114,804,502	
			469,957		469,725
3. MISCELLANEOUS EXPENDITURE					
	E		5,949		11,900
4. PROFIT & LOSS ACCOUNT (Dr)					
			24,094		18,375
			500,000		500,000

Schedules A to E . Significant Accounting Policies and Notes on Accounts form part of this Balance Sheet.

 As per my report of even date
attached

For and on behalf of the Board

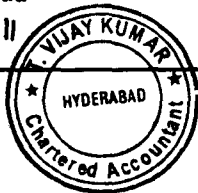

T. VIJAY KUMAR
 Chartered Accountant
 Membership No: 023499





G. RAMAKRISHNA RAO
 DIRECTOR

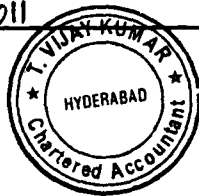

S. RAMACHANDRAN
 DIRECTOR

Place : Hyderabad

Date : 20.05.2011



IVRCL STEEL CONSTRUCTION & SERVICES LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011			
	Year Ended 31.03.2011		Year Ended 31.03.2010
	Rs.		Rs.
<u>INCOME</u>			
Interest on fixed deposits with bank	22,879		26,066
	<u>22,879</u>		<u>26,066</u>
<u>EXPENDITURE</u>			
Fees & Licences	2,416		1,250
Audit Fees	20,000		20,000
Bank Charges	231		22
Preliminary expenses written off	5,951		5,951
	<u>28,598</u>		<u>27,223</u>
Profit / (Loss) Before Tax	(5,719)		(1,157)
Provision for Tax	-		-
Profit / (Loss) After Tax	(5,719)		(1,157)
Prior period adjustment	-		-
Balance as per last account	(18,375)		(17,218)
Loss carried forward to Balance Sheet	(24,094)		(18,375)
Significant Accounting Policies and Notes on Accounts form part of this Profit and Loss Account			
As per my report of even date attached		For and on behalf of the Board	
			
T. VIJAY KUMAR Chartered Accountant Membership No: 023499	G. RAMAKRISHNA RAO DIRECTOR	S. RAMACHANDRAN DIRECTOR	
Place : Hyderabad Date : 20.05.2011			



IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2011		AS AT 31.03.2010
	<u>Rs.</u>		<u>Rs.</u>
<u>SCHEDULE - A</u>			
SHARE CAPITAL			
<u>AUTHORISED</u>			
50,000 Equity Shares of Rs. 10/- each.	500,000		500,000
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>			
50,000 Equity Shares of Rs. 10/- each fully paid up (Of the above 49,400 shares of Rs.10/- each are held by the holding Company IVRCL Infrastructures & Projects Ltd)	500,000		500,000
	500,000		500,000
<u>SCHEDULE - B</u>			
<u>CASH & BANK</u>			
Cash & Bank Balances			
a) Cash balance on Hand	-		-
b) Balances with Scheduled Banks in Current Account in Fixed Deposits	104,343 500,000		92,071 500,000
	604,343		592,071
<u>SCHEDULE - C</u>			
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
<u>Loans and Advances</u>			
(Advances recoverable in cash or in kind or for value to be received)			
Land for Development	187,765,091		114,654,824
Tax deducted at source	24,799		22,511
Interest accrued on deposits with bank	12,909		4,821
	187,802,799		114,682,156
<u>SCHEDULE - D</u>			
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Sundry Creditors			
Dues to Micro, Small and Medium Enterprises			
Others	171,670		149,254
Earnest Money Deposit received for Development Rights			
From IVRCL Assets & Holdings Limited (Formerly IVR Prime Urban Developers Limited)	187,765,091		114,654,824
Provision for Taxation	424		424
	187,937,185		114,804,502
<u>SCHEDULE - E</u>			
<u>MISCELLANEOUS EXPENDITURE</u>			
(To the extent not written off or adjusted)			
Preliminary Expenses	11,900		17,851
Less : Written off During the year	5,951		5,951
	5,949		11,900

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2011.

SIGNIFICANT ACCOUNTING POLICIES

1.Accounting Convention

These financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2.The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

NOTES FORMING PART OF ACCOUNTS

1.Profit & Loss Account has been prepared for the year under review comprising of administrative and other expenses incurred by the company during the year.

2.Current liabilities & Provisions do not include any amount payable to Small Scale Industrial Undertakings (SSI) or Micro, Small and Medium Enterprises as at March 31, 2011.

