

23rd ANNUAL REPORT 2009-10



Sabse Bada Rupaiya



Inauguration by **Dr. Kalaingar M. Karunanidhi** Hon'ble Chief Minister of Tamil Nadu of the 'first of its kind' 100 MLD Sea Water Desalination Plant in India, a Project of IVRCL Assets & Holdings Ltd at Chennai for Chennai Metro Water Supply & Sewerage Board.

BOARD OF DIRECTORS

E. SUDHIR REDDY
E. SUNIL REDDY
R. BALARAMI REDDY
K. ASHOK REDDY
E. ELLA REDDY
T.N. CHATURVEDI
T.R.C. BOSE
P.R. TRIPATHI
Dr. S.K. GUPTA
Dr. L. SRINIVASA REDDY

B.SUBRAHMANYAM

Chairman & Managing Director
Vice Chairman
Executive Director - Finance & Group CFO
Executive Director
Director
Director
Director
Director
Director
Director
Director

Company Secretary

Statutory Auditors

M/s. Chaturvedi & Partners
Chartered Accountants
212A, Chiranjeev Towers 43,
Nehru Place, New Delhi

M/s. Deloitte Haskins & Sells
Chartered Accountants
1-8-384 & 385, 3rd Floor,
Gowra Grand, Sardar Patel Road,
Begumpet, Secunderabad – 500 003.

Registrars & Transfer Agents

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

Registered Office

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

Corporate Office

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

Internal Auditors

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

VCG & Co.
Chartered Accountants
203, Kushal Bazar, 32-33, Nehru Place,
New Delhi - 110 019

Bankers / Institutions

- | | |
|-------------------------|--------------------------------|
| ○ Allahabad Bank | ○ Indian Overseas Bank |
| ○ Andhra Bank | ○ IndusInd Bank Ltd |
| ○ Bank of Baroda | ○ Karur Vysya Bank Ltd |
| ○ Bank of India | ○ Kotak Mahindra Bank Ltd |
| ○ Bank of Nova Scotia | ○ Punjab & Sind Bank |
| ○ Barclays Bank plc | ○ Standard Chartered Bank |
| ○ Canara Bank | ○ State Bank of India |
| ○ Central Bank of India | ○ State Bank of Indore |
| ○ Corporation Bank | ○ State Bank of Mysore |
| ○ DBS Bank Ltd | ○ Syndicate Bank |
| ○ Dena Bank | ○ Tamilnad Mercantile Bank Ltd |
| ○ EXIM Bank Ltd | ○ UCO Bank |
| ○ Federal Bank Ltd | ○ Yes Bank Ltd |
| ○ HDFC Bank Ltd | ○ LIC of India |
| ○ ICICI Bank Ltd | ○ Reliance Capital Ltd |
| ○ IDBI Bank | ○ TATA Capital Ltd |

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FORWARD LOOKING STATEMENT

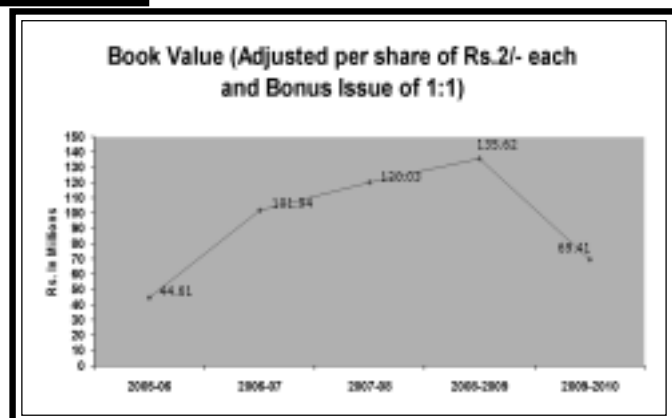
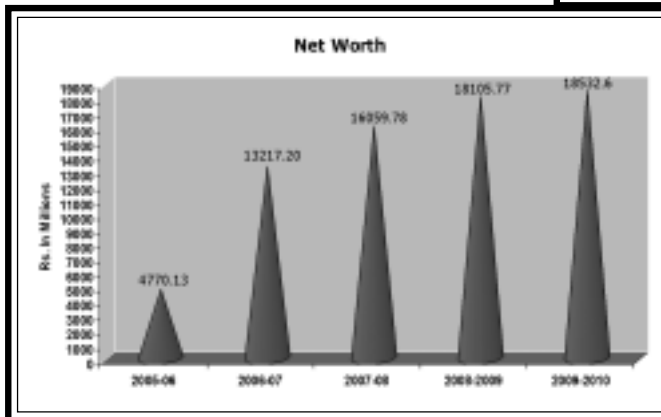
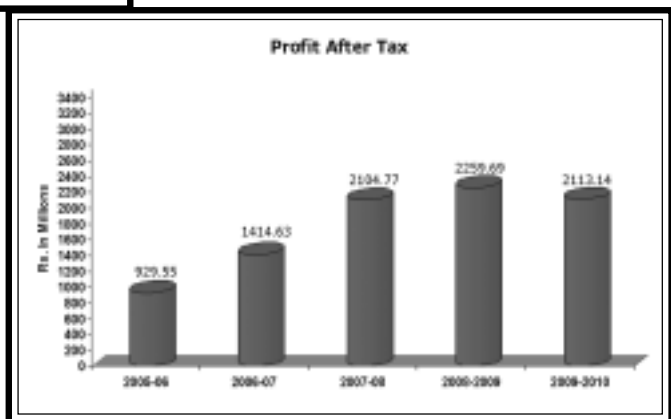
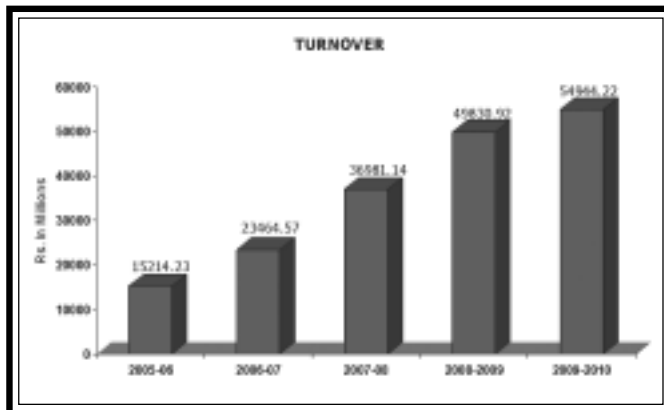
This communication contains statements that constitute “forward looking statements” including without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance.

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

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

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

FINANCIAL PERFORMANCE



PERFORMANCE AT A GLANCE

(Rs. in million)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Turnover	54944.22	49830.92	36,981.14	23,464.57	15,214.23	10,547.33	7,734.53	4,403.49	3,919.96	2,671.93
Profit Before Tax	3288.37	2737.76	2,853.30	1,850.96	1,037.25	594.67	427.12	240.06	199.22	153.79
Profit After Tax	2113.13	2259.69	2,104.77	1,414.63	929.55	567.08	391.81	155.09	130.94	128.06
Equity Capital	534.02	267.01	266.98	259.32	213.88	169.80	106.19	105.06	104.44	104.44
Reserves & Surplus	17998.57	17838.76	15,792.80	12,957.88	4,556.25	2,406.58	1,247.87	913.82	796.05	750.71
Net Worth	18532.59	18105.77	16,059.78	13,217.20	4,770.13	2,576.38	1,354.06	1,018.88	900.49	855.15
Gross Block	7501.77	6623.50	4,175.96	2,593.35	1,580.10	1,107.10	964.34	898.60	755.18	496.44
Net Block	5663.94	5206.97	3,191.94	1,929.13	1,107.35	741.03	672.97	703.94	644.74	404.02
Book Value (Rs.)										
per share	69.41	135.62	120.31	101.94	44.61	151.74	127.50	96.98	86.22	81.88
EPS (Rs.) Basic	7.91	16.93	16.08	12.38	8.84	33.56	37.04	14.85	12.54	12.26
Dividend	40%	70%	70%	50%	50%	30%	30%	30%	30%	30%

The Book Value and EPS are per share of Rs. 2/- each for the year 2005-06 to 2009-10 while figures for 2004-05 to 2000-01 indicate per share of Rs. 10/- each. Equity share of Rs. 10/- each was sub-dividend into five equity shares of Rs 2/- each with effect from 4th March, 2006. In the financial year 2009-10, 1:1 Bonus shares have been issued.

NOTICE TO SHAREHOLDERS



Notice is hereby given that the twenty third Annual General Meeting of the Members of IVRCL Infrastructures & Projects Limited will be held on Saturday, the 18th day of September 2010 at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082 at 12.30 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2010, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. R.Balarami Reddy, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K.Ashok Reddy, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. T.N.Chaturvedi, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration. To consider and pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT M/s Deloitte Haskins & Sells and M/s. Chaturvedi & Partners, Chartered Accountants, the retiring Joint Statutory Auditors be and are hereby reappointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting at such remuneration as may be determined by the Board of Directors of the Company”.

SPECIAL BUSINESS:

7. **To re-appoint Mr. R.Balarami Reddy, Executive Director– Finance & Group CFO and fix his remuneration**

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

RESOLVED THAT Mr. R.Balarami Reddy be and is hereby reappointed as Executive Director – Finance & Group CFO, so long as he continues to be a Director liable to retire by rotation.

FURTHER RESOLVED that the remuneration paid to him for the period 01.04.2010 to 31.08.2010 as detailed hereunder be and is hereby confirmed.

- 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.

RESOLVED FURTHER THAT Mr. R.Balarami Reddy be paid the following remuneration for the period from 01.09.2010 to 31.03.2011 and that his remuneration be increased from 01.04.2011 till such time he continues to be a Director liable to retire by rotation as may be decided by the Compensation Committee subject to the confirmation of the Members at the immediately following General Meeting.

- 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.

8. To re-appoint Mr. K.Ashok Reddy, Executive Director and fix his remuneration

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

RESOLVED THAT Mr. K.Ashok Reddy be and is hereby reappointed as Executive Director, so long as he continues to be a Director liable to retire by rotation.

FURTHER RESOLVED that the remuneration paid to him for the period 01.04.2010 to 31.08.2010 as detailed hereunder be and is hereby confirmed.

- 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.

RESOLVED FURTHER THAT Mr. K.Ashok Reddy be paid the following remuneration for the period from 01.09.2010 to 31.03.2011 and that his remuneration be increased from 01.04.2011 till such time he continues to be a Director liable to retire by rotation as may be decided by the Compensation Committee subject to the confirmation of the Members at the immediately following General Meeting.

- 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.

9. To consider increase in the borrowing powers of the Company from Rs.75,000 Million to Rs.85,000 Million

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

RESOLVED THAT in supercession of the resolution limiting the borrowing powers of the Board of Directors of the Company upto Rs.75,000 millions passed at the Annual General Meeting held on 15th September, 2008, the Board of Directors of the Company be and is hereby authorised under Section 293(1)(d) of the Companies Act, 1956, to borrow moneys from time to time upto a limit not exceeding in the aggregate of Rs.85,000 millions including foreign borrowings like Foreign Currency Convertible Bonds, Foreign Currency Bonds etc. notwithstanding that monies to be borrowed, together with the moneys 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."

By order of the Board of Directors
of **IVRCL Infrastructures & Projects Limited**

Regd. Office :
M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date : 29.05.2010

B. Subrahmanyam
Company Secretary

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy forms to be valid should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of Items 7 to 9 of the Notice is attached. The Statement of particulars of Directors seeking reappointment, as required under Clause 49 of the listing agreement is enclosed (Annexure – A).
3. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance of the Meeting Hall.
4. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID and DIPID No) for easier identification and recording of attendance at the meeting.
5. The Register of Members and Share Transfer Books of the Company shall be closed from 10.09.2010 to 18.09.2010 both days inclusive.
6. In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund.

Due Date for Transfer of dividend unclaimed to IEPF:

Financial year	Date of declaration	Due for Transfer to IEPF
2003-04	17.09.2004	21.11.2011
2004-05	30.09.2005	03.12.2012
2005-06	29.09.2006	04.12.2013
2006-07	07.09.2007	10.11.2014
2007-08	15.09.2008	20.11.2015
2008-09	09-09-2009	14.11.2016

7. Members are requested to furnish bank details, change of address etc. to M/s. KARVY Computershare Pvt. Ltd., (Unit : IVRCL Infrastructures & Projects Ltd, 17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 who are the Company Registrar and Share

Transfer Agents so as to reach them latest by 31st August 2010, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the book closure date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.

8. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM NO. 7

To re-appoint Mr. R.Balarami Reddy, Executive Director– Finance & Group CFO and fix his remuneration

Mr. R.Balarami Reddy is retiring at the ensuing Annual General Meeting being longest in office. As decided by the Compensation Committee and the Board at their meetings held on 29th May 2010, a separate resolution for his re-appointment is proposed as Executive Director–Finance & Group CFO, so long as he continues to be a Director liable to retire by rotation and to authorise the Board to fix his remuneration.

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

Memorandum of Interest: None of the Directors except Mr. R.Balarami Reddy is interested in the above resolution.

This may be treated as an abstract of the terms of re-appointment of Mr. R. Balarami Reddy, Executive Director- Finance & Group CFO under Section 302 of the Companies Act 1956.

ITEM NO. 8

To re-appoint Mr. K.Ashok Reddy, Executive Director and fix his remuneration

Mr. K.Ashok Reddy is retiring at the ensuing Annual General Meeting being longest in office. As decided by the Compensation Committee and the Board at their meeting held on 29th May 2010, a separate resolution for his re-appointment is proposed as Executive Director, so long as he continues to be a Director liable to retire by rotation and to authorise the Board to fix his remuneration.

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

Memorandum of Interest

None of the Directors except Mr. K.Ashok Reddy is interested in the above resolution.

This may be treated as an abstract of the terms of re-appointment of Mr. K.Ashok Reddy, Executive Director under Section 302 of the Companies Act 1956.

ITEM NO.9

Increase of borrowing powers from Rs.75,000 million to Rs.85,000 million.

The Board of Directors were authorised by a resolution passed in the annual general meeting dated 15th September, 2008, to borrow monies upto a limit of Rs.75,000 million under Section 293(1)(d) of the Companies Act, 1956. To meet the increasing financial requirements of the Company and to be in tune with the internal policies of some bankers who are considering temporary working capital loans as monies to be covered by the

borrowings under Section 293 (1)(d) of the Companies Act, 1956, it was felt necessary that the borrowing powers of the Board of Directors be increased from Rs.75,000 million to Rs.85,000 million.

The Board recommends the said resolution for adoption by members.

Memorandum of Interest

None of the Directors is interested in the above resolution, except to the extent of their shareholding, if any.

By order of the Board of Directors
of **IVRCL Infrastructures & Projects Limited**

Regd. Office :
M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date : 29.05.2010

B. Subrahmanyam
Company Secretary

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

Annexure -A

Name of Director	Mr. R. Balarami Reddy	Mr. K. Ashok Reddy	Mr. T. N. Chaturvedi
Date of Birth	01.07.1954	09.12.1955	15.01.1959
Date of Appointment	25.11.1997	25.11.1997	16.06.2000
Expertise in Specific functional areas	He is a fellow member of the Institute of Chartered Accountants of India ("ICAI"), and Associate member of the Institute of Cost and Works Accountants of India ("ICWA"), and the Institute of Company Secretaries of India ("ICSI"). He worked as a Practising Chartered Accountants for a period of seven years before joining the company.	He is a science graduate with PGDDBA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining the company.	He has nearly twenty four years of experience in the field of auditing, corporate and financial restructuring, public issues, mergers, taxation and corporate management.
Qualification	B.Com, FCA AICWA ACS	B.Sc, PGDDBA (XLRI)	B.Com, FCA
List of Other companies in which Directorship is held as on 31 March, 2010	<ul style="list-style-type: none"> a) IVRCL Assets & Holdings Limited b) Hindustan Dorr-Oliver Limited c) First STP Private Limited d) IVRCL PSC Pipes Private Limited e) IVR Enviro Projects Private Limited f) IVRCL Building Products Limited g) IVR Hotels and Resorts Limited h) AP Enercon Engineers Private Limited i) IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited Foreign Companies <ul style="list-style-type: none"> a) IVRCL Holdings & Services Pte. Ltd. Singapore b) JMCO (22010) Limited, UK 	<ul style="list-style-type: none"> a) IVRCL PSC Pipes Private Limited b) IVR Enviro Projects Private Limited c) Geo IVRCL Engineering Limited d) IVRCL Building Products Limited e) Ilavampedu Developers Private Limited f) Velursantha Developers Private Limited g) Mummidi Developers Private Limited h) Tirumani Developers Private Limited i) Anupampattu Developers Private Limited j) Alkor Petroo Limited 	<ul style="list-style-type: none"> a) Hindustan Dorr-Oliver Limited b) Orient Abrasives Limited c) Perfect Pac Limited d) IVRCL Assets & Holdings Limited e) Rosmerta Technologies Limited f) Punjab National Bank
Chariman/Members of the Committees of the Board of the Companies in which he is a Director as on March 31, 2010	<ul style="list-style-type: none"> a) Hindustan Dorr-Oliver Limited Member - Audit Committee b) IVRCL Assets & Holdings Limited Member - Audit Committee Member - Investor Grievance Committee 	<ul style="list-style-type: none"> a) Alkor Petroo Limited Chairman - Audit Committee 	<ul style="list-style-type: none"> a) Orient Abrasives Limited Chairman - Audit Committee Chairman - Remuneration Committee b) Hindustan Dorr-Oliver Limited Chairman - Audit Committee Member - Remuneration Committee c) IVRCL Assets & Holdings Limited Chairman - Audit Committee d) Rosmerta Technologies Limited Chairman - Audit Committee Member - Remuneration Committee e) Punjab National Bank Member - Management Committee Member - Shareholders'/Investors' Grievance Committee
Equity shares held in the Company	44300	43000	4550
Relationship between Directors inter-se	NIL	NIL	NIL

DIRECTORS' REPORT

To
The Members

The Directors have pleasure in presenting the 23rd Annual Report and Audited Accounts for the financial year ended 31st March 2010.

1. FINANCIAL RESULTS

(Rs. in million)

	Year ended 31.03.2010	Year ended 31.03.2009
Gross Turnover	54,944.22	49,830.92
Profit before Interest, Depreciation, Extraordinary items & Tax	5,467.77	4,516.95
Less : Interest & Finance Charges	1,636.56	1,306.14
Less : Depreciation	542.84	473.05
Profit before tax (PBT)	3,288.37	2,737.76
Provision for tax	1,177.21	478.07
Profit after tax (PAT)	2,113.13	2,259.69
Balance brought forward from previous year/Adjustment	3,082.03	2,086.88
Profit available for appropriation	5,195.16	4,346.57
Appropriations : Transfer to		
General Reserve	500.00	600.00
Special Reserve (Taxation)	—	375.00
Debenture Redemption Reserve	315.29	100.00
Proposed Dividend	213.61	186.91
Corporate Dividend Tax (Net)	36.30	2.63
Sum total of Appropriations	1,065.20	1,264.54
Balance carried to Balance Sheet	4,129.96	3,082.03
Paid-up Capital	534.02	267.01
Reserves and Surplus	17,998.57	17,838.76

2. DIVIDEND

Your Directors have pleasure in recommending a dividend of 40% i.e. Rs.0.80 /- ps per share of Rs.2/- each (last year Rs.1.40/- per share of Rs.2/- each) on 267,009,858 equity shares of Rs.2/- each for the financial year ended 31st March, 2010 on the enhanced equity consequent to the bonus issue.

The dividend pay out for the year under review is in accordance with the Company's policy of suitably rewarding the shareholders besides keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum.

3. BONUS SHARES:

The Company issued Bonus Shares in the ratio of 1:1 during March, 2010 as approved by the Members in the Extra-ordinary General Meeting held on 08.03.2010. Consequently, the paid-up equity share capital of the Company stands increased from Rs. 26.70 crores to Rs. 53.40 crores and the number of equity shares of Rs. 2/- increased from 13,35,04,929 to 26,70,09,858.

4. RESERVES

It is proposed to transfer Rs.500.00 million to the General Reserves of the Company, constituting 24% of the profits made during the year. Further, it is proposed to transfer Rs.315.29 million to Debenture Redemption Reserve.

5. REVIEW OF PERFORMANCE

The financial year 2009-10 is a year of moderate growth. Your company achieved a gross turnover of Rs.54,944.22 million for the year ended 31st March, 2010 as against Rs.49,830.92 million for the previous financial year, registering an incremental turnover of Rs.5,113.30 million and recording a growth rate of 10% over the previous year.

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA) at Rs.5,467.77 million are 9.95% of the Gross Turnover for the year under review as against 9.06% for the previous financial year and this rate of gross profit compares well with those of similar other companies.

6. ORDER BOOK POSITION:

The Order Book has increased during the year to Rs.1,68,865.40 million as on 31st March 2010, and has increased further to Rs. 2,33,558 million as on date.

Sl.No.	Particulars	Orders on hand (Rs. in million)	%
1	Water Division	97,737.85	57.88
2	Buildings Division	32,153.21	19.04
3	Transportation Division	31,095.00	18.41
4	Power Division	7,879.34	4.67
	TOTAL	168,865.40	100.00

7. FUTURE OUTLOOK

The negative effects of global recessionary conditions are being attenuated by various countries through huge investments in infrastructure and India is no exception in this regard. Hence, your directors are confident that the present environment of investments in infrastructure by the State and Central Governments assures growth of operations of your Company, so as not only to maintain the growth rates achieved in earlier years but also surpass the same.

8. SUBSIDIARIES

The statement pursuant to Sec.212 of the Companies Act is at Annexure B. The summarized financial performance of the subsidiaries is at Annexure C.

HINDUSTAN DORR-OLIVER LIMITED

For the financial year ending 31st March 2010, the company achieved a turnover of Rs.8,711.46 million, an increase of 66.80% compared to previous year. The Profit after tax has increased from Rs.301.60 million to Rs.555.17million, an increase of 84% resulting an EPS of Rs.7.71 ps on Rs.2/- share. The order book of the Company as on 31st March 2010 is Rs.13,680 million. The company declared a dividend of 0.80 ps per share of Rs.2/- each on the increased equity capital on account of 1:1 bonus issue made during the year.

IVRCL ASSETS & HOLDINGS LTD., (IVRCL A&H)

IVRCL ASSETS & HOLDINGS LTD., (IVRCL A&H), formerly IVR Prime Urban Developers Ltd, has amalgamated with itself *IVR Strategic Resources & Services Ltd* and *IVRCL Water Infrastructures Ltd*, pursuant to the orders of the Hon'ble High Court of Andhra Pradesh under sections 391-394 of the Companies Act, 1956, in order to consolidate real estate and infrastructure development business of the combined entity. The Appointed Date of amalgamation is April 1, 2009 and the Effective Date is 26th February, 2010. Consequent to the amalgamation of IVR Strategic Resources & Services Ltd, and IVRCL Water Infrastructures Ltd, with IVRCL A & H, the Company's BOOT projects of Salem Tollways Ltd, Kumarpalyam Tollways Ltd, Jalandhar Amritsar Tollways Ltd, IVRCL Building Products Ltd, Chennai Water Desalination Ltd, First STP Ltd, Alkor Petroo Ltd etc., became subsidiaries of IVRCL A & H.

As per the swap ratio stipulated in the approved Scheme, IVRCL A & H issued 59,463,572 equity shares to the Company. As a result, the shareholding of the Company in IVRCL A & H increased from 62.35% to 80.46%. Subsequent to this, IVRCL A & H issued Bonus Shares in the ratio of 1:2.

The name of IVR Prime Urban Developers Ltd has been changed to **IVRCL ASSETS & HOLDINGS LIMITED** in order to reflect the restructured activities of the Company.

For the financial year ending 31st March 2010, the company has achieved a turnover of Rs.1431.10 million.

IVRCL Chengapalli Tollways Ltd and IVRCL Holdings & Services Pte.Ltd, Singapore have been incorporated as subsidiaries of the Company on 3rd February, 2010 and 30th December, 2009 respectively. The financial information for the purpose of consolidation have been prepared by the management which are un-audited, in view of short accounting period and no significant volume of operations and turnover and hence the documents under section 212 (1) of the Companies Act, 1956 have not been attached.

9. CONSOLIDATION OF ACCOUNTS

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, your Directors have pleasure in attaching the Consolidated Financial Statements presented by your Company which forms part of the Annual Report and Accounts.

Profit after tax and minority interest as per the consolidated accounts is Rs. 2,156.02 million considering the combined profits net of losses of all the subsidiaries, joint ventures and after eliminating unrealized profits from intra-group transactions to the tune of Rs. 2,155.55 million.

10. ISSUE OF FOREIGN CURRENCY CONVERTIBLE BONDS

The Foreign Currency Convertible Bonds (FCCBs) of the value of US \$ 65.00 million have been issued by the company and listed on the Singapore Stock Exchange and are liable to be converted into company's equity shares at an exercise price of Rs.117.02 per share of Rs.2/- each considering an exchange rate of Rs.45.84 per dollar. The bonds of the value of US \$ 57.40 million were converted into 11,243,024 shares. There was no conversion of bonds as equity shares during the financial year 2009-10. Bonds of the value of US \$ 7.60 million convertible into 2,977,270 shares are outstanding as on 31.03.2010. In terms of the FCCB Issue, the Company shall redeem the Bonds at 142.80% of the principal amount on 9th December, 2010, unless previously converted, redeemed or purchased.

11. ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

On 30.09.2009 the company allotted 150 unsecured debentures of face value of Rs.10,00,000/- each for a period of 15 months, to the following, aggregating to Rs.15.00 Crores with a coupon rate of 8.75% p.a. payable on maturity and the same were listed on NSE under the Wholesale Debt Segment.

S.No.	Name	No. of Debentures	Amount (In Rs.)
1	State Bank of Indore (SBI)	100	10,00,00,000
2	State Bank of Mysore (SBM)	50	5,00,00,000

On 27.11.2009 the company allotted 1050 secured redeemable non-convertible debentures of face value of Rs.10,00,000/- each for a period of 17 months, aggregating to Rs.105.00 Crores to the following banks with a coupon rate of 8.85% p.a. payable yearly and balance 5 months on maturity and the same were listed on NSE under the Wholesale Debt Segment. The company executed the Debenture Trust Deed.

S.No.	Name	No. of Debentures	Amount (In Rs.)
1	Federal Bank Limited	100	10,00,00,000
2	Dena Bank	100	10,00,00,000
3	Allahabad Bank	50	5,00,00,000
4	Corporation Bank	50	5,00,00,000
5	UCO Bank	100	10,00,00,000
6	Bank of Baroda	200	20,00,00,000
7	Bank of India	250	25,00,00,000
8	Central Bank of India	200	20,00,00,000

12. EMPLOYEE STOCK OPTION SCHEMES

Your Company is the first company to introduce stock options in the construction sector. The earlier two ESOP Plans viz., IVRCL ESOP 2000 and IVRCL ESOP 2004 have been fully utilized.

IVRCL ESOP 2007 Scheme:

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

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

13. PUBLIC DEPOSITS

There are no outstanding public deposits as on 31st March, 2010.

14. DIRECTORS

Mr. R.Balarami Reddy, Mr. K.Ashok Reddy and Mr. T.N.Chaturvedi retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

15. CORPORATE GOVERNANCE

Your Directors report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. The certificate issued by M/s. Chaturvedi & Partners, Chartered Accountants is included in the Annual Report along with the report on Corporate Governance. The Management Discussion and Analysis of the previous year's performance is also provided in the Annual Report.

The Ministry of Corporate Affairs announced the Corporate Governance Voluntary Guidelines 2009 as well as Corporate Social Responsibility Voluntary Guidelines 2009 which set out tone for good practices which may be voluntarily adopted by the Corporates. The Company is looking into adoption of the same voluntarily.

16. 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:

- 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 judgments 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, 2010 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.

17. AUDITORS

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

Audit of Accounts of Dubai Branch Office:

The Company has availed exemption from audit of financial statements of Dubai Branch as required under section 228 of the Companies Act, 1956 for the year ended March 31, 2010 by virtue of Rule 3 of Companies (Branch Audit Exemption) Rules, 1961.

18. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder is provided in Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure, except Mr. E.Sudhir Reddy, Chairman & Managing Director, is related to any Director of the Company.

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

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

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

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

The particulars of expenditure and earnings in Foreign currency is furnished in item No.B-12 Notes to Accounts in Schedule 19.

20. 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.

21. 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: May 29, 2010

E. Sudhir Reddy
Chairman & Managing Director

Note :

The company applied for exemption from annexing the Audited statement of accounts, the reports of the Board of Directors and Auditors of the subsidiary companies as required under Section 212(8) of the Companies Act, 1956. The company has since received the exemption from Central Government vide letter No.47/201/2010-CL-III dated June 4, 2010. Accordingly, the documents as per Section 212(1) are not annexed. As required by the said letter, the information on subsidiary companies is furnished in Annexure B to this Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be put up on the company's web site www.ivrcl.com and will also be available for inspection at the Registered Office of the company on any working day during the business hours.

Annexure -B
STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Hindustan Dorr Oliver Limited	IVRCL Assets & Holdings Limited	IVRCL PSC Pipes Private Limited	IVR Enviro Projects Private Limited	IVRCL Steel Construction & Services Limited	IVRCL Holdings & Service Pte. Ltd, Singapore	IVRCL Chengapalli Tollways Limited	Rupees
Number of shares held and extent of holding thereof by the holding company, IVRCL Infrastructures & Projects Limited as at 31.03.2008 :								
a) The number of equity shares of Rs. 10/- each fully paid	3,98,04,430 (Face Value of Rs 2 each)	9,94,63,577	1,67,000	29,24,550	50,000	1 Singapore Dollar	5,00,000	
b) Extent of holdings in percentage terms	55.28%	80.46%	66.43%	97.49%	100 %	100%	100%	
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	31,60,73,981	(250,800,885)	(11,88,453)	(13,82,787)	(1,157)	-	-	
b) Not dealt with or provided in the accounts of the holding company								
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	17,11,61,478	135,32,66,750	(75,107)	(14,40,360)	3,690	-	-	
b) Not dealt with or provided in the accounts of the holding company								

Annexure - C
Financial Information regarding Subsidiary Companies

(Rs. in million)

Name of the Subsidiary	Hindustan Dorr-Oliver Limited (Consolidated)	IVRCL Assets & Holdings Limited (Consolidated)	IVRCL PSC Pipes Private Limited	IVR Enviro Projects Private Limited	IVRCL Steel Construction & Services Limited
Capital	144.01	1,236.14	2.51	30.00	0.50
Reserves	2,126.20	21,709.86	(0.73)	(9.34)	(0.02)
Total Assets	3,849.17	43,251.78	12.67	20.66	0.48
Total Liabilities	3,849.17	43,251.78	12.67	20.66	0.48
Investments (except in case of investment in subsidiaries)	16.52	—	—	—	—
Turnover	8,855.25	1,590.32	—	0.03	0.03
Profit Before Taxation	863.40	(337.07)	(1.49)	(2.14)	—
Provision for Taxation	291.63	(30.89)	(0.30)	0.72)	—
Profit After Taxation	571.77	(311.70)	(1.79)	(1.42)	—
Proposed Dividend	57.60	—	—	—	—

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

India is a fast-growing economy with a dynamic and robust financial system. The government has identified infrastructure as a key driver for 9-10 per cent growth during the 12th Plan ending 2017. The Prime Minister's mid term appraisal of the 11th five-year plan suggests that investment in infrastructure during the 12th plan would need to be of the order of about \$1025 billion to achieve a share of 9.95 percent as a proportion of GDP. While this is twice the 11th five-year plan's infrastructure investment of \$500 billion, 50% of the one trillion dollar investment is expected to be from the private sector. This huge investment plan clearly points to the fact that infrastructure would continue to be the growth engine for the economy in the near future. Therefore, the strategy for infrastructure development will involve a combination of public investment supplemented by private investments wherever feasible. The mix will vary from sector to sector and region to region.

India is on the march. While the global slowdown has hurt us too, we have been able to catch our breath and move forward... We now have the economic pre-conditions, for, sustained high growth brings with it new challenges and new opportunities. We need a better education system. We need a better health care system. We need investment in education and health care. **We need modern infrastructure.** It is through the application of modern science and technology that we hope to march forward.

Prime Minister Dr. Manmohan Singh

Infrastructure sector remains to be the main focus for the government as it has received 46% of total planned allocation in this year's budget with a provision of Rs.1,73,552 crore for upgrading infrastructure in both rural and urban areas. Major emphasis has been given to development of high quality physical infrastructure such as roads, ports, airports and railways. Allocation of Rs.40 billion towards the development of rural roads is in line with previous budgets with Rs.99.9 billion for planned spending on national highways. Though allocations for the roads and highways sector have been provided, implementation may be slow due to policy ambiguity at the state and central government levels and delays on account of land acquisition. The refinance facility provided by IIFCL to banks will improve the credit availability for infrastructure projects such as BOT road projects undertaken by the private sector and facilitate in achieving financial closure for projects.

Among the government initiatives, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is qualitatively different aiming to scale up planned and integrated development of urban infrastructure and services involving a series of reforms over a seven year program (2006-12), covering 63 mission cities with an envisaged investment of over Rs.1,000 billion.

JNNURM, as a reform driven agenda, has been instrumental in laying foundation with over 70 percent of the projects sanctioned for improving basic urban services like water supply, sewerage, storm water drainage and solid waste management. So far, 297 projects worth Rs.347.61 billion have been sanctioned for these sectors. Another government initiative with objectives similar to the JNNURM is the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), launched in 2005 to improve civic services in 5,098 cities / towns (those not covered under the JNNURM). Since its inception, a total of 691 projects worth Rs.123.85 billion in 558 towns have been approved under the UIDSSMT.

Like the JNNURM, water supply projects have been accorded the highest priority under the UIDSSMT as well. A total of 367 water supply projects comprising about 53 percent of the total projects have been approved at a cost of Rs.70.64 billion. While the launch of such novel and progressive schemes as the JNNURM and UIDSSMT provide a platform for developing and sustaining urban infrastructure services, besides opening up opportunities for companies as ours for water and environment based projects.

IVRCL – Forging ahead by unlocking value

On the backdrop of the impetus provided by infrastructure growth thus throwing up immense opportunities for the construction sector, your Company has continued to exhibit its remarkable acumen and success in bagging projects in a cross section sectors taking its order book to Rs.2,33,558 Million combined while sustaining its strong financials track record. While we are consistently making efforts to increase our

presence in the core sectors of the infrastructure space, the company has continued its dominating presence in the water and irrigation segments. The execution of projects and translation into revenues has also kept pace. Moreover, our strong customer focused approach and our belief in managing our fundamentals well has kept us ahead.

Aside of being a market leader in Water, IVRCL's integrated business in irrigation and its continued presence in transportation, buildings & industrial construction and Power Transmission contracts has ensured the bagging of some of the very large and prestigious projects, besides continuing to get regular orders in other areas as well. Of its total order book as of now, 47% comprises water projects, 31% of roads and highways, 16% of buildings works, and the balance 6% of power and other projects.

The Company's continued interest and foray into emerging lines of businesses such as oil & gas, hydropower, railways, mining and power generation hold much promise for the Company in the coming years.

WATER

Orders are flowing for water and waste water treatment industry and the Indian water treatment industry is estimated to be about Rs. 20 Billion and growing at 15 to 20 % annually including the Rs 12 Billion industrial water treatment sector and Rs 8 Billion point of consumption market which involves localized water treatment. The water industry size in India is about Rs.60 billion and the industrial water and waste water treatment market size would be around Rs.30 billion and the drinking water purification market would total around Rs.20 billion.. The growth rates in the last 3 years have hovered in the vicinity of 18-20 percent. The global market would be about \$ 50 billion. Good Water management is crucial to overcome the water crisis that threatens our country. We must create an infrastructure that ensures sustainable water supply for the country's agricultural, industrial and domestic use.

To IVRCL, Water continues to be the dominant business vertical which provides every solution for all types of water and sanitation needs. With an enviable track record and proven capabilities and credentials in the industry, IVRCL continues to be uniquely positioned to take harness tremendous opportunities in the water sector. We are capturing the potential in this vertical by investing in constructing, owning and operating water projects across the country. With the ever increasing water demand be it for irrigation, drinking or industrial purposes, several states in India such as, Madhya Pradesh, Uttar Pradesh Karnataka and Rajasthan to name a few, have launched massive irrigation schemes, reservoirs projects, drinking water schemes comprising treatment plants and vast pipeline systems to augment their available water resources effectively. Hence irrigation systems, infrastructure for drinking water and industrial water and recycling of waste water shall continue to remain the long term demand drivers.

Irrigation – IVRCL continues to be the undisputed leader in irrigation projects across the country. IVRCL has in the recent times, bagged some significant projects including the Kosi Canal System in Bihar, besides pursuing potential opportunities emerging in other states as well.

While we are currently executing major irrigation projects in Andhra Pradesh, namely, Telugu Ganga Stage-3, Sripad Sagar Stage-II; Phase-1, Kalwakurthi Lift Irrigation Scheme-Package 28 and Koil Sagar Stages 1 & 2 and the HNSS Phase-1, Pranahitha-Chevella Lift Irrigation Scheme-Package No.20-for drawal / lifting of 25 TMC of water from Foreshore of SRSP Reservoir to Balancing Reservoir and Package No.9 - for drawal and lifting of 6.00 TMC of water in 120 days from Mid Manair to Upper Manair Reservoir, work on the Lift Scheme from Thotapally Reservoir to Gouravelly Reservoir including tunnel and other allied works near Regonda in Karimnagar District, is also currently under progress.

In Madhya Pradesh, the Company has been progressing on schedule on Punasa Lift Irrigation Scheme with a distribution network of pipelines and Lower Goi Project including a dam and canal and its distribution network for command area of about 13760 Ha. on turnkey basis including the O&M of completed commissioned scheme for 1 year. This is in addition to the ongoing works undertaken for Narmada Valley Development Department comprising of execution of 51 km of main canal and over 250 km of distribution network for a command area of over 20700 ha.