3.The company has acquired land, for development either by itself or through others. The land acquired admeasures 59.16 acres and the economic development rights are vested with IVRCL Assets & Holdings Limited (formerly known as IVR Prime Urban Developers Limited), and has received Earnest Money Deposit of Rs.18,77,65,091 respectively for the same.

4. Current assets are valued at cost or market value whichever is lower.

5.Auditor's Remuneration

	<u>2010-11</u>	<u>2009-10</u>
	<u>Rs.</u>	<u>Rs.</u>
Towards Statutory Audit fee	<u>20,000</u>	<u>20,000</u>

6.As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

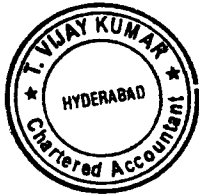
List of Related Parties with whom transactions have taken place and relationships

1. Holding Company
IVRCL Limited (formerly IVRCL Infrastructures & Projects Limited)
2. Fellow subsidiary
IVRCL Assets & Holdings Limited

<u>Particulars</u>	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
EMD Received for development rights from IVRCL Assets & Holdings Limited	18,77,65091	11,46,54,824

As per my report of even date attached

For and on behalf of the board



T. Vijay Kumar
T. VIJAY KUMAR
Chartered Accountant
Membership No: 023499

G. Ramakrishna Rao
G. RAMAKRISHNA RAO
Director

S. Ramachandran
S.RAMACHANDRAN
Director

Place : Hyderabad
Date : 20.05.2011

IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year		Previous Year	
	Rs	Rs	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(5,719)		(1,157)
Adjustment for :				
Prior Period Adjstement	-			
Preliminary Expenses Written off	5,951	5,951	5,951	5,951
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		232		4,794
(Increase)/Decrease in Loans and Advances	(73,120,643)		(37,458,500)	
Increase/(Decrease) in Current Liabilities	73,132,683	12,040	37,470,463	11,963
CASH GENERATED FROM / (USED IN) OPERATIONS		12,272		16,757
Direct Taxes paid		-		-
NET CASH GENERATED FROM / (USED IN) OPERATIONS				
B. CASH FLOW FROM INVESTING ACTIVITES				
Preoperative Expenses		-		-
NET CASH USED IN INVESTING ACTIVITIES				
C. CASH FLOW FROM FINANCING ACTIVITIES				
NET CASH FROM FINANCING ACTIVITIES		-		-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		12,272		16,757
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		592,071		575,314
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		604,343		592,071

Notes :

1. The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped, wherever necessary

This is the Cash Flow Statement referred to in our report of even date attached.

For and on behalf of the Board

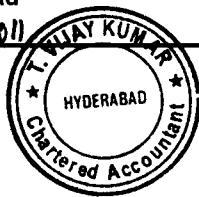
T. Vijay Kumar
T. VIJAY KUMAR
 Chartered Accountant
 Membership No: 023499

G. Ramakrishna Rao
G. RAMAKRISHNA RAO
 DIRECTOR

S. Ramachandran
S. RAMACHANDRAN
 DIRECTOR

Place : Hyderabad

Date : 20.05.2011



IVRCL STEEL CONSTRUCTION & SERVICES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE AS ON 31.03.2011

1 Registration Details	:046635	State Code	: 01
2 Capital Raised during the year (Rupees in lakhs)			NIL
3 Position of Mobilisation and Deployment of Funds (Rupees in lakhs)			
Total Liabilities	5.00	Total Assets	5.00
<u>Sources of Funds</u>			
Paid up capital	5.00	Share application	NIL
Secured Loans	NIL	Money	
Deferred Tax Liability	NIL	Reserves & Surplus	NIL
		Unsecured Loans	NIL
<u>Application of Funds</u>			
Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	4.70	Miscellaneous	0.06
Profit & Loss Account(Dr)	0.24	Expenditure	
4 Performance of Company (Rupees in lakhs)			
Sales & Other Income	0.23	Total Expenditure	0.29
Profit before tax	(0.06)	Profit after tax	(0.06)
Earnings per share	NIL	Dividend rate %	NIL
5 Generic Names of Three Principal Products / Services of Company (as per monetary terms)			

Service of the Company : Steel Construction & Services
Item Code No: : NIL

As per my report of even date
attached

For and on behalf of the Board

T. Vijay Kumar
T. VIJAY KUMAR
Chartered Accountant
Membership No: 023499

G. Ramakrishna Rao
G. RAMAKRISHNA RAO
DIRECTOR

S. Ramachandran
S. RAMACHANDRAN
DIRECTOR

Place : Hyderabad
Date : 20.05.2011