The Indira Sagar project is the toughest amongst all other Packages under Indirasagar & nearby Omkareswar Packages, under NVDA. The alignment of this portion of the canal runs in the hilly terrain & valleys. Generally the alignment of the gravity canals follows a specific contour all along the foot of the hill. But

in this particular case, the canal runs on the top of the hills, which is a special feature. Further in this canal there are 5 nos of 'D' shaped tunnels of 6.0 M dia for a length of 5 Kms, 12 nos of Aqueducts having a total length of 2.5 Km & about 83 no. of CM & CD works in the main canal. The Punasa Lift irrigation Project is a comprehensive Project where at the water from the Indirasagar Dam will be lifted in 3 stages into 3 new balancing reservoirs and from there the distribution of the water to the fields will be done by closed conduits of different sizes and types. The Project has been progressing extremely well and the Company has achieved early completion of the Milestone Progress of that approved in the Construction Program and for this feat, IVRCL has been awarded the Incentive for the two consecutive Milestone periods and an appreciation certificate by the client.

The Company has bagged a project of the ERM of the Kosi Canal System including settling basin from the Water Resources Department, Bihar. Other significant works bagged this year are the Construction of the Dhom Balkawadi Project in Satara Irrigation Project Circle in Maharashtra and the SRSP Rehabilitation and Odernisation work of the Sriramsagar project in Andhra Project. Based on its core experience in the irrigation sector, the company will continue to pursue and undertake large irrigation projects across the country.

Our on-going irrigation projects are:

- LIS Link VII - Package No.20 - Investigation, Design and execution of Lift irrigation Scheme for drawl / lifting of 25 TMC of water from Foreshore of SRSP Reservoir to Balancing Reservoir near Masani (V), Nizamabad Mandal & District by water conveyor system with all associated components on EPC Turnkey System.
- IFFC from SRSP-LIS Link III - Package No.9 - Investigation, Design and execution of Lift irrigation Scheme for drawl and lifting of 6.00 TMC of water in 120 days from Mid Manair reservoir at Siricilla Village to Upper Manair Reservoir at Narmal Village, Karimnagar district . by water conveyor system with all associated components on EPC Turnkey System.
- Execution of Punasa Lift Irrigation Scheme including its distribution network by pipelines down to 40 Ha. Chak of Culturable Command Area (CCA) of about 35008 Ha. On Turnkey basis and O&M of completed commissioned scheme for 1 year..
- 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
- Execution of Lower Goi Project including Dam, Canal and its distribution network upto 40 Hac. Chak for Irrigation culturable command area of about 13760 Ha. On Turnkey Basis and maintenance of complete commissioning for one year.
- Investigation, Design, and execution of Kaleswaram LIS with allied works lifting of 4.50 TMC of water from Godavari River near Kanepally (V) of Kaleswaram, Mahadevpur(V), Karimnagar Dist to feen an ayacut of 45,000 acres.

Water Supply & Environment Projects - The competency and capability of IVRCL as a major player in the water infrastructure sector is once again proven with the Company completing some important water projects this year and bagging several more during this year. The Company has successfully completed the Clear Water Sump and Pumping Station for the UWSEI Project for Indore Municipal Corporation and

Some of the significant projects completed during the year under review in the Water Sector include the:

- Design, Construction, Commissioning, Operation and Maintanance Clear Water Sump and Pumping Station.for UWSEI Project, Indore Municipal Corporation, Indore
- Construction, Supply and installation of Water distribution system, clear water reservoir & water towers, domestic waste water collection system & pump station, Industrial waste water collection system & pump station and related mechanical and electrical works in Brandix Apparel City Pvt. Ltd., SEZ Vizag.
- Providing CWSS to Tsunami affected coastal habitations in Kanyakumari District - Project No.36. for TWAD Board, Tamil Nadu
- Sujlam Suflam package PM -4A (Godhara City) Regional Water Supply Scheme - for Gujarat Water Supply and Sewerage Board, Vadodara

- Execution & O&M of the work of Village Distribution system with PSP & CWT with associated civil works for village distribution of 78 villages of Bhainsroadgarh & Ramganjmandi tehsil of Ramganjmandi Pachpahar water supply project-Packages I & IV on single responsibility Turnkey Basis with 5 years O&M for PHED,, Kota, Rajasthan

IVRCL' s position as the most versatile player in water infrastructure projects is once proved with the bagging of the one of the most prestigious water projects of the year, namely the Construction of Tunnel from Gundovali to Bhandup Complex in Mumbai for Municipal Corporation of Grater Mumbai, which has not only added a feather in its cap but has taken the company to greater heights in water projects.

- Other major water projects that the Company has bagged during the year are the Hogenakkal Water Supply and Fluorosis Mitigation Project-Package I - for Tamil Nadu Water Supply And Drainage Board, Tamil Nadu which includes Intake Works, Raw Water Pumping Station, Treatment Plant, Treated Water Pumping Station, Booster Pumping Station, Pumping Mains, MADAM Master Balancing Reservoir and Allied Works; Replacement of Two Nos. of 1800 mm dia riveted Tansa Mains from Tansa to Tarali by one No.2750 mm dia M.S all welded Pipeline in the for Municipal Corporation of Grater Mumbai, and the construction of Intake well cum Raw water pump house including coffer dam, substations, raw water pumping equipments, rising mains, WTP at Rukka, clear water pumping equipments at Rukka, Transmission mains to different UGRs and ESRs construction UG reservoirs, distribution networks all complete job for Ranchi Water Supply Project under JNNURM on Turnkey Basis for Drinking Water & Sanitation Department, Jharkhand

Major works bagged by the company and under execution during the year are:

- Construction of Tunnel from Gundovali to Bhandup Complex in Mumbai for Municipal Corporation of Grater Mumbai, Mumbai, Maharashtra
- Replacement of Two Nos. of 1800 mm dia riveted Tansa Mains from Tansa to Tarali by one No.2750 mm dia M.S all welded Pipeline in the HE outside city division (Section - II from Jamboli to Chinchavali for Municipal Corporation of Grater Mumbai, Mumbai, Maharashtra
- Detailed Survey, design & drawing including construction of Intake well cum Raw water pump house including coffer dam, approach gangway & substations at pumping points all complete with supplying, installation and commissioning of raw water pumping equipments, rising mains, WTP at Rukka, clear water pumping equipments at Rukka, Transmission mains to different UGRs and ESRs construction UG reservoirs, distribution networks all complete job for Ranchi Water Supply Project under JNNURM on Turnkey Basis for Drinking Water & Sanitation Department, Jarkhand
- 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 for Tamil Nadu Water Supply And Drainage Board, Tamil Nadu
- BWSSB Project II - Contract W1 Raw Water Transmission System under JICA for Bangalore Water Supply & Sewerage Board, Bangalore, Karnataka
- Surveying, Collection of Hydrological data, Design, Detailed Engineering, Construction, Supply, Installation, commissioning of Multi Villages 15.60 MLD capacity Surface Water Supply Scheme for Arsenic - affected habitations / villages under Simri & Buxar blocks of Buxar District on Turnkey Basis for Public Health Engineering Department, Bihar
- CW & Water System Civil work package from NTPC - Tamilnadu Energy Company Limited Power Project (Vallur Thermal Power Project) (2x500 MW + 1x500MW) for NTPC Tamilnadu Energy Company Ltd., Chennai, Tamil Nadu
- CW Pump House CW Ducts (Civil) and Cold Water Channel Package for Harduagunj Power Plant Extension project (2x250 MW) for Uttar Pradesh Raja Vidyut Utpadan Nigam Limited, Lucknow
- Construction Contract for Nano Spurline project (12" and 6" = 33 Kms.) for Gujarat State Petronet Limited, Gandhinagar, Gujarat

- Installation, Operation and Maintenance of Crude and Finished product Tankages facility at Paradip Refinery Project, Paradip (Orissa) on BOOT Basis for Indian Oil Corporation Limited, New Delhi

Under sewerage treatment projects, the company has won the contract for the Survey, Investigation, Design, Construction, Testing & Commissioning of Sewerage works in Sewerage District of Allahabad City for Uttar Pradesh Jal Nigam, Allahabad Providing Sewerage System to Erstwhile Bommanahalli CMC areas (Zone 4F) under KMRP - Slice No.GBS 4F for Bangalore Water Supply & Sewerage Board, Bangalore, Karnataka and Constuction of the 70 mld capacity sewage treatment plant at Kharghar, Navi Mumbai.

Chennai Desalination – The Chennai Sea Water Desalination Project of 100 MLD Capacity, being executed for Chennai Metro and the first of its kind in the country is fast nearing completion and having successfully completed the commercial trials, the plant will be commissioned shortly. IVRCL recognizes the immense potential of desalination as a major water source for the country and is focusing on desalination as a major watter source for the people and industries in the coastal regions of the country.

Industrial Water Projects - As a pure play market leader in the water EPC space in India, besides continuing its thrust on irrigation schemes and water distribution projects, IVRCL, has carved out a niche for itself in the industrial water solutions having executed works for NTPC, NLC and TNEL in the past. The Company has completed the turnkey project undertaken in the SEZ of Brandix Apparel City Pvt. Ltd.at Visakhapatnam, comprising supply and installation of water distribution system, clear water reservoir & water towers, domestic waste water collection system & pump station, Industrial waste water collection system & pump station and related mechanical and electrical works. With this project, the Company qualifies to execute similar turnkey water projects of larger magnitude for SEZs, Industrial Parks etc. Currently, under this segment, the Company is executing the Circulating Water system for NTPC – TNEL 2 x 500 MW & 1 X 500 MW Power Project in Tamil Nadu. IVRCL would continue to focus on this segment of water projects and very soon emerge a pure play industrial water company in Industrial high purity water solutions, Waste Water Treatment & Recirculation Systems and Industrial Effluent Treatment Solutions.

TRANSPORTATION

The most outstanding achievement of the Company during the year in the Transportation sector has been the completion and commissioning of two of the three National Highway BOT projects undertaken by the Company. We have completed the Kumarapalyam-Chengapalli Stretch of NH-47 in the state of Tamil Nadu, the first of the BOT highways projects closely followed by the second project, namely Jalandhar – Aamritsar on NH-1 in Punjab. The CODs have been received and toll collection has commenced for both the projects. The third BOT Highway projects, namely Salem-Kumarapalyam on NH-47 is nearing completion and is to be commissioned very soon. IVRCL has achieved the distinction of having clocked over 21 million accident-free man hours and has been rewarded by NHAI for this remarkable feat.

Other key projects completed by the Company during the year include the Madurai to Kanyakumari from Km 42.00 to Km 80.00 Contract Packages NS-40 (TN) for NHAI; Rehabilitation and Upgrading of Mungeli to Pondi Section in Chhattisgarh - for Public Works Department and Integrated Improvement cum Performance Based Maintenance on Alwar to Sikandra Road in Rajasthan (AS) for RIDCOR, Government of Rajasthan.

About new highways projects: With the renewed impetus and determination of the government to speed up the implementation of the NHDP projects on a fast track basis and key highway projects on the anvil, including the mega highways projects, 6-laning of 4-laned roads, expressways and port connectivity projects, IVRCL is strongly focusing on highways as an opportunity asset creation and bidding for selective highways projects, including some of the mega highways being notified by NHAI. The Company has bagged three more DBFOT projects. These are 4 - Laning of Indore - Jhabua - Gujarat / MP Border section of NH-59 ; 6 - Laning on Chengapalli to start of Coimbatore Bypass and 4 laning on end of Coimbatore Bypass to TN / Kerala Border Section of NH-47 in the State of Tamil Nadu under NHDP Phase II and 4 - Laning of Baramati-Phaltan Road and Phaltan-Lonand Shirwal Road.

Your Company scores a first once again by being the first company in the country to undertake the construction of a state of the art Automotive Test Track for the National Automotive Testing and R&D Infrastructure Project, New Delhi. The Company has bagged the contract for the construction of automotive test tracks for NATRAX-Pitampur and GARC-Chennai for involving import of high end track laying technology and special equipment for Germany specially for this project.

Some of the major works bagged by the company and under execution during the year are:

- Balance work of Rehabilitation, strengthening and 4 Laning of Bhogpur to Mukerian section of NH1A from Km.26.00 to Km.70.00 in the State of Punjab (Contract Package No.NS-38 (PB) for National Highways Authority of India, New Delhi
- Improvement / Upgradation of Darbhanga - Kamtaul - Basaitha - Madhwapur Road for Road Construction Department, Government of Bihar, Patna
- Reconstruction of Tsunami affected Bridge connecting Keezhamanakudi - Melamanakudi villages in Kanyakumari District for Highways Department, Chennai, Tamil Nadu.
- Construction of ROB at Bonakal Yard Jaggaihpeta - Wyra Road in Khazipeta - Vijaywada Section in Khammam District for Roads & Buildings Department, Khammam, Andhra Pradesh
- Construction of pre tipping, empties yard etc. for the Augmentation of Railway infrastructure for Rastriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant, Visakhapatnam, Andhra Pradesh
- Construction of Bridge across Malaprabha River near Munavalli on Arabhavi - Challikeri Road in Saudatti Taluk in Belgaum District for Karnataka Road Development Corporation Limited, Bangalore, Karnataka

BOT Highway Projects

- 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 for National Highways Authority of India, New Delhi
- 6 Laning from Km.102.035 to Km.144.740 on Chengapalli to start of Coimbatore Bypass and 4 laning from Km.170.940 to Km.183.060 on end of Coimbatore Bypass to TN / Kerala Border Section of NH-47 in the State of Tamilnadu under NHDP Phase II on DBFOT (Toll) Basis (Package No.NS-II / BOT / TN-08) for National Highways Authority of India, New Delhi
- Four Laning of Baramati - Phaltan Road SH10 (Ch.42/400 to 64/300) and Phaltan - Lonand Shirwal Road SH70 (Ch.136/00 to 80/00) (total length=77.900 Kms.) on DBFOT Basis for National Highways Authority of India, New Delhi
- Development of Truck Terminal at Patalganga MIDC Industrial Estate (Maharashtra) on DBFOT Basis for Maharashtra Industrial Development Corporation, Mumbai, Maharashtra

BUILDINGS AND INDUSTRIAL STRUCTURES

The Company has, during the year successfully completed several diverse projects such as the EPC Contract for TATA Cummins Ltd. Plant at Phaltan, District Satara in Maharashtra, EURO-IV Project of Chennai Petroleum Corporation Limited at Chennai, Tamil Nadu for Engineers India Ltd and for a Blast Furnace - 2 area for Integrated Steel Plant for Ramsarup Lohh Udyog Limited, Kolkata, besides undertaking works for Guru Gobind Singh Refinery Project of M/s. HPCL - Mittal Energy Limited at Bathinda in Punjab; civil, structural and associated UG Piping works of MS Quality Up-gradation project at Guwahati Refinery in Assam And Construction of TELCON Factory at Kharagpur, West Bengal for Telco Construction Equipment Company Ltd. consisting of various factory Sheds like Excavator Assembly, Dumper assembly, Paint house etc.

Major works completed by the Company during the year are:

- Construction of Seawoods Estate Phase-II, Part-II Housing in Sectors 54, 56 & 58 (Part) at Nerul, Navi Mumbai for CIDCO, Mumbai, Maharashtra
- EPC Contract for TATA Cummins Limited (TCL) Plant at Phaltan, District Satara (Maharashtra) for TATA Cummins Ltd., Jamshedpur, Jharkhand.
- Construction of type II & I Quarters, RPF Barrack, Training Center, Admin. Bldg. for SEC Rly. Zonal Head Qrtrs., GM's Bungalow, other service Bldg., along with allied infrastructure for new Zonal Headquarters including HVAC for South East Central Railway, Bilaspur (Package-II) for South East Central Railway, Bilaspur.
- Construction of NeST Towers at Technopark Campus, Thiruvananthapuram for Network Systems & Technologies (P) Ltd

- Building works for implementation of EURO-IV Project of Chennai Petroleum Corporation Limited at Chennai, Tamilnadu for Engineers India Limited, New Delhi
- Construction of Civil work for Blast Furnace - 2 area for Integrated Steel Plant at Karagpur for Ramsarup Lohh Udyog Limited, Kolkata, West Bengal

Continuing its foray in industrial works, the Company has achieved a remarkable feat in successfully bagging several contracts in the industrial sector ranging from Design and Construction for all Main Civil Works for complete External Coal Handling System and Complete Structural works for Coastal Gujarat Power Limited, in Mundra and Complete Civil & Structural works for Coal Handling Plant package for Rihand Super Thermal Power Project, Stage-III (2x500 MW) at NTPC-Rihand to Civil and Structural works of ECU Unit for Brahmaputra Petrochemical Complex of M/s. Brahmaputra Cracker and Polymer Limited at Lepetkata, Assam (Part-A) for Brahmaputra Cracker and Polymer Limited, Dibrugarh, Assam and the Make-up Water System Package for 1980 MW Tiroda Thermal Power Project, Tiroda, dist. Gondia, Maharashtra for Adani Power Maharashtra Limited, Gondia, Maharashtra, besides the Construction of Civil & Structural works for the Uranium Process Plant at Tummalapalle in Kadapa District in Andhra Pradesh.

Among the major residential, institutional and technical building projects awarded to the company and currently under execution are Construction of 5 Building Towers with Parking Plus Twenty One Floors in Kakade City, Karve Nagar, Pune Extension of Bihar Vidhan Sabha and Secretariat Complex at Patna for Building Construction Department, Patna, Bihar Refinery Township Phase-II & III for Paradip Refinery Project near Paradip, Orissa for Indian Oil Corporation Limited, Shatabdi Hospital Building (Phase -2), C.J.S.M. Medical University Campus Lucknow for Uttar Pradesh Rajkiya Nirman Nigam Limited, Lucknow Undergraduate Lecture Theatre Complex at FCI campus University of Allahabad, Allahabad for RITES Limited IMGEOS Project Buildings and development of infrastructure at NSRC Campus, Shadnagar, Mahboobnagar Dist., AP. Computer Centre and Computer Science & Engineering Complex including Internal PH Works & PVC Conduit System for Electrical works for IIT Bombay, Powai, Mumbai for Dept. of Atomic Energy Construction of Hepatobiliary Disease & Liver Transplant Building at SGPGL, Lucknow for Uttar Pradesh Rajkiya Nirman Nigam Limited, Lucknow.

The major buildings and industrial project works won by the Company during the year are:

- Design and Construction for all Main Civil Works for complete External Coal Handling System and Complete Structural works including Design, Fabrication, Erection and Construction for Mundra, Gujarat for Coastal Gujarat Power Limited, Mumbai,
- Extension of Bihar Vidhan Sabha and Secretariat Complex at Patna for Building Construction Department, Patna, Bihar
- Complete Civil & Structural works for Coal Handling Plant package for Rihand Super Thermal Power Project, Stage-III (2x500 MW) at NTPC-Rihand for FLSmidth Pvt. Ltd, Chennai
- Civil works for +/- 500 KV, 2500 MW HVDC Terminal Stations at Mundra and Mohinderbagh for Adani Power Limited, Mumbai
- Construction of Quarters, Estate Office & Hospital of Refinery Township Phase-II & III for Paradip Refinery Project near Paradip, Orissa for Indian Oil Corporation Limited, New Delhi
- Construction of All India Institute of Ayurveda (under Department of Ayush, Ministry of Health & Family Welfare) at Sarita Vihar, New Delhi for HSCC (India) Limited, New Delhi
- Civil and Structural works of ECU Unit for Brahmaputra Petrochemical Complex of M/s. Brahmaputra Cracker and Polymer Limited at Lepetkata, Assam (Part-A) for Brahmaputra Cracker and Polymer Limited, Dibrugarh, Assam.
- Construction of Civil, Miscellaneous Structural & Architectural works of Make-up Water Pump House and other Associated structures required for Make-up Water System Package for 1980 MW Tiroda Thermal Power Project, Tiroda, dist. Gondia, Maharashtra for Adani Power Maharashtra Limited, Gondia, Maharashtra
- Construction of IMGEOS Project Buildings and development of infrastructure at NSRC Campus, Shadnagar, Mahboobnagar Dist., AP., Package -1: Construction IMGEOS & NDEM Building (Composite Contract inclusive of Civil, PH, Electrical, HVAC and other allied works) for National Remote Sensing Centre, Hyderabad, Andhra Pradesh

- Construction of Computer Centre and Computer Science & Engineering Complex including Internal PH Works & PVC Conduit System for Electrical works for IIT Bombay, Powai, Mumbai for Dept. of Atomic Energy
- Offsite Building (Part-A), for Phase - III Refinery Project of M/s. Mangalore Refinery & Petrochemical Ltd. at Mangalore, Karnataka for Mangalore Refinery & Petrochemicals Limited
- Construction of Civil & Structural works at UCIL Project-Tummalapalle for Hindustan DORR-Oliver Limited, Mumbai
- RCC Building and Sheds at proposed LPG Terminal of Visakh terminals Resitment Project at Visakhapatnam, Andhra Pradesh, Hindustan Petroleum Corporation Limited, Chennai
- Expansion of Factory Building (PEB), Civil, Plumbing, Electrical, HVAC, Fire Fighting, Telecommunication and Land Landscape for Parker Hannifin India Pvt. Ltd. at Mahape, Navi Mumbai for Parker Hannifin India Pvt. Limited, Mumbai
- RCC Buildings, Foundations, Superstructure, Electrical works & Equipment foundations at Black Oil Terminal, Visakhapatnam for Hindustan Petroleum Corporation Limited, Chennai

–Under infrastructure development projects the Company is successfully progressing with **ONGC Petro Additions Limited (OPAL)- Petrochemical Complex in Dahej SEZ in Gujarat comprising infrastructure development** of an integrated green field petrochemical complex over an area of 508 hectares involving borrowed earth filling of around 2.0 m and infrastructure development 532 ha of land including water and sewage treatment facilities, storm water drainage and flood protection system of 37 km; water supply and sewer network, rain water harvesting system, boundary wall and fencing of 11 km, internal road network of 50 km, administrative office building and a world class guest house facility etc spread over an area of 10000 sq m. The removal of existing earth is 3.72 million cum and filling quantity is 8.65 million cum. IVRCL has achieved the distinction of having clocked over 5 million accident – free man hours and has been rewarded by ONGC for this remarkable feat.

Power Transmission

Against this backdrop of a vast opportunity in the field of power transmission and distribution, IVRCL shall continue to focus and strengthen its presence in the power transmission sector particularly in cross country transmission lines, substations, distribution systems and railway traction works and IVRCL will continue to pursue opportunities in these segments. The Company has completed Constructing and erecting on Turnkey basis 132 KV. Chikali-Dusarbid Line to proposed 132 KV Sub Station 33 KV Single Circuit Line for Khadakpurna Project Division.

- While work on the 765 KV Single Circuit Transmission Line; which is part of 765 KV Seoni-Wardha Transmission Line associated with Western Region System Strengthening Scheme is briskly progressing, as the highest capacity transmission line work undertaken by the Power Division, the completion of this work will qualify the Division to take up all types of transmission line projects including those of 1200KV capacity and the Triple and Quadruple conductor configured lines in future.

Some of the major orders bagged by the Company during the year are:

- Detailed Engineering, Manufacturing, Supply, Supervision, Erection, Testing, Commissioning and Putting into Commercial use of Pump - Turbine, Generator - Motor & Associated Equipments for Koyna Left Bank Power Station (2x40 MW) for Water Resources Department, Mumbai
- 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 for Power Grid Corporation of India Limited, Gurgaon, Haryana.
- Supply & Services Contract for Tower Package - A1 for i) 400 KV D/C Quad Line from Gurgaon (PG Sec 71) - Manesar (18 Kms.) ii) Delinking of Agra - Samaypur and Samaypur - Gurgaon 400 KV Line from Samaypur (1.5 Kms) and making a direct link from Agra to Gurgaon associated with Northern Region Strengthening Scheme (NRSS) - XIII, iii) 400 KV D/C Maneswar - Neemrana- Bhiwadi (150 Kms.) Transmission Line associated with NRSS-XV and iv) LILO of 400 KV S/C Bhiwadi - Bassi at Kotputli (15 Kms) associated with NRSS – XV for Power Grid Corporation of India Limited, Gurgaon, Haryana.

- Shifting / Modification of 400 KV D/C Agra - Agra (UPPTCL), 220 KV D/C Agra - Auraiya and 400 KV S/C Kanpur - Ballabgarh Transmission Lines Package (Deposit work) for Power Grid Corporation of India Limited, New Delhi

The state-of-the-art Transmission Line Tower manufacturing facility at Nagpur in Maharashtra, set up as strategic backward integration measure, is under production and has commenced exports as well besides expanding its portfolio with diversification into related products.

Overseas Operations

Having firmly established in the core sectors with a healthy order book in the Indian market, your Company, IVRCL has ventured into overseas to explore and tap the infrastructure construction potential with prime focus on the Middle East and African markets. The Company has commenced its operations in the Middle East with an initial focus on Water and Power Transmission projects and has also set up an office in Dubai to oversee the operations and to identify new sectors and projects. Presently IVRCL, Dubai Region is executing several district cooling projects for EMPOWER which is a government entity and one of the biggest district cooling system providers in UAE. The Company is in talks with Stellar, one of the biggest cooling system solution technology providers in the world to bid for more complex and high value works including Abu Dhabi New Airport Cooling System and similar works of TRANSCO, FEWA, AL RAYAN, B K GULF etc. The company is currently targeting business in Abu Dhabi, Dubai and other emirates of UAE, besides exploring opportunities in Oman, Syria and Saudi Arabia. While the Company has been receiving several enquiries from local agencies and international construction companies to associate in large construction projects, the Company is evaluating the projects on selective basis.

The Company is also looking at the emerging opportunities in the African countries as well and initially targeting to take up some Water and Power Transmission projects in countries like Kenya, Botswana, Uganda and Nigeria.

RESTRUCTURING OF OPERATIONS:

The challenges thrown out by the complex environment ridden with near-recessionary economic conditions and downturn in the real-estate sector, coupled with great opportunities in new infrastructure projects, have made the management to stop, look ahead and proceed with reorganization of its operations at the group level. The policies of the Government are encouraging Public Private Participation for construction of various infrastructure projects which presumes mopping up of huge resources by private sector for actively participating in the Nation building activities. While IVRCL has all along been improving its net worth through internal accruals and fresh infusion of equity to qualify itself for bidding for new and bigger projects and has invested about Rs 850 crores of such resources raised during the previous five years, either by way of debt or equity in these new projects, it is considered all the more necessary that these long-gestation projects should not impact the financials of the flagship Company and hamper the growth process recorded over the last decade. The options available were evaluated and it was considered necessary that the group should slowly and steadily come out of the real estate sector without having any adverse impact on the ongoing projects; utilize the latent valuations of the land holdings to improve liquidity either by sale or otherwise to raise further monies for investment into infrastructure projects being declared open by the Government in various sectors including railways, oil & gas, mining, ports etc., and to ensure that the core competence of the flag-ship IVRCL is further strengthened to effectively manage the construction of these new projects. All said and done, the financial viability of the long-gestation BOT infrastructure projects is a challenging task before the Government as well as the individual participating Companies requiring huge capital and innovative financial models. From this point of view, IVRCL's management has evaluated the various risks and with the approval of all stake holders, identified that investments in these projects should be managed independent of the project execution capabilities of the Company so that while executing these investment oriented projects, the group can attract talent from outside either by way of joint-ventures or otherwise.

As a first step, IVRCL's investments in various BOT and BOOT projects through two of its wholly owned subsidiaries viz., IVRCL Strategic Resources Ltd., and IVRCL Water Infrastructures LTd., have been amalgamated with IVR Prime Urban Developers Ltd. (whose name has been subsequently changed to IVRCL Assets & Holdings Ltd so as to reflect the new orientation given to its operations) in consideration of the shareholdings in the said Company. The details of the amalgamations have else-where been detailed in the analysis of accounts in this report. In this process, IVRCL shall continue to be a project-executing entity while IVRCLA&H shall concentrate on raising monies for the new projects and effective investment thereof evaluating the long term risks and addressing the same from time to time effectively to the best advantage of all stakeholders. As a result of the reorganization, the networth of IVRCL Assets & Holdings Ltd., has gone up to about Rs.2300 crores in which IVRCL holds more than 80% equity-an increase from

62% before reorganization. It is expected that the positive results of the reorganization will be more visible during the course of next few years.

New Sectors - Leveraging Core Competencies in Emerging Sectors

Infrastructure development across specific sectors such as sea water desalination, power generation, hydropower, oil and gas, ports, mining, railways freight corridors and industrial infrastructure construction are some of the key sectors poised for a big leap forward and contribute over 60 per cent of the revenues of the construction business in the coming years. Having firmly established in the major infrastructure sectors, namely water, roads, buildings and power, your Company is briskly foraying into these emerging sectors by leveraging its core competencies as a value addition to its existing business areas.

A brief overview of IVRCL' s entry into these sectors is given below:

Railways

The Indian Railways is one of the largest railway systems in the world under a single management and manages more than 63,000 km of railway tracks. The Government of India has decided to invest about \$5 billion to enhance the rail routes in India and has formulated a well-planned strategy to reduce bottlenecks and boost the railways capacity to match to the requirements. With major capacity expansion plans have been lined up and infrastructure is being improved through priority projects such as the dedicated freight corridor, construction of new lines, gauge conversion works, high speed passenger corridors, rail-port connectivity projects, corridor hinterland projects, construction of private sidings and inland container terminals, besides the modernization of major railway stations.

The massive investments for the proposed Railway works including the proposed Dedicated Freight Corridor comprising 2762 km of new railway lines along the western and eastern corridors being envisaged by the Indian Railways and RVNL projects in the pipeline provide a tremendous opportunity for your Company to participate in these works either on its own or by a joint venture route and thereby enhance its credentials in the railways sector. Having bagged and executing some orders for the prestigious Bangalore Metro work, the Company is also focusing on the other upcoming metro rail projects comprising elevated viaducts and stations and underground tunnels as well in major cities apart from focusing on the port connectivity and high speed railway projects being proposed across the country as highly potential projects in the railways in the coming years.

Hydro Power

The hydel - thermal power mix in India currently stands in favour of thermal power at 25:75 as against the global mix of 40:60. However, the government's thrust on hydel power can be gauged from the fact that 36 percent of the planned capacity addition during the Eleventh five year plan is in hydel power. Under the 50,000 MW Hydro Initiative by 2012, which aims at developing 162 schemes, the preliminary feasibility reports have been completed. Having successfully completed the Bhilangana Hydel Project in Uttaranchal, IVRCL has bagged EPC Contract for 2 X 40 MW Koyna Left Bank Power Station including erection testing and commissioning of Pump Turbine, Generator – Motor and associated equipment. Having bagged this project, the Company is targeting to undertake hydro projects involving civil, hydro – mechanical and electro – mechanical projects of larger capacities and simultaneously exploring on taking up BOT projects on a selective basis.

Ports

With 12 major ports and 187 minor ports, 7,517 km long Indian coastline plays a pivotal role in the maritime transport helping in the international trade. Traffic handled at major ports during April 2008 to January 2009 is recorded to be 436686 units. The ports in India offer tremendous scope for international maritime transport both for passenger and cargo handling. The Government of India targets to increasing the cargo handling capacity of major ports by two folds to reach 1.5 billion metric tons by the year 2012. Further, 111 shipping and inland water transport projects entailing an investment of Rs 400 billion are expected to be completed by 2025. With such tremendous potential in this sector, IVRCL is venturing into on-shore and off-shore port works on EPCM basis and is also looking at viable BOT projects in this sector. The Company has been pre-qualified to bid for constructing and operating two berths in Visakhapatnem Port. If successful, while IVRCL would take up the construction of the berths, IVRCL A & H would operate them. Plans are being drawn up to take up similar projects including the construction and operation of a full fledged port on long term concession basis.

Power Generation

India is today at the cusp of a vast opportunity in power generation, transmission, and distribution. The target of over 150,000 MW of hydel power germination is yet to be achieved. By the year 2012, India requires an additional 100,000 MW of generation capacity. A huge capital investment is required to meet this target. This has welcomed numerous power generation, transmission, and distribution companies

across the globe to establish their operations in the country under the PPP program. There are strong opportunities in transmission network ventures - additional 60,000 circuit kilometers of transmission network is expected by 2012 with a total investment opportunity of about US\$ 200 billion. IVRCL, backed by its experience and proven credentials in the transmission sector would focus on projects of enhanced capacities of 1200 MW in transmission. Having completed water projects and currently executing coal handling plants, the Company would initially bid for BOP works and very soon move on executing turnkey power plant projects. The Company is also looking at entering into thermal and gas-based power generation and evaluating selective projects.

Mining

India is endowed with significant mineral resources and in view of the immense potential offered by the mining sector, the Company is actively venturing into this sector leveraging on its existing experience and resources. The Company has executed a mining project in the over burden of over 2 million tons in one year for Singareni Collereies Company Limited. It possesses heavy earth moving equipment and trained manpower. Besides, IVRCL has within its fold Hindustan Dorr Oliver with proven abilities in mineral beneficiation including design & fabrication of coal washeries / beneficiation plants. The Company has eminent mining experts, as Consultants to advice on mining projects. The company has submitted expression of interest in joint venture with reputed overseas companies for some large coal and mineral mining projects in the country.

Oil and Gas

The deregulation of the oil and gas sector has opened up new investments across the upstream and downstream segments. While exploration and production activity is on the rise, transport infrastructure and storage facilities for oil and gas are a must to meet energy needs of our economy. India has natural gas resources and the country's gas production is expected at around 44 billion cubic meter (BCM) per annum by 2011-12 and 54 BCM by 2014-15 from current level of 8 BCM per annum. The construction of pipelines for gas is also proceeding at a fast clip. The government is planning to set up a national gas highway authority to develop pipeline infrastructure in the country. The ministry is targeting a natural gas pipeline networks to 40-50 km per thousand sq km from the current 3.29 km per thousand square km.

IVRCL through its subsidiary, IVRCL A&H has taken a 37.5 per cent stake in the concession project for development of crude/product tankages facilities at Paradip Refinery Project, Paradip, Orissa of Indian Oil Corporation Limited (IOC) on Build, Own, Operate and Transfer (BOOT) basis and will be the joint venture partner in the special purpose vehicle, IOT Utkal Energy Services Ltd., which has been set up for the implementation of this project. The remaining 62.5 per cent share holding is held by Indian Oil Tanking Limited. The project involves Installation, Operation & Maintenance of approx. 1.4 million kilolitres of tankages for crude oil, petroleum products. LPG and sulphur and associated facilities at Paradip Refinery Project in Orissa which is expected to go on stream during 2012. The concession period will be 15 years after commissioning. The total project cost is estimated at around Rs. 3000 crores. EPC services will be provided by IOT and IVRCL, while Operations and Maintenance will be undertaken by IOT. The Company would be targeting similar ventures as well as EPC contracts in underground storage projects, utilities and off-sites, terminals and large pipeline works.

Strategic Alliances to Strengthen Pre Qualifications

IVRCL has entered into Joint Venture Agreements and project specific consortium agreements and MOUs for strategic alliances with several reputed Indian and foreign partners with proven track record and credentials of technical expertise to enable it to pre-qualify and to keep it in a vantage point as a Lump Sum Turn Key (LSTK) Infrastructure Development Company and to add value to our Front End Engineering and Design (FEED) capabilities in the new and emerging infrastructure sectors.

Risk Management

The Company is committed to high standards of business conduct and risk management. All engineering projects and construction undertakings involve risks; while some risks are insurable and avoidable, certain risks can only be managed by latest project management techniques.

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

Also, members of the senior management comprising Business Heads, Regional Heads and Project Managers are provided with frequent training programs on Risk Management associated with construction risks,

contractual risks, design risks, and potential risk treatment measures and strategies to ensure that potential risks are recognized and forecast beforehand and mitigated so that project progress remains un-impacted. The company has engaged professional services and documented various risks involved and developed a structure for systematic management of various risks in construction. In the process, the company has in place risk mitigation and de-risking strategies covering environmental, regulatory, economic, operational, financial,, technical, legal and strategy risks.

IVRCL is committed to risk management with the objective to:

- Protect the Company's assets.
- Achieve the targeted and sustainable business growth.
- Avoid sudden and major surprises with respect to the overall business and control environment.
- Ensure the compliance with applicable, legal regulatory and strategy requirements.

Internal Control Systems

Our Company has laid enormous significance to developing internal control systems relating to all aspects of the business such as procurement, project execution, finance and management information systems as we realize that the current levels of growth and volume can only be sustained efficiently with appropriate systems and procedures in place. At the time of going to the press, our Company is on the threshold of developing a site cost control software that would be integrated with corporate functions to provide a seamless and real time data of all variables relating to a project site thus enabling timely decision making for optimized operations. Our Project Monitoring Cell (PMC) has already proved its worth by systematic analysis and MIS generated for management decisions which are operations related.

Our Best Asset - Our People

While we do believe that our best asset has been our people and have always realized the importance of human capital and valued it highly as an infrastructure company, We are aware of the challenge in attracting the best of talent to join us and in retaining the people endowed with the critical mass accumulated over the years in IVRCL and despite the current scenario, our attrition rate amongst our top management is negligible. We have in place a well drawn out HR Policy and a working environment encouraging innovation, cost reduction and a time bound completion of projects, measures targeted to emerge as a merit driven organization in these challenging times.

We are the foremost among companies in the Indian construction industry with Employee Stock Options (ESOPs) facility to its employees, whereby a record 3.5 million shares have been allotted till date. Going forward, we want to enable a team culture at all levels, while encouraging employees to change orbits to ramp up their career path

We are truly blessed to be in a business that has such a positive impact on human life. IVRCL is a corporate entity that has been growing at a phenomenal pace on the foundation of work that improves the quality of life and the standard of living of people.

Our water projects, be it drinking water supply schemes, industrial water schemes, irrigation projects or desalination projects are fulfilling a basic need of the populace. Environment projects in the areas of water treatment, sewage treatment and solid waste management are critical to the sustenance of our environment and the survival of human life on Earth. So far, we have executed close to 20000 km of pipelines for drinking water and made canals for irrigation. A lot more will be done in the near future. Our power projects especially rural electrification works have brought about a sea-change in the quality of life of people in pertinent locations. We have more than 250 work sites all over India which have generated employment, indirectly contributing to social upliftment and greatly benefiting the local economy.

Apart from the above, we have also undertaken several initiatives in our constant endeavor to enhance human living. We offer primary education facilities at several of our construction sites. We also operate a school in the Srikakulam district of Andhra Pradesh.

In conclusion, while IVRCL will continue expanding its presence geographically and growing at a consistent pace, we are focusing creating and developing innovative models for infrastructure development. By virtue of our pan-India presence, we are transferring the best practices from one part to the other. We believe that our abiding vision, the strength of our human capital and our commitment to build a better world of enduring values will continue to inspire us as we strive to make it happen.

There is so much we do. There is so much more we want to do.

Expect much more from us.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Over View:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India and Generally Accepted Accounting Principles (GAAP) in India. The management of IVRCL accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the state of affairs on the Balance Sheet date and profits of the Company for the year ended on that date.

The Company achieved a marginal growth in terms of revenue in Fiscal 2010. The CAGR of revenue for last five years is 30%. The Company's total revenue increased to Rs.55,078 million i.e. increased by 9.9% over fiscal 2009 and Net Profit (PAT) decreased to Rs.2,113 million, by 6.5% over fiscal 2009.

Financial Performance:

A summary of the Company's financial position as at March 31, 2010 and 2009 is given below:

	March 31, 2010	%	March 31, 2009	%	Growth %
Sources of funds					
Share capital	534.02	1.5	267.01	0.8	100.00
Reserves & Surplus	17,998.57	51.7	17,838.76	55.4	0.9
Total Shareholders' funds	18,532.59	53.2	18,105.77	56.2	2.4
Secured loans	12,688.05	36.5	10,184.82	31.6	24.6
Unsecured loans	3,445.18	9.9	3,795.43	11.8	(9.2)
Total Loan funds	16,133.23	46.4	13,980.25	43.4	15.4
Deferred tax liability	124.77	0.4	117.41	0.4	6.3
	34,790.59	100.0	32,203.43	100.0	8.0
Application of funds					
Fixed assets	6,017.15	17.3	5,402.48	16.8	11.4
Investments	6,137.96	17.6	3,892.03	12.1	57.7
Current assets, loans & advances					
Inventories	2,446.76	7.0	2,093.49	6.5	16.9
Sundry debtors	19,445.24	55.9	13,430.21	41.8	44.8
Cash & bank balances	1,643.62	4.7	1,008.68	3.1	62.9
Other current assets	16,863.51	48.5	14,292.51	44.4	44.8
Loans & advances	6,605.80	19.0	9,318.73	28.9	(29.1)
	47,004.93		40,143.62		17.1
Current liabilities & provisions					
Current liabilities	23,924.16	68.8	16,795.14	52.2	42.4
Provisions	445.29	1.2	439.56	1.4	1.3
	24,369.45		17,234.70		41.1
Net current assets	22,635.48	65.1	22,908.92	71.1	(1.2)
	34,790.59	100.0	32,203.43	100.0	8.0

1. SHARE CAPITAL

The authorized share capital of the Company consists of 275,000,000 equity shares of Rs.2/- each amounting to Rs.550,000,000 and 25,000,000 preference shares of Rs.2/- each amounting to Rs.50,000,000.

During the year, the Company increased the equity share capital by Rs.267.01 million on account of issue of bonus shares is the ratio of 1:1. The total paid up share capital as at March 31, 2010 stood at Rs.534.02 million.

A statement showing movement of share capital is given below:

	March 31, 2010		March 31, 2009	
	Equity Shares (No.)	Rs. Million	Equity Shares (No.)	Rs. Million
Balance at the beginning	133,504,929	267.01	133,489,929	266.98
Issue of Bonus Shares	133,504,929	267.01	-	-
Shares issued upon conversion of options as under:				
ESOP 2000 plan	-	-	15,000	0.03
Balance at the end	267,009,858	534.02	133,504,929	267.01

2. RESERVES AND SURPLUS

Security Premium Account:

A statement of movement in the security premium account is given below:

(Rs. in million)

	March 31, 2010	March 31, 2009
Balance-beginning of the year	10,602.83	10,622.79
Add:		
Premium on allotment under ESOP	-	5.30
Redemption premium provision on FCCBs	(25.26)	(25.26)
Balance-end of the year	10,577.57	10,602.83

Revaluation Reserve:

The revaluation reserve amount of Rs.28.41 million as on March 31, 2010 represents the reserve arising due to revaluation of some land and building done during the year 2001-02 as reduced by the depreciation on revalued portion of the assets till March 31, 2010.

General Reserve:

Out of the profits for the year Rs.500 million has been transferred to general reserve, Rs 315.29 million to Debenture Redemption Reserve and balance of Rs.1,047.93 million (after providing for dividend and tax thereon) has been retained in the profit and loss account.

The total Shareholder funds of the Company increased to Rs.18,533 million as of March 31, 2010 from Rs.18,106 million as of the previous year end. The book value per share having face value Rs.2/- increased to Rs.69.41 as of the year end compared to Rs.67.81 as of the previous year end (post bonus issue) registering an increase of 2.36%.

3. SECURED LOAN

The details of Secured Loans are discussed below:

(Rs. in million)

	March 31, 2010	March 31, 2009
Non-Convertible Debentures	3,050.00	2,000.00
Term Loan	535.37	539.40
Working Capital Loans:		
Project Specific	1,653.66	1,926.85
From Consortium banks	7,449.02	5,718.57
Total	12,688.05	10,184.82

During the year, the Company raised Secured, Non-Convertible Debentures of Rs 1,050 million for repayment of some high cost debts and to meet the working capital requirements.

The Company has taken term loans to finance purchase of plant, machinery, equipment and vehicles specific to certain projects and for the Company as a whole.

The Company has availed Project-specific working capital loans for certain major projects to meet the working capital requirements of those specific projects.

The Company has also availed working capital loans from a ten-member consortium banks to finance infrastructure projects where no project-specific funding have been done. The limits are optimally operated with all the member banks in the consortium duly meeting the requirements of these banks in compliance with the terms of the loan agreements with them.

4. UNSECURED LOAN

The details of Unsecured Loans are discussed below:

(Rs. in million)

	March 31, 2010	March 31, 2009
Banks & others	2,953.97	3,409.94
Non-Convertible Debentures	150.00	-
Foreign Currency Convertible Bonds	341.21	385.49
Total	3,445.18	3,795.43

The Company has availed short term unsecured loan of Rs.2,953.97 million (Rs.3,409.94 million during last year) from some banks, financial institutions during the year to bridge temporary needs in the ordinary course of business. All these loans are due for repayment with in the current financial year ending March 2011.

During the year none of the holders of Foreign Currency Convertible Bonds (FCCB) have exercised their option for conversion into equity shares. The amount of FCCBs outstanding as on March 31, 2010 remained unchanged at US\$ 7.60 million, the increase in the value of INR is only because of the exchange difference accounted as on the Balance Sheet date.

The Company has also issued short-term unsecured, Non-Convertible Debentures of Rs 150.00 million to banks to manage some urgent working capital need.

The overall Long-term and Short-term borrowings of the Company (other than FCCB) increased from Rs 13,594.76 million as on March 31, 2009 to Rs 15,792.02 million in the current year representing an increase of 16.16%.

5. FIXED ASSETS

(Rs. in million)

	March 31, 2010	March 31, 2009	Growth(%)
Land	361.48	361.30	0.1
Building	732.42	726.09	0.9
Plant & Machinery	5,040.12	4,334.47	16.3
Motor Vehicles	955.31	830.74	37.1
Other Assets	412.44	370.90	64.9
Gross book value	7,501.77	6,623.50	13.3
Less: Accumulated Depreciation	1,837.83	1,416.53	29.7
Net block	5,663.94	5,206.97	8.8
Add: Capital work-in-progress	353.21	195.51	80.7
Net fixed assets	6,017.15	5,402.48	11.4
Depreciaton	542.84	473.05	14.8
Depreciation as a % of revenue	1.0%	1.0%	
Depreciation as a % of gross block	7.2%	7.1%	
Accumulated depreciation as a % of gross block	24.5%	21.4%	

During the year, the Company has invested Rs.878.27 million (net) towards the addition to fixed assets as compared to addition of Rs.2,447.54 million during the previous year.

6. DEFERRED TAX ASSETS & LIABILITIES

The Company accounts for deferred tax in compliance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India. The Company has recognised deferred tax expenses of Rs.7.36 million during the year. Net deferred tax liability represents timing differences in the financial and tax books arising mainly from deprecation on assets, provision for debtors and advances etc.. The net deferred tax liability has increased from Rs.117.41 million as on March 31, 2009 to Rs 124.77 million as on March 31, 2010.

7. INVESTMENTS

The major investments of the Company are in the subsidiaries IVRCL Assets & Holdings Limited and Hindustan Dorr-Oliver Limited. During the year, the investment in domain companies in specific sectors like Water and, Transportation i.e. in IVRCL Water Infrastructures Limited and IVRCL Strategic Resources Limited were transferred to IVRCL Assets & Holding Limited through a process of amalgamation. The Company got allotment of equity shares in IVRCL Assets & Holdings Limited as consideration. Total investments in subsidiaries as at March 31, 2010 stood at Rs.6,113.20 million as against investments as at March 31, 2009 Rs.3,867.46 million.

The details of investments in subsidiary Companies as on March 31,2010 and the movements in the investment account during the year is given below:

Company	March 31, 2009	Additions	Deletions	March 31, 2010	% of holding
Hindustan Dorr-Oliver Ltd	642.15	15.38	-	657.53	55.28
IVRCL Assets & Holdings Ltd	400.22	4,521.03	-	4,921.25	80.46
IVRCL Water Infrastructures Ltd	853.55	-	853.55	-	-
IVRCL Strategic Resources Ltd	1,868.02	-	1,868.02	-	-
Alkor Petroo Ltd	70.10	-	70.10	-	-
IVR Enviro Projects Pvt. Ltd.	29.25	-	-	29.25	97.49
Salem Tollways Ltd	0.50	500.00	-	500.50	-
Other Subsidiaries	3.67	1.00	-	4.67	-
Total	3,867.46			6,113.20	

Additions in case of IVRCL Assets & Holdings Ltd and deletions in case of IVRCL Water Infrastructures Ltd and IVRCL Strategic Resources Ltd mainly comprises shares allotted as a consideration on amalgamation of the above Companies as per the Scheme of Merger approved by the Hon'ble High Court of Andhra Pradesh.

The revenues, Profit after tax and net worth of subsidiaries are as given below:

	Revenue			Profit after tax			Net worth
	March 31, 2010	March 31, 2009	Growth %	March 31, 2010	March 31, 2009	Growth %	March 31, 2010
Hindustan Dorr-Oliver Ltd	8,711.46	5,222.55	66.8%	555.17	301.60	84.1%	2,033.14
IVRCL Assets & Holdings Ltd	1,431.10	751.76	90.4%	(63.99)	85.86	-	22,884.75
IVRCL PSC Pipes Pvt.Ltd	0.05	1.34	-	(1.79)	(0.11)	-	0.07
IVR Enviro Projects Pvt.Ltd	0.03	0.16	-	(1.42)	(1.48)	-	20.66
IVRCL Steel Constructions & Services Ltd	0.03	0.03	-	-	-	-	0.48

IVRCL Assets & Holdings Ltd.

The subsidiary is an infrastructure company focussing on development which include road, water, oil tankage facility, truck parking terminals and real estate projects. Originally, the Company was formed as a SPV to develop premier deluxe apartments and villas in a prime location in Hyderabad. Subsequently, the Company ventured into development of megamalls, hotels etc in cities like Chennai, Bangalore, Pune, Hyderabad and NCR. Recently on merger of the domain companies of IVRCL in Water and Road infrastructures with the subsidiary, it has become more of an asset holding company.

Hindustan Dorr-Oliver Limited

The subsidiary is engaged in the business of providing Engineering & Turnkey solutions, Technology and EPC installations in liquid solid separation applications in various industry segments like mineral processing and beneficiation, Pulp and paper processing, fertiliser & chemical and environmental management.

During the last financial year, the Company has acquired 100% equity of Sheffield, UK based 180 years old Engineering Company, Davymarkham Ltd. involved in the design, manufacture and assembly of large equipment for mining, power generation, oil, gas and nuclear sectors through its wholly owned subsidiary in UK, IMCO(22010) Ltd.

8. SUNDRY DEBTORS

Sundry debtors amount to Rs.19,445.24 million (as reduced by provision for doubtful debts) as at March 31, 2010 as compared with amount of Rs.13,430.21 million as at March 31, 2009. These debtors are considered good and realisable.

Debtors including unbilled revenue amounts to Rs. 27,293.94 million as at March 31, 2010 as compared to Rs.20,229.19 million as at March 31, 2009. Debtors and unbilled revenue are at 49.7% of revenues for the year ended March 31, 2010, as compared to 40.6% for the previous year, representing an outstanding of 181 days and 148 days of revenues for the respective years.

9. CASH & CASH EQUIVALENTS*(Rs.in million)*

	March 31, 2010	March 31, 2009
Cash/Cheques on hand	18.04	80.51
Bank balances:		
Current Accounts	1,427.09	664.75
Fixed Deposit-Margin	6.08	4.21
Fixed Deposit-Others	192.41	259.21
	1,643.62	1,008.68

Cash/Cheques on hand comprises cash balances in project sites, regional offices and head office required to meet day to day needs of the growing business. Balances in current accounts Rs.1,427.09 million are spread over project sites at various locations to meet day to day requirements of the project management and major portion includes client bill proceeds received and deposited at the year end but realised subsequent to the balance sheet date.

10. OTHER CURRENT ASSETS

The amount under this heading mainly consist of:

Unbilled Revenue – Rs.7,848.70 million (Rs.6,798.98 million)

This represents amounts to be billed to some of the contractee clients in respect of revenue earned under the percentage completion method, followed by the Company, as reduced by that portion of such revenue already billed and receivable from those clients.

This unbilled revenue recoverable is a dynamic figure every quarter in as much as the revenue earned is arrived at every quarter under the same method duly adjusting in those quarters the billed revenue as well as the unbilled revenue carried over from the corresponding previous quarter.

Retention Money – Rs.5,476.34 million (Rs.4,292.00 million)

The account represents the amounts retained by the clients towards performance security as a guarantee for satisfactory performance of the infrastructure projects developed by the Company. The Company has not received any demand for claim from any of the clients and hence all these amounts are treated as good for recovery except an amount of Rs20.21 million considered doubtful of recovery.

Other deposits – Rs. 2,827.67 (Rs.2,661.25 million)

This mainly consists of deposit lying with Government departments like Sales tax, Electricity Board, Telephones etc and EMD with the clients.

11. LOANS AND ADVANCES

Tax deducted at source and advance tax net of provisions – Rs. 416.93 million (Rs.1,702.88 million)

This mainly consists of tax deducted at source from contract revenue by the clients as per the provisions of the Income Tax Act, 1961 and advance tax paid as reduced by the income tax provisions made and assessed (undisputed). All undisputed liabilities have been fully adjusted against this account.

During the year, tax deductions claimed under Section 80 IA of the Income Tax Act, 1961 in earlier years Rs 1,409.03 million have been charged off as tax expense and the special reserve created for the purpose, Rs 1,411.00 million has been credited back to the Profit & Loss Account.

Loans to Subsidiaries – Rs. 2,810.47 million (Rs.4,499.02 million)

These amounts as loans have been provided to the subsidiaries and their fellow subsidiaries for strategic business ventures. These loans are interest bearing and subsidiary wise details of loans are as follows:

(Rs. in million)

Particulars of Subsidiary	March 31, 2010	March 31, 2009
IVRCL Assets & Holdings Ltd	1,862.88	2,791.54
IVR Enviro Projects Pvt. Ltd	8.59	8.21
IVRCL Strategic Resources Ltd	-	235.29
IVRCL Water Infrastructures Ltd	-	473.57
Chennai Water Desalination Ltd	-	9.55
Salem Tollways Ltd	0.28	501.86
IVRCL Building Products Ltd	223.50	183.87
Alkor Petroo Ltd	604.69	237.75
Other Subsidiaries	110.53	57.38
	2,810.47	4,499.02

Advances recoverable in cash or in kind or for value to be received (Secured & Unsecured) – Rs. 2,963.74 (Rs.2,544.90 million)

The account represents advances paid to various suppliers, sub-contractors, labour contractors etc., which are partly adjusted in the subsequent periods and the balance would also be recovered from their bill of services or otherwise. Hence all these amounts outstanding are considered realisable/adjustable.

12. CURRENT LIABILITIES (Rs. in million)

	March 31, 2010	March 31, 2009
Advances received from contractee clients	7,452.38	5,986.32
Sundry Creditors	15,601.17	10,452.25
Other liabilities	870.61	356.57
	23,924.16	16,795.14

Advances received from Contractee-clients are the advances provided to the Company in the nature of short-term liabilities, which are recovered from client bills. Some of the advances bear an interest cost and others are interest free. The Company has also provided bank guarantees for some of these advances.

Sundry Creditors represent amount due to suppliers, sub-contractors, labour contractors, back-to-back contractors and other service providers. Other liabilities mainly represent all statutory dues such as PF, ESI, TDS, Sales Tax etc payable by the Company relating to the month of March 2010.

13. PROVISIONS

Proposed dividend of Rs.213.61 million (Rs.186.91 million) represents the dividend recommended to the shareholders by the Board of Directors. This will be paid after the Annual General Meeting, upon approval by the shareholders. Provision for tax on dividend Rs.36.30 million (Rs.31.76 million) denotes taxes payable on dividends declared for the year ended March 31, 2010.

Gratuity provision and Provision for Leave Encashment has been made as per the actuarial estimation and certification by an independent Actuary as per the requirement under Accounting Standard 15 (revised).

14. Results of Operations:

The following table sets forth the income statement for the financial year ended March 31, 2010 and 2009. The components of expenses have been expressed as a percentage of total income for the years indicated.

(Rs. in million)

	March 31, 2010	March 31, 2009
Income from operations	54,944.22	49,830.92
Other income	155.06	299.13
Total income	55,099.28	50,130.05
Percentage growth(year to year)	9.91%	-
Construction expenses(Including Indirect tax)	46,302.46	42,784.19
Construction expenses as a percentage to total income	84.03%	85.35%
Administration & other expenses	3,329.05	2,828.91
Administration & other expenses as a percentage to total income	6.04%	5.64%
EBITDA	5,467.77	4,516.95
EBITDA- percentage to total income	9.92%	9.01%
Interest & finance charges	1,636.56	1,306.14
Interest & finance charges as a percentage to total income	2.97%	2.61%
Depreciation	542.84	473.05
Depreciation as a percentage to total income	0.99%	0.94%
Profit before tax(PBT)	3,288.37	2,737.76
PBT-percentage to total income	5.97%	5.46%
Provision for taxation	1,177.21	478.07
Provision for taxation as a percentage to total income	2.14%	0.95%
Profit after tax(PAT)	2,111.16	2,259.69
PAT-percentage to total income	3.83%	4.51%

A. Income Recognised

Gross work bills represent revenue earned till end March 2010, on long term construction contracts, where revenue is recognizable over time as the work progresses rather than at the completion of such contracts. It is an established principle that the contractee client has the legal right to require specific performance from the contractor to the effect the client acquire ownership claim to the contractors work-in-progress. In turn the contractor acquires legally enforceable rights to require the client to make payments progressively against the work executed/cost incurred in due performance of those contracts. Hence, the substance of the construction business activity is that revenue is earned continuously as the project progress. This principle is well established in the accounting standard, AS 7 (revised 2002) issued by the Institute of Chartered Accountants of India. The income from operation also includes sale of galvanized structures manufactured in the TLT factory and other products Rs.1,423.22 million.

The Company continues to earn its major contract revenue from water and water related projects, which account for 57.05% of the total revenue. The other projects such as building and industrial structures accounted for 24.55%, transport infrastructures like roads, rail tracks and bridges 13.27% and power infrastructures like transmission lines, substations etc. 5.13%.

B. Construction Expenses

(Rs in million)

	March 31, 2010	March 31, 2009	% Increase
Construction & other materials	19,804.46	16,332.23	
Sub-contractors work bills	10,845.38	13,512.52	
Masonry & other works	11,559.60	9,914.87	
Raw materials consumed (TLT factory)	406.63	246.26	
Prime cost	42,616.07	40,005.88	6.5%
Repairs & Maintenance	509.70	475.37	7.2%
Machinery hire charges	1,075.64	1,066.52	0.9%
Other Construction expenses	228.86	207.36	10.4%
Indirect Tax	1,850.75	1,002.51	84.6%
Total	46,281.02	42,757.64	8.2%

The increase in prime cost i.e. construction materials, sub-contractors work bills and masonry & other works are in line with the increase in gross work bills. The major items of construction materials are steel, cement, pipes, oil and fuel etc. Increase in other construction expenses like Repairs & Maintenance, Machinery Hire Charges, Royalty and Lab Testing Charges are considered normal and are in line with the increase in revenue.

C. Administration and other Expenses

	March 31, 2010	March 31, 2009	% Increase
Payment to employees & employees related payments	2,025.57	1,953.09	3.7%
Travelling & conveyance	126.61	128.80	(1.7)%
Printing & stationery	37.09	39.86	(6.9)%
Communication expenses	51.33	53.00	(3.2)%
Rates & taxes	49.47	48.62	1.7%
Business promotion	9.07	6.75	34.4%
Office maintenance	138.58	124.88	11.0%
Rent	107.20	90.14	18.9%
Advertisement & publicity	16.33	15.96	2.3%
Legal & professional charges	180.24	188.69	(4.5)%
Insurance	111.22	43.63	154.9
Other expenses/provisions	476.34	135.49	251.6%
Total	3,329.05	2,828.91	17.7%

Insurance expense is net of claims received. Insurance claim of Rs 74 million was accounted during the year ended March 2009, hence the variance in the insurance account.

Other expenses/provisions in the current financial year includes bad debt and provisions accounted Rs 382.75 million as compared to Rs 61.44 million in the previous financial year.

Increase/decrease in other heads of expenses are normal and in line with the increase in operation.

D. Interest and Finance charges*(Rs in million)*

	March 31, 2010	March 31, 2009	% Growth
Interest on fixed loans	806.01	419.14	92.3%
Interest on other credit facilities	1,125.60	1,216.68	(7.5)%
Bank & financing charges/other interest	232.96	271.55	(14.2)%
Foreign exchange loss	(44.27)	72.95	-
Total	2,120.30	1,980.32	7.1%
Less: Interest received from banks & others	483.74	674.18	(28.2)%
Net Interest & finance charges	1,636.56	1,306.14	25.3%

The increase in the Total Interest & finance cost by 7.1% is due to marginal increase in credit availment because of increased operations.

Interest income represents interest earned on ICD given to subsidiaries and the deposits kept with banks for EMD etc.

E. Depreciation and Amortisation – Rs 542.84 million (Rs.473.05 million)

Depreciation on all assets have been provided at the rates and method as adopted in the previous year. There is no change in the accounting policy as regards charge of depreciation and the same is in compliance with the provisions of the Companies Act, 1956 and the relevant accounting standards. The increase in depreciation is in line with the additions to the gross block of fixed assets.

15. OPERATING PROFIT

The Company earned an operating profit (EBITDA) of Rs.5,467.77 million, representing 9.92% of the total income as compared to Rs.4,516.95 million, representing 9.01% of total income during the previous year. Overall savings in the prime cost i.e. material and labour cost has contributed to the improvement in EBITDA in the current financial year.

Profit before tax(PBT) as a percentage to Total Income works out to 5.97% for the year when compared to 5.46% for the previous year. The increase in the PBT inspite of increase in administrative and finance cost is primary due to saving in construction expenses i.e.prime cost

The Company has made provision for income tax for the year Rs.1,177.21 million as against Rs.478.07 million during the previous year. During the year, the Company has discontinued claim of deduction under Section 80 IA of the Income Tax Act, 1961 in view of the clarificatory amendment in the last Finance Act. Amount already claimed upto FY 2009 Rs 1,409.03 million has been charged off to the Profit & Loss Account during the year and an amount of Rs 1,411.00 million created as special reserve for the purpose has been credited back.

Profit for the year after tax (PAT) as a percentage to Total Income works out to 3.83% when compared to 4.51% for the previous year. The disproportionate reduction in PAT is on account of increase in tax expense due to discontinuance of claim under section 80 IA.

16. LIQUIDITY

Cash Flow Statement:

(Rs. in million)

	Year ended March 31, 2010	Year ended March 31, 2009
Operating adjusted profit before working capital changes	5,569.96	4,129.36
Working capital changes	(2,480.28)	(2,914.29)
Direct taxes paid	(1,292.92)	(1,018.34)
Net cash generated from operations	1,796.76	196.73
Net cash from investing activities	(1,277.68)	(1,869.24)
Net cash from financing activities	80.89	1,404.29
Net inc/dec in cash & cash equivalents	599.97	(268.22)

The construction infrastructure industry is by its nature working capital intensive, and net investments in inventory and current assets amount to, on average, approximately six months of total income. The company had a compound annual growth rate in excess of 30% over the last five fiscal years. The increase in the current assets are mainly in the categories of sundry debtors and advances. There were also corresponding increase in the payables also hence the Company could achieve positive net cash generated from operations for last two consecutive years.

Net cash used in investing activities mainly comprises of purchase of fixed assets and investment in subsidiaries. Net cash generated from financing activities comprises of inflow from long term and short term borrowings

REPORT ON CORPORATE GOVERNANCE

1. IVRCL PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

- i) The Company has an Executive Chairman during the financial year and the number of Independent Directors is 50% of the total number of Directors. The number of Non-Executive Directors at 70% is more than 50% of the total number of Directors prescribed under clause 49 of the Listing Agreement. Thus, the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2010 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, 2010 consists:

Non – Executive Directors

A. Independent

Mr. T.N.Chaturvedi

Mr. P.R.Tripathi

Mr. T.R.C.Bose

Dr. S.K.Gupta

Dr. L Srinivasa Reddy

B. Non-Independent

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

Mr. E. Sunil Reddy (Promoter)

Executive Directors

Chairman & Managing Director

Mr. E. Sudhir Reddy (Promoter)

Whole-time Directors

Mr. R. Balarami Reddy

Mr. K. Ashok Reddy

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

Four meetings of the Board of Directors were held during the financial year 2009-10 on:

29th May, 2009, 29th July, 2009, 30th October, 2009 and 28th January, 2010

The last Annual General Meeting was held on Monday, the 9th September, 2009.

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	4	NO	1	NIL	NIL
Mr. E. Sudhir Reddy	CMD	4	YES	11	NIL	1
Mr. E. Sunil Reddy	NED	4	YES	12	NIL	1
Mr. T. N. Chaturvedi	I & NED	2	YES	9	4	1
Mr. R. Balarami Reddy	ED	4	YES	11	NIL	3
Mr. K. Ashok Reddy	ED	4	YES	10	1	0
Mr. T.R. C. Bose	I & NED	3	NO	5	Nil	2
Mr. P.R. Tripathi	I & NED	4	NO	10	1	4
Dr. S.K. Gupta	I & NED	3	YES	7	2	7
Dr. L Srinivasa Reddy	I & NED	3	NO	NIL	Nil	Nil

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 financial year 2009-10. The role of the Committee is as conceived under Clause 49 of the Listing Agreement as amended from time to time.

B. Composition, names of members and Chairperson:

The composition of the Audit Committee is as follows:

Chairman Mr. T.N.Chaturvedi

Members Mr. P.R.Tripathi

Mr. T.R.C. Bose

C. Meetings and Attendance

Four meetings of the Audit Committee were held on 29th May, 2009, 29th July, 2009, 30th October, 2009 and 28th January, 2010.

Name of the Director	No. of meetings attended
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Mr. T. N. Chaturvedi - Chairman	2
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Mr. T.R.C.Bose	3
----------------	---

Mr. P.R. Tripathi	4
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Secretary to the Committee: Mr. B Subrahmanyam, Company Secretary

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

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

Chairman	:	Mr. T.N. Chaturvedi
Members	:	Mr. T. R. C. Bose
	:	Mr. P. R. Tripathi
Secretary to the Committee	:	Mr. B Subrahmanyam, Company Secretary.

B. Meetings and Attendance:

One meeting of the Compensation Committee was held on 29th May, 2009.

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi - Chairman	1
Mr. T. R. C. Bose	1
Mr. P.R. Tripathi	1

C. Remuneration Policy:

- i) The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and perquisites besides Employee Stock Options. Individual performance is measured through the half-yearly appraisal process.
- ii) The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director. The other Executive Directors are compensated by way of salary, benefits, perquisites and allowances (fixed component) as decided by the Compensation Committee and approved by the members from time-to-time.
- iii) Sitting fees at the rate of Rs.20,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made.
- iv) There is at present no other component of remuneration to non-executive directors.

The details of remuneration to all the Directors for the year 2009-10 are as follows:

i) Non Executive Directors (sitting fee only)	(in Rupees)
Mr. E. Ella Reddy	80000
Mr. T. N. Chaturvedi	120000
Mr. T. R. C. Bose	140000
Mr. P. R. Tripathi	220000
Dr. S. K. Gupta	60000
Dr. L Srinivasa Reddy	60000
TOTAL	<u>680000</u>

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

(Rs. in millions)

Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	14.98	166.84	181.82
Mr. R. Balarami Reddy Executive Director-Finance & Group CFO	4.31	—	4.31
Mr. K. Ashok Reddy Executive Director	4.27	—	4.27
TOTAL	23.56	166.84	190.40

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

Two meetings of the Investor Grievances Committee were held on 29th May, 2009 and 28th January, 2010

Name of the Director	No. of meetings attended
Mr. P.R. Tripathi – Chairman	2
Mr. E. Sudhir Reddy	2
Mr. R.Balarami Reddy	2

During the year, the Company received 37 complaints and all the complaints were resolved to the satisfaction of the Investors.

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

- A The Committee consists of Mr. T.N . Chaturvedi, Chairman, 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.
- C. Meetings & Attendance

One meeting of the Regulatory Committee meeting was held on 29th May, 2009.

Name of the Director	No. of meetings attended
Mr. T.N. Chaturvedi	1
Mr. E. Sudhir Reddy	1
Mr. R.Balarami Reddy	1

7. EXECUTIVE COMMITTEE:

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

Members:

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

The Executive Committee met 209 times during the year.

8. GENERAL BODY MEETINGS:**A. Details of location and time of holding the last three AGMs.**

Year	Location	Date & Time
20 th AGM – 2007	Hotel Fortune Katriya, Somajiguda, Hyderabad	At 4.00 pm on September 7, 2007
21 st AGM – 2008	Prime Club House, Hill Ridge Springs, Gachibowli, Hyderabad	At 4.00 pm on September 15, 2008
22 nd AGM - 2009	Hotel Fortune Katriya, Somajiguda, Hyderabad	At 11.30 am on September 9, 2009

The following special resolutions were passed at the 20th Annual General Meeting of the Members of the Company held on 7th September, 2007:

- a) To re-appoint Mr. R. Balarami Reddy as Whole-time Director and fix his remuneration
- b) To re-appoint Mr. K. Ashok Reddy as Whole-time Director and fix his remuneration
- c) To consider increase in the borrowing powers of the Company from Rs.37,500 millions to Rs.50,000 Millions
- d) To approve the new lines of activity and seek amendments to objects clause of the Memorandum of Association of the Company
- e) To consider the Employees Stock Option Scheme (ESOP-2007)

The following special resolution was passed at the 21st Annual General Meeting of the Members of the Company held on 15th September, 2008:

- a) Evaluation of options on the basis of intrinsic value in place of the fair value.

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

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

An Extraordinary General Meeting was conducted during the year seeking approval of shareholder for;

- a) Increase of Authorised Share Capital
- b) Amendment to the Memorandum and Articles of Association
- c) Issue of Bonus Shares in the ratio of 1:1

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

9 DISCLOSURES:

- (i) There has been no materially significant related party transactions with the Company Promoters, Directors, the Management, the subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large. Whatever such transactions are there were disclosed in the accounts along with the financial impact of the same.
- (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's financial statements are prepared as per Accounting Standards and the accounting principles generally accepted in India.
- (iv) There is no pecuniary relationship or transaction with the Non-Executive Directors.
- (v) 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 (India) 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.

- (vi) 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. 23rd Annual General Meeting
- Date and Time 18th September, 2010 at 12.30 p.m.
 - Venue Hotel Fortune Katriya, Somajiguda, Hyderabad
- b. Financial Calendar (tentative)
- Year ended March 31, 2010
 - Un-audited financial results for the quarter ending June 30, 2010 Will be published in August, 2010
 - Un-audited/audited results for the quarter / half-year ending September 30, 2010 Will be published in November, 2010
 - Un-audited results for the quarter ending December 31, 2010 Will be published in February, 2011
 - Audited results for the year ending March 31, 2011 Will be published in May, 2011
- c. Book Closure: From 10th September, 2010 to 18th September, 2010 (Both days inclusive)
- d. Dividend payment date Will commence from 05th October, 2010
- e. The equity shares of the Company are listed on
- (i) Bombay Stock Exchange(BSE)
 - (ii) National Stock Exchange of India Limited (NSE)
- f. Stock Code:
- i) Trading Symbol at The Stock Exchange, Mumbai
Scrip Code: 530773
National Stock Exchange
IVRCLINFRA EQ
 - ii) Demat ISIN Numbers in NSDL & CDSL
Equity Shares INE875A01025
Debentures INE875A07014, INE875A07022
INE875A08012

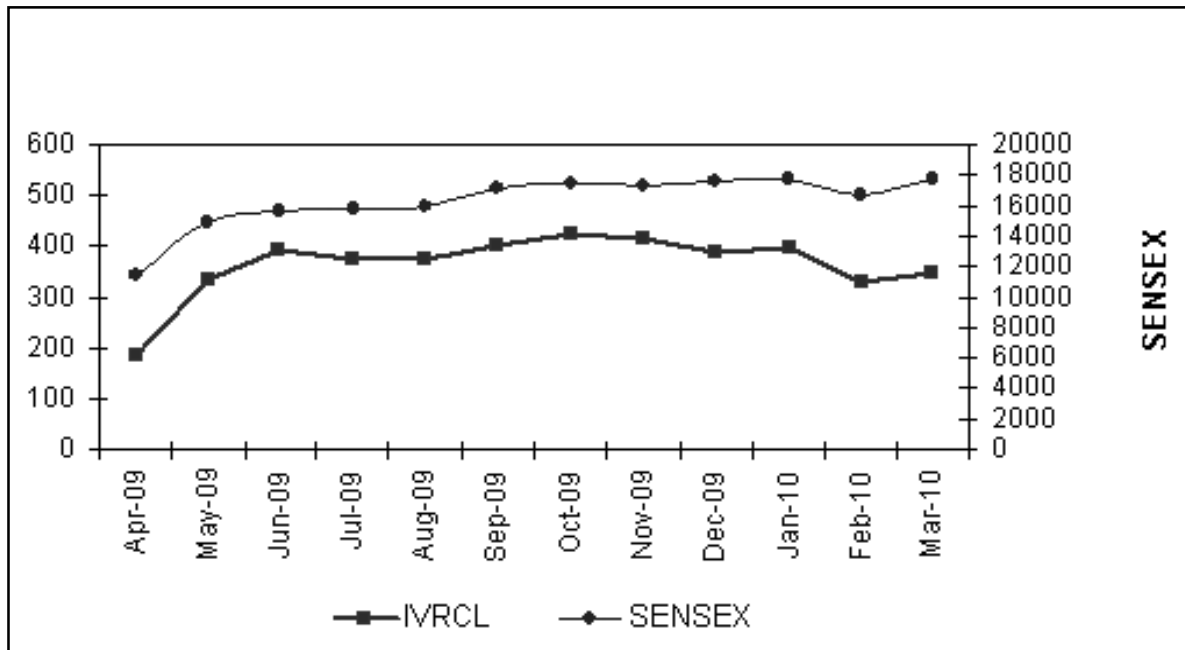
Listing fees as prescribed have been paid fully to all the stock exchanges where the shares of the company are listed

g. Stock Market Data :

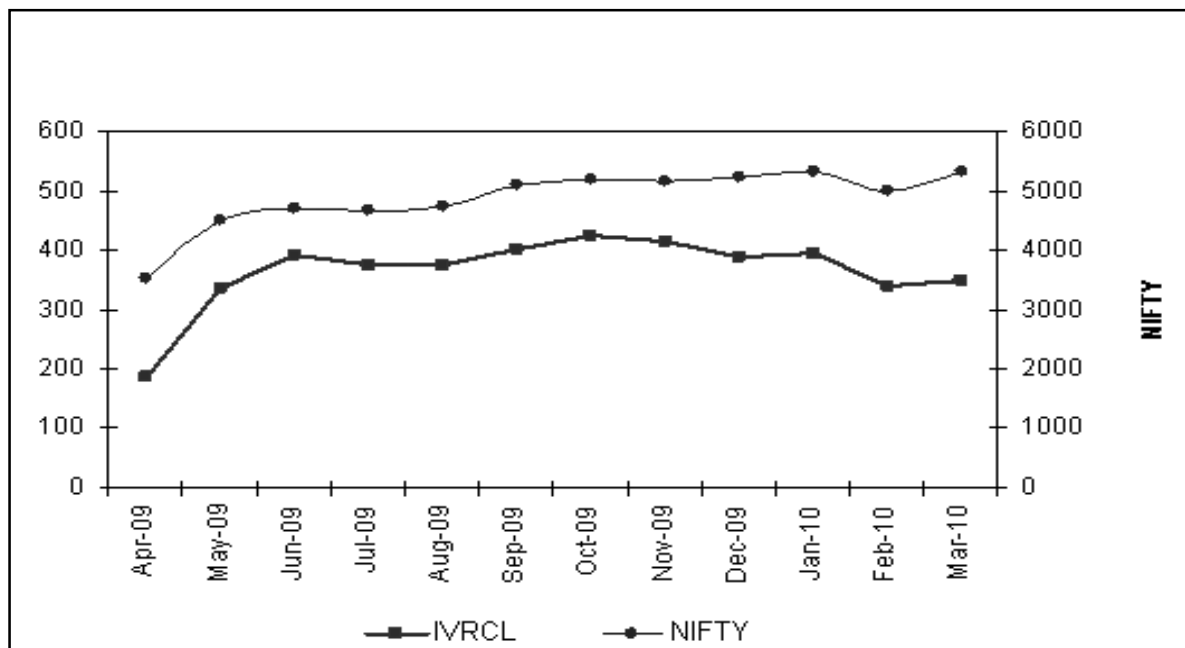
Month	The Stock Exchange, Mumbai				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
April -09	187.20	122.05	11492.10	9546.29	187.00	122.20	3517.25	2965.70
May- 09	333.85	145.00	14930.54	11621.30	334.90	144.30	4509.40	3478.70
June-09	392.00	282.50	15600.30	14016.95	392.40	282.50	4693.20	4143.75
July -09	374.60	286.30	15732.81	13219.99	374.50	286.00	4669.75	3918.75
Aug- 09	376.30	294.00	16002.46	14684.45	376.00	294.30	4743.75	4353.45
Sep-09	400.90	331.00	17142.52	15356.72	401.70	330.80	5087.60	4576.60
Oct-09	424.80	336.00	17493.17	15805.20	425.00	335.00	5181.95	4687.50
Nov-09	414.80	333.30	17290.48	15330.56	414.60	334.00	5138.00	4538.50
Dec-09	387.00	333.25	17530.94	16577.78	387.45	334.00	5221.85	4943.95
Jan-10	395.80	292.25	17790.33	15982.08	395.70	292.00	5310.85	4766.00
Feb-10	330.90	300.00	16669.25	15651.99	338.70	300.30	4992.00	4675.40
Mar-10	347.30	158.60*	17793.01	16438.45	347.40	158.60*	5329.55	4935.35

* After 1:1 Bonus

Share Price movement of IVRCL visa-a-vis SENSEX



Share Price movement of IVRCL visa-a-vis NIFTY



- h. Registrar and Transfer Agents ;**
M/s. Karvy ComputerShare Private Limited
17-24, Vithal Rao Nagar, Madhapur,
Hyderabad - 500 081.

i. Share Transfer System

Application for transfer of shares held in physical form is received at the office of the Registrars & Share Transfer Agents of the Company. Share Transfer Committee approves valid transfer 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 31.03.2010

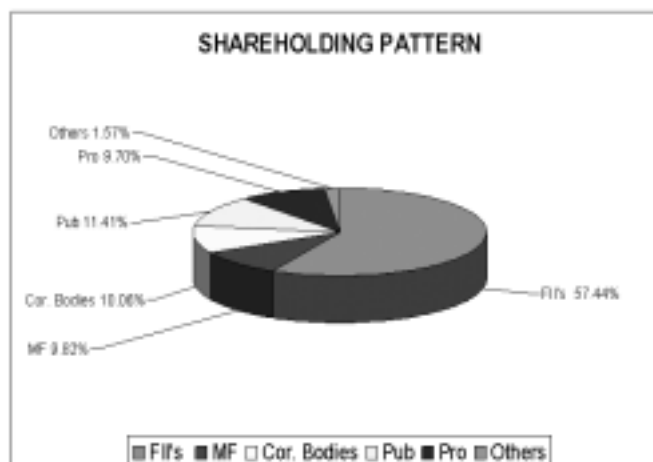
Category (Amount)	Shareholders		Amounts	
	Number	% to Total	Number	% to Total
Upto – 5000	90276	97.93%	17691883	6.63%
5001 - 10000	870	0.94%	3191667	1.20%
10001 – 20000	420	0.46%	3120090	1.17%
20001 – 30000	100	0.11%	1261685	0.47%
30001 – 40000	85	0.09%	1530631	0.57%
40001 – 50000	34	0.04%	783137	0.29%
50001 – 100000	115	0.12%	4245540	1.59%
100001 and above	285	0.31%	235185225	88.08%
TOTAL	92185	100%	267009858	100%

ii. Capital Build Up during the financial year

Particulars	Nature of Allotment	No. of shares of the face value of Rs.2/- each	Aggregating to Rs.	Date of the listing and trading permission
Capital at the beginning of the year		133,504,929	267,009,858	N/A
Allotments made during the year: 20.03.2010	Bonus Shares	133,504,929	267,009,858	NSE :23.03.2010 BSE :23.03.2010
Capital at the end of the year		267,009,858	534,019,716	

iii. Shareholding pattern as on 31.3.2010

Category	Total No. of Shares	Percentage of shareholding
Promoter's Holding		
Indian Promoters	25892184	9.70
Non Promoter Holding		
Institutional Investors		
Mutual Funds	26227971	9.82
Financial Institutions / Banks / Insurance		
Companies	1932114	0.72
Foreign Institutional Investors	153375252	57.44
Sub Total	181535337	67.98
Others		
Private Corporate Bodies	26850270	10.06
Indian Public	30462710	11.41
Non Resident Indian	1402189	0.53
Others	867168	0.32
Sub Total	59582337	22.32
Total	267009858	100.00


iv. Instruments outstanding as on 31 March, 2010 and are liable for conversion into shares :
FCCB Issue :

During the financial year 2005- 2006, the company raised US \$ 65.00 million through issue of Foreign Currency Convertible Bonds viz., Zero Coupon Convertible Bonds due 2010 (ZCCB due 2010) and listed the bonds on Singapore Stock Exchange. The bonds are convertible into company's equity shares at an agreed exercise price of Rs.234.03 per share of Rs.2/- each considering an exchange rate of Rs.45.84 per dollar. Pursuant to the Bonus issue made during the year the exercise price of the bonds has been valued to Rs. 117.015/- per share of Rs.2/- each. The bonds of the value of US \$ 57.40 million were converted into 11243024 shares leaving a balance of 1488635 shares. As a result of these conversions, the share capital has increased by Rs. 22486048. There were no conversions during the financial year 2009-2010. In case the bonds are not converted into equity shares on or before conversion date, repayment for the bonds shall be made together with interest as per the terms of the FCCB issue.

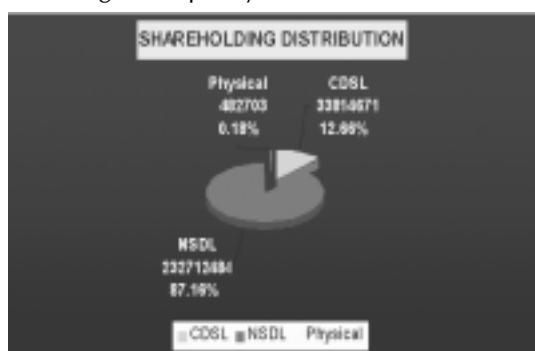
IVRCL ESOP 2007

The shareholders of the company, in the 20th Annual General Meeting held on 7th September 2007 (as amended in the 22nd AGM held on 9th September 2009) approved to issue upto 4,200,000 options convertible into 4,200,000 equity shares of nominal value of Rs.2/- each at one option liable to be converted into one share of Rs.2/- each at a price which is 50% of the closing price recorded on National Stock Exchange of India Limited on the date of the such grant on such terms as may be specified by the Board of Directors of the company. The Company has not granted any options out of IVRCL ESOP 2007 scheme to any employee, as on date.

k. Dematerialization of shares and liquidity:

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

99.82 percent of the shareholdings have been dematerialized as on 31.03.2010. Shares of the Company are actively traded in The Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, and hence have good liquidity.



During the year, the Company received 37 complaints and all the complaints were resolved to the satisfaction of the Investors

l Implementation of NECS by RBI

Reserve Bank of India vide its circular date July 29, 2009 had instructed banks to move to the NECS Platform for centralised processing of inward instructions and handling bulk transactions w.e.f October 1, 2009. Shareholders holding shares in demat mode are instructed to instruct their depository participant to take note of new account number allotted by their bankers which have implemented the Core Banking System. Shareholders holding shares in physical mode can send the details of their bank account to the Company's Registrar and Transfer Agent.

m 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) and Bombay Stock Exchange Limited (BSE).

n Debenture Trustee (for Privately placed debentures)

IDBI Trusteeship Services Limited

Ground Floor, Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

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 & 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 financial year 2009-10:

E.Sudhir Reddy
Chairman & Managing Director

p **Address for Correspondence:**

Investor's Correspondence :
 Physical / Electronic Mode :
 M/s. Karvy Computershare (P) Ltd.
 Plot No. 17-24, Vithal Rao Nagar,
 Madhapur, Hyderabad - 500 081.

Shareholders General Correspondence
"IVRCL Infrastructures & Projects Ltd"
"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 Head Office at M-22/3RT, Vijayanagar Colony, Hyderabad-500 057 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</p> | <p>(ii) Bangalore
 'Prosperity', No. 438, 1st Floor
 18th Main, 6th Block, Koramangala,
 Bangalore - 560 095.</p> |
| <p>(iii) Bilaspur :
 R N Patil House,
 Sparsh Beauty Parlour
 Rajiv Vihar, Raj Kishore Nagar,
 Bilaspur (C.G.) - 495 006</p> | <p>(iv) Chennai :
 No. 30A, South Phase, 6th Cross Road
 ThiruviKa, Industrial Estate, Guindy
 Chennai - 600097</p> |
| <p>(v) Cochin:
 No.VII/719D, Plot # 180, Mavelipuram
 Colony, Kakkanadu, Cochin – 682 030</p> | <p>(vi) Delhi :
 COREANTHUM , A-41, Tower – B, 1st Floor
 LOBE – 4, Sector - 62 Noida - 201 307</p> |
| <p>(vii) Jaipur:
 # 708, Maruthi Marg
 Hanuman Nagar Extn, Sirsi Road
 Jaipur - 302 012</p> | <p>(viii) Kolkata
 3A, Hindustan Road
 2nd Floor, Garia Hat, Opp. Murilidar
 Girls School, Kolkata - 700 029</p> |
| <p>(ix) Lucknow:
 2/310, Vishal Khand
 Gomti Nagar
 Lucknow - 226 010</p> | <p>(x) Patna :
 H.No.14, Flat # A1, Kamta Sadan
 Apartment, Kamta Singh Kam Lane,
 East Boring Canal Road,
 Patna - 800 001</p> |
| <p>(xi) Pune:
 "IVRCL" House", 35
 Suyojana CHS, Koregaon Park, Pune - 411 001</p> | <p>(xii) Ranchi
 Vidyalaya 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</p> | |

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF IVRCL INFRASTRUCTURES & PROJECTS LIMITED

We have examined the compliance of conditions of Corporate Governance by IVRCL Infrastructures & Projects Limited, for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 abovementioned 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

Hyderabad
 May 29, 2010

R N CHATURVEDI
 Partner
 Membership No.92087

AUDITORS' REPORT

To the Members of
IVRCL Infrastructures & Projects Limited

1. We have audited the attached Balance Sheet of IVRCL Infrastructures & Projects Limited ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, in which are incorporated the unaudited Returns from Dubai Branch. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is invited to Note B-27 of Schedule 19 forming part of the financial statements. The Company's branch accounts have not been audited by virtue of an exemption provided under rule 3 of Companies (Branch Audit Exemption) Rules, 1961. Accordingly, the branch returns incorporated in the financial statements of the Company are as certified by the Management.
5. Attention is invited to Note B-9 of Schedule 19 forming part of the financial statements regarding the Company's claim for the benefit of Rs. 1,409.03 million and in respect of which no provision had been made in the previous year as the matter was under appeal. During the year, necessary provision has been made by transfer from the Special Reserve account, as the tax relief available to the Company was withdrawn with retrospective effect.
6. Further to our comments in the Annexure referred to in paragraph 3 above, 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;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and the unaudited Branch Returns;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
7. On the basis of the written representations received from the Directors as on March 31, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

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

Hyderabad, May 29, 2010

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

K. Rajasekhar
Partner
(Membership No. 23341)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities, clauses (viii), (x), (xii), (xiii), (xiv) and (xviii) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the 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 inventory:
 - (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 explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted loans aggregating Rs. 337.24 million to two parties during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 828.19 million and the maximum amount involved during the year was Rs. 828.19 million.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - (c) In accordance with the terms of the loan, the principal, along with interest thereon is receivable in five annual instalments after a moratorium of five years. Accordingly no receipt of principal or interest was due during the 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, paragraphs (iii) (e), (f) and (g) of CARO are not applicable.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions (other than the loans reported under paragraph (iv) above) have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except for certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provision of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956 except for a delay in filing the annual return for the year ending March 31, 2009, required under Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2010 on account of disputes are given below:

Statute	Nature of dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. Million)
Andhra Pradesh General Sales Tax Act 1957	Sales Tax	Sales Tax Appellate Tribunal	2003- 2005	2.86
Andhra Pradesh Tax on entry of Motor Vehicles Act, 1996	Entry Tax	Sales Tax Appellate Tribunal	2001-2002	0.83
Central Sales Tax Act 1956	Sales Tax	The Appellate Deputy Commissioner	2005-2008	9.34
		Joint Commissioner of Commercial Tax, Appeals	2006-2007	25.23
Gujarat Sales Tax Act	Sales Tax	Deputy Commissioner of Commercial Tax Appeals	2004-2005	3.82
Kerala General Sales Tax Act	Sales Tax	Sales Tax Appellate Tribunal Deputy Commissioner, Appeals	1999-2001	2.42
			2001-2002	0.34

Statute	Nature of dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (Rs. Million)
Value Added Tax Laws	Value Added Tax	Deputy Commissioner Appeals	2005-2006	1.22
		The Joint Commissioner, Appeals	2005-2007	4.34
		The Joint Excise & Taxation Commissioner, Appeals	2004-2005	28.24
		Sales Tax Appellate Tribunal	2006-2007	0.70
Finance Act 1994	Service Tax	Central Excise and Service Tax Appellate	2005-2009	412.39
		Commissioner Appeals	2005-2010	1,230.23
		Joint Commissioner Appeals	2007-2008	5.65

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xi) 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.
- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xiv) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1,200 non convertible debentures of Rs. 1,000,000 each and has created security in respect of 1,050 debentures.
- (xv) The Management has disclosed in note B-22 of schedule 19 to the financial statements the end use of money raised by public issues in the previous years and we have verified the same.
- (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
(Registration No. 307068E)

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

R. N. Chaturvedi
Partner
(Membership No. 092087)
Hyderabad, May 29, 2010

K. Rajasekhar
Partner
(Membership No. 23341)

Balance Sheet as at March 31, 2010

(Rs. in million)

	Schedules/ Notes		As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	1	534.02	267.01	
Reserves and Surplus	2	17,998.57	17,838.76	
			18,532.59	18,105.77
Loan Funds				
Secured Loans	3	12,688.05	10,184.82	
Unsecured Loans	4	3,445.18	3,795.43	
			16,133.23	13,980.25
Deferred Tax Liability (Net)	Note-B - 5 of sch-19		124.77	117.41
			34,790.59	32,203.43
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	7,501.77	6,623.50	
Less: Depreciation		1,837.83	1,416.53	
Net Block		5,663.94	5,206.97	
Capital work-in-progress {Including Capital Advances aggregating to Rs.171.11 million (Rs.189.24 million)}		353.21	195.51	
			6,017.15	5,402.48
Investments	6		6,137.96	3,892.03
Current Assets, Loans and Advances				
Inventories	7	2,446.76	2,093.49	
Sundry Debtors	8	19,445.24	13,430.21	
Cash and Bank Balances	9	1,643.62	1,008.68	
Other Current Assets	10	16,863.51	14,292.51	
Loans and Advances	11	6,605.80	9,318.73	
			47,004.93	40,143.62
Less: Current Liabilities and Provisions				
Current Liabilities	12	23,924.16	16,795.14	
Provisions	13	445.29	439.56	
			24,369.45	17,234.70
Net Current Assets			22,635.48	22,908.92
			34,790.59	32,203.43
Significant Accounting Policies and Notes on Accounts	19			

The Schedules referred to above form an integral part of the Balance Sheet
As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K.RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : May 29, 2010

B. SUBRAHMANYAM
Company Secretary

Profit and Loss Account for the Year ended March 31, 2010
(Rs. in million)

	Schedules/ Notes		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Income					
Income from Operations	14		54,944.22		49,830.92
Less : Excise Duty			21.44		26.55
Net Income from Operations			54,922.78		49,804.37
Other Income	15		155.06		299.13
			55,077.84		50,103.50
Expenditure					
Construction and Manufacturing Expenses	16		46,281.02		42,757.64
Administration and Other Expenses	17		3,329.05		2,828.91
Interest and Financial Charges	18		1,636.56		1,306.14
Depreciation / Amortisation		542.88		473.09	
Less : Transferred to Revaluation Reserve		0.04	542.84	0.04	473.05
			51,789.47		47,365.74
Profit Before Tax			3,288.37		2,737.76
Provision for Taxation:					
Current Tax (Includes Rs.14.33 million (net) (Rs. 19.39 million) for prior year)			1,169.85		445.80
Deferred Tax			7.36		14.32
Fringe Benefit Tax			-		17.95
Profit Before earlier Years' Tax			2,111.16		2,259.69
Less : Earlier Years' Tax	Note-B-9 of sch-19		1,409.03		-
Profit After earlier Years' Tax			702.13		2,259.69
Add : Transferred from Special Reserve	Note-B-9 of sch-19		1,411.00		-
Profit After Tax			2,113.13		2,259.69
Balance brought forward from previous year			3,082.03		2,086.88
Available for appropriation			5,195.16		4,346.57
Appropriations					
Proposed Dividend			213.61		186.91
Corporate Dividend Tax Current Year			36.30		31.76
Earlier year's provision no longer required			-		(29.13)
Transfer to General Reserve			500.00		600.00
Transfer to Special Reserve			-		375.00
Transfer to Debenture Redemption Reserve			315.29		100.00
Balance carried to Balance Sheet			4,129.96		3,082.03
Earnings per share of face value Rs.2 each					
Basic EPS before earlier years' tax (Rs.)	Note-B-7 of Sch-19		7.91		8.46
Basic EPS after earlier years' tax (Rs.)			2.63		8.46
Diluted EPS before earlier years' tax (Rs.)			7.71		8.46
Diluted EPS after earlier years' tax (Rs.)			2.49		8.46
Significant Accounting Policies and Notes on Accounts	19				

The Schedule referred to above form an integral part of the Profit and Loss Account.

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K.RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : May 29, 2010

B. SUBRAHMANYAM
Company Secretary

Cash Flow Statement for the Year ended March 31, 2010

(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
A. Cash flow from operating activities				
Profit Before Tax		3,288.37		2,737.76
Adjustment for:				
Depreciation	542.84		473.05	
Dividend received on investments	(19.86)		(171.46)	
Loss on sale of fixed assets	19.85		10.53	
Loss on sale of Investments	-		0.07	
Provision for doubtful amounts & bad debts written off	382.75		61.44	
Liabilities no longer required written back	(47.59)		(25.50)	
Employees Compensation expenses under ESOP	-		1.11	
(Gain)/ Loss on Foreign exchange translation	(44.27)		80.72	
Interest Income	(483.74)		(674.18)	
Interest Expense	1,931.61	2,281.59	1,635.82	1,391.60
Operating Profit before working capital changes		5,569.96		4,129.36
Increase in Inventories	(353.27)		(150.10)	
Increase in Debtors	(6,379.45)		(5,150.04)	
Increase in Other Current Assets	(2,575.67)		(3,539.02)	
Increase in Loans and Advances	(263.81)		(410.74)	
Increase in Current Liabilities	7,091.92	(2,480.28)	6,335.61	(2,914.29)
Cash generated from operations		3,089.68		1,215.07
Direct Taxes paid		(1,292.92)		(1,018.34)
Net Cash generated from operations		1,796.76		196.73
B. Cash flow from investing activities				
Purchase of Fixed Assets	(1,208.58)		(2,187.63)	
Sale of Fixed Assets	13.07		34.34	
Sale of Investments	70.10		0.49	
Purchase of Investments in Subsidiaries {Refer Note B-4(b) of Schedule19}	(1,123.30)		(483.52)	
Loans to Subsidiaries	495.83		(574.73)	
Net proceeds from / (Investments in) Bank fixed deposits	(35.07)		494.47	
Interest Received	490.41		675.88	
Dividend received on long term Investments	19.86		171.46	
Net cash used in investing activities		(1,277.68)		(1,869.24)
C. Cash flow from financing activities				
Proceeds from issue of Share Capital	-		0.03	
Proceeds from issue of Debentures	1,050.00		2,000.00	
Proceeds from Long Term Borrowings	292.81		6,556.00	
Repayment of Long Term Borrowings	(272.95)		(6,541.88)	
Proceeds from Short Term Borrowings (net of repayments)	1,129.29		1,206.69	

(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Interest and Finance Charges Paid	(1,903.56)		(1,627.60)	
Dividends Paid (including dividend distribution tax)	(214.70)		(188.95)	
Net cash generated from financing activities		80.89		1,404.29
Net increase / (decrease) in cash and cash equivalents (A+B+C)		599.97		(268.22)
Cash and cash equivalents at the beginning of the year		945.26		1,213.48
Foreign Exchange Translation adjustment		(0.10)		-
Cash and cash equivalents at the end of the year		1,545.13		945.26

Notes :

1. Cash and Cash equivalents includes:

		As at 31.03.2010		As at 31.03.2009
a) Cash and Cheques on Hand		18.04		80.51
b) Balances with Scheduled Banks				
1. In Current Accounts		1,427.09		664.75
2. In Fixed Deposit Accounts				
- Margin Money	6.08		4.21	
- Others	192.41		259.21	
		198.49		263.42
Cash and Bank Balance		1,643.62		1,008.68
Less : Fixed Deposits with maturity more than 3 months		98.49		63.42
		1,545.13		945.26

2. Bank balance includes restricted amount of Rs. 2.81 million (Rs. 2.21 million) towards unclaimed dividend.
3. The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements as notified in the Companies (Accounting Standards) Rules, 2006.
4. Previous year's figures have been regrouped, wherever necessary

For CHATURVEDI & PARTNERS
Chartered Accountants

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K.RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : May 29, 2010

B. SUBRAHMANYAM
Company Secretary

Schedules forming part of the Balance Sheet

(Rs. in million)

		As At 31.03.2010		As At 31.03.2009
Schedule - 1				
Capital				
Authorised				
275,000,000 (175,000,000) Equity shares of Rs.2 each		550.00		350.00
25,000,000 (25,000,000) Preference shares of Rs.2 each		50.00		50.00
		600.00		400.00
Issued, Subscribed and Paid up				
267,009,858 (133,504,929) Equity shares of Rs. 2 each fully paid up {Of the above, following were allotted as fully paid bonus shares		534.02		267.01
a) 18,660,500 shares of Rs.2 each (in 1999-2000) represents after subdivision of 3,732,100 shares of the face value of Rs. 10 each by utilisation of Rs.37.32 million from General Reserve				
b) 133,504,929 of Rs.2 each (in 2009-2010) by utilising Rs.267.01 million from General Reserve}		534.02		267.01
Schedule - 2				
Reserves and Surplus				
Capital Reserve		0.09		0.09
Securities Premium Account – At the Commencement of the year	10,602.83		10,622.79	
Add : Additions during the year on account of exercise of employee stock options	-		5.30	
Less: Provision towards redemption premium on FCCB of US \$ 7.60 million (US \$ 7.60 million)	(25.26)	10,577.57	(25.26)	10,602.83
Revaluation Reserve – At the Commencement of the year	28.45		28.49	
Less : Depreciation on revalued portion of assets	(0.04)	28.41	(0.04)	28.45
General Reserve – At the Commencement of the year	2,614.36		2,014.36	
Add : Transfer from Profit and Loss Account	500.00		600.00	
Less : Amount utilised for issue of fully paid-up bonus shares	(267.01)	2,847.35	-	2,614.36
Special Reserve – At the Commencement of the year	1,411.00		1,036.00	
Add / (Less) : Transfer from / to Profit and Loss Account {Refer Note B - 9 of Schedule 19}	(1,411.00)		375.00	
Debt Redemption Reserve - At the Commencement of the year	100.00		-	
Add : Transfer from Profit and Loss Account	315.29	415.29	100.00	100.00
Foreign Exchange Translation Reserve		(0.10)		-
Profit and Loss Account		4,129.96		3,082.03
		17,998.57		17,838.76
Schedule - 3				
Secured Loans				
Debentures				
12.15% Redeemable, Non-Convertible Debentures	2,000.00		2,000.00	
8.85% Redeemable, Non-Convertible Debentures	1,050.00		-	
{Refer Note B - 2(a) of Schedule 19}		3,050.00		2,000.00
Term Loans				
From Banks	504.61		486.64	
Earth Moving Equipment and Vehicle Loans				
- From Banks	19.15		34.28	
- From Others	11.61		18.48	
		535.37		539.40
Working Capital Loans				
Working Capital Demand Loans from consortium of Banks	7,449.02		5,718.57	
Project - Specific Working Capital Loans from Banks	1,653.66		1,926.85	
		9,102.68		7,645.42
		12,688.05		10,184.82

Schedules forming part of the Balance Sheet

Notes

1. Term Loans

Secured by way of first charge and hypothecation of specific machinery and equipment purchased. Repayable within one year Rs. 215.27 million (Rs. 212.14 million).

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

Secured by first charge and hypothecation of specified machinery, equipment and vehicles. Repayable within one year Rs.21.09 million (Rs.25.80 million).

3. Working Capital Demand Loan from Consortium Banks

a) Secured by hypothecation of book debts, inventories and other current assets, excluding those charged to lenders of specific-funding projects and certain Plant & Machinery and equipment valuing Rs.228.95 million and Rs.39.85 million not charged to other lenders and Mortgage of Lands and Flats owned by the Company ranking pari-passu among the consortium banks valuing Rs.126.50 million and lien of the Fixed Deposit of Rs. 4.20 million.

b) Commercial Papers outstanding of Rs. 3,200 million (Rs. 1,000 million) as on March 31, 2010 is repayable within one year. The maximum amount outstanding during the current year was Rs. 4,500 million (Rs. 2,500 million).

4. Project Specific Working Capital Loan from Banks

a) Secured by hypothecation of book-debts, inventory and other current assets relating to Indira Sagar Project financed by the Karur Vysya Bank Ltd, for a sum of Rs.65.45 million (Rs.198.08 million).

b) Secured by hypothecation of book-debts, inventory and other current assets relating to ONGC - Dahej Project financed by the Syndicate Bank for a sum of Rs.0.29 million (Rs.987.36 million).

c) Secured by hypothecation of total assets relating to TLT Factory - Nagpur financed by the IDBI Bank for a sum of Rs.61.72 million (Rs.18.90 million)

d) Secured by Subservient charge on the current assets of the company financed by the Indus Ind Bank for a sum of Rs.Nil (Rs.250.00 million)

e) Secured by hypothecation of book-debts, and inventory relating to BMTC Yeshwanthpura Project for a sum of Rs. 155.00 million (Rs.155.00 million) financed by the Karur Vysya Bank Ltd.

f) Secured by hypothecation of book-debts and inventory relating to TATA Cummins Project, for a sum of Rs.35.83 million (Rs.107.50 million) financed by the Karur Vysya Bank Ltd.

g) Secured by hypothecation of book-debts and inventory relating to CIDCO Exhibition Project, for a sum of Rs.210.00 million (Rs.210.00 million) financed by the Karur Vysya Bank Ltd.

h) Secured by hypothecation of book-debts and inventory relating to BMRCL-Ulsoor & Appanahalli Project for a sum of Rs.14.17 million (Rs.Nil) financed by the Syndicate Bank.

i) Secured by hypothecation of book-debts and inventory relating to BMRCL-Jayanagar Project for a sum of Rs.17.89 million (Rs.Nil) financed by the Syndicate Bank.

j) Secured by hypothecation of book-debts and inventory relating to Punasa Lift Irrigation Project for a sum of Rs.108.95 million (Rs.Nil) financed by the Andhra Bank.

k) Secured by hypothecation of book-debts and inventory relating to Guru Gobind Refinery Project for a sum of Rs.136.85 million (Rs.Nil) financed by the Andhra Bank.

l) Secured by hypothecation of book-debts and inventory relating to CGPL -Mundra Project for a sum of Rs.37.42 million (Rs.Nil) financed by the Syndicate Bank.

m) Secured by hypothecation of book-debts and inventory relating to Lower Goi Project for a sum of Rs.281.00 million (Rs.Nil) financed by the Punjab & Sind Bank.

n) Secured by hypothecation of book-debts and inventory relating to PGCIL-Seoni-Nandanwadi Project for a sum of Rs.186.00 million (Rs.Nil) financed by the Punjab & Sind Bank.

o) Secured by hypothecation of book-debts and inventory relating to PHED-Buxar, Maner & Bidupur Project for a sum of Rs.71.52 million (Rs.Nil) financed by the Indusind Bank.

p) Secured by hypothecation of book-debts and inventory relating to Naya Raipur Development Authority Project for a sum of Rs.271.57 million (Rs.Nil) financed by the HDFC Bank.

Schedules forming part of the Balance Sheet*(Rs. in million)*

	As At 31.03.2010	As At 31.03.2009
Schedule - 4		
Unsecured Loans		
8.75% Redeemable, Non-Convertible Debentures {Refer Note B - 2(b) of Schedule 19}	150.00	-
Short Term Loans		
- From Banks	2,953.97	3,409.94
Foreign Currency Convertible Bonds { Refer Note B - 3 of Schedule 19 }	341.21	385.49
	3,445.18	3,795.43

Note : Amounts repayable within one year Rs.3,445.18 million (3,409.94 million)

Schedules forming part of the Balance Sheet

SCHEDULE - 5 FIXED ASSETS

(Rs. in million)

Particulars	Gross Block at Cost/Revaluation			Depreciation			Net Block		
	As at 01.04.2009	Additions	Deletions/ Adjustments	As at 31.03.2010	For the Year	Deletions/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land - Free hold	343.54	1.27	1.09	343.72	-	-	-	343.72	343.54
Land - Lease hold	17.76	-	-	17.76	0.18	-	0.84	16.92	17.10
Buildings	726.09	62.10	55.77	732.42	48.65	48.01	195.99	536.43	530.74
Plant & Machinery	4,334.47	786.00	80.35	5,040.12	363.72	44.97	1,171.15	3,868.97	3,482.07
Motor Vehicles	830.74	141.89	17.32	955.31	90.05	11.73	302.93	652.38	606.13
Furniture	112.08	19.37	4.69	126.76	13.32	4.19	51.70	75.06	69.51
Office Equipment	110.54	19.09	1.92	127.71	8.42	1.58	35.66	92.05	81.72
Computers	148.28	21.19	11.50	157.97	18.54	11.10	79.56	78.41	76.16
TOTAL	6,623.50	1,050.91	172.64	7,501.77	542.88	121.58	1,837.83	5,663.94	5,206.97
	(4,175.96)	(2,532.98)	(85.44)	(6,623.50)	(473.09)	(40.58)	(1,416.53)	(5,206.97)	(3,191.94)

NOTE:

1. Land-Freehold includes Rs. 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
2. Land-Freehold includes Rs. 50.66 million, for which transfer of Title in favour of the Company is pending
3. Buildings includes Rs.2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
4. Adjustments include an amount of Rs.18.10 million towards Cenvat / VAT deducted from cost of assets.

Schedules forming part of the Balance Sheet

(Rs. in million)

			As At 31.03.2010	As At 31.03.2009
Schedule - 6				
Investments				
	<i>Nature of Shares</i>	<i>No. of Shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified</i>		
Long Term Investments				
<i>(At cost less provision for diminution in value)</i>				
A. Trade Investments				
In Subsidiary Companies				
Quoted				
Hindustan Dorr -Oliver Limited (Face Value of Rs. 2 each) (100,618 shares purchased during the year) (19,902,215 bonus shares received during the year)	Equity	39,804,430 (19,801,597)	657.53	642.15
IVRCL Assets & Holdings Limited (formerly IVR-Prime Urban Developers Limited) {Refer Note B - 4(a) of Schedule 19}	Equity	99,463,577 (40,000,005)	4,921.25	400.22
Unquoted				
IVRCL PSC Pipes Private Limited	Equity	167,000 (167,000)	1.67	1.67
IVR Enviro Projects Private Limited	Equity	2,924,550 (2,924,550)	29.25	29.25
Chennai Water Desalination Limited	Equity	50,000 (50,000)	0.50	0.50
IVRCL Water Infrastructure Limited {Refer Note B - 4(a) of Schedule 19}		- (19,281,465)	-	853.55
Salem Tollways Limited	Equity	50,000 (50,000)	0.50	0.50
Kumarapalyam Tollways Limited	Equity	50,000 (50,000)	0.50	0.50
IVRCL Steel Constructions & Services Limited	Equity	50,000 (50,000)	0.50	0.50
IVR Strategic Resources & Services Limited {Refer Note B - 4(a) of Schedule 19}		- (42,718,600)	-	1,868.02
Jalandar Amritsar Tollways Limited	Equity	50,000 (50,000)	0.50	0.50
Alkor Petroo Limited (Sold during the year)	Equity	- (5,625,000)	-	70.10
IVRCL Indore Gujarat Tollways Limited (Subscribed during the year)	Equity	50,000 (-)	0.50	-
IVRCL Chengapalli Tollways Limited (Subscribed during the year)	Equity	50,000 (-)	0.50	-
IVRCL Holdings & Services Pte Limited (Subscribed during the year) (Face Value of SGD 1)	Equity	1 (-)	-	-
Salem Tollways Limited (7% Cumulative Redeemable Preference Shares of Face Value of Rs.100 each) (Subscribed during the year) {Refer Note B - 4(b) of Schedule 19}	Preference	5,000,000 (-)	500.00	-

Schedules forming part of the Balance Sheet

(Rs. in million)

			As At 31.03.2010	As At 31.03.2009
Schedule - 6				
Investments (Contd...)	<i>Nature of Shares</i>	<i>No. of Shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified</i>		
<i>In Partnership Firms</i>				
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
<i>In Associate Bodies Corporate</i>				
Viva Infrastructures Private Limited	Equity	50,000 (50,000)	0.50	0.50
Paresh Infrastructure Private Limited	Equity	4,900 (4,900)	0.05	0.05
IVR Prime IT SEZ Private Limited	Equity	10,000 (10,000)	0.10	0.10
Rayalseema Expressway Private Limited (Subscribed during the year)	Equity	19,290 (-)	0.19	-
B. Other Investments				
Unquoted				
Telcon Ecoroad Resurfaces Private Limited (Face Value of Rs.100 each)	Equity	240,000 (240,000)	24.00	24.00
Tamilnad Mercantile Bank Limited	Equity	25 (25)	0.21	0.21
Less : Provision for diminution in value of Investment			(0.50)	(0.50)
			6,137.96	3,892.03

Note :
(Rs. in million)

Aggregate amount of quoted investment	5,578.78	1,042.37
Aggregate market value thereof	21,424.44	1,936.40
Aggregate amount of unquoted investment	559.18	2,849.66

Schedules forming part of the Balance Sheet

(Rs. in million)

	As At 31.03.2010	As At 31.03.2009
Schedule - 7		
Inventories		
At Project sites - (at cost)		
- Stores and Spares	2,215.44	1,931.51
At Factory - (at lower of cost and net realisable value)		
- Stores and Spares	101.31	69.63
- Finished Goods	94.73	63.63
- Work -in -Progress	35.28	28.72
	2,446.76	2,093.49
Schedule - 8		
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months	5,064.31	3,410.97
Other Debts	14,617.81	10,100.33
	19,682.12	13,511.30
Less: Provision for Doubtful Debts	236.88	81.09
	19,445.24	13,430.21
Of the above		
Considered Good	19,445.24	13,430.21
Considered Doubtful	236.88	81.09
	19,682.12	13,511.30
Schedule - 9		
Cash and Bank Balances		
a) Cash and Cheques on Hand	18.04	80.51
b) Balances with Scheduled Banks		
1. In Current Accounts	1,427.09	664.75
2. In Fixed Deposit Accounts		
- Margin Money	6.08	4.21
- Others	192.41	259.21
	1,643.62	1,008.68
Schedule - 10		
Other Current Assets (Unsecured)		
Interest accrued other than on Investments	3.01	9.67
Retention Money	5,476.34	4,292.00
Other Deposits	2,827.67	2,661.25
Unbilled Revenue	7,848.70	6,798.98
Other Receivables	728.00	534.70
	16,883.72	14,296.60
Less: Provision for Doubtful Assets	20.21	4.09
	16,863.51	14,292.51
Of the above		
Considered Good	16,863.51	14,292.51
Considered Doubtful	20.21	4.09
	16,883.72	14,296.60

Schedules forming part of the Balance Sheet
(Rs. in million)

	As At 31.03.2010	As At 31.03.2009
Schedule - 11		
Loans and Advances (Unsecured)		
Loans to Subsidiaries	2,810.47	4,499.02
Advance to Joint Venture in which the company is a partner	504.11	659.14
Advances recoverable in cash or in kind or for value to be received	2,963.74	2,544.90
Tax deducted at Source and Advance Tax { net of provisions Rs.4,360.39 million (Rs.1,781.52 million)}	416.93	1,702.88
Balance with Post Office(held in the names of employees)	0.61	0.61
	6,695.86	9,406.55
Less: Provision for Doubtful Advances	90.06	87.82
	6,605.80	9,318.73
Of the above		
Considered Good	6,605.80	9,318.73
Considered Doubtful	90.06	87.82
	6,695.86	9,406.55
Schedule - 12		
Current Liabilities		
Advances received from Contractee-Clients	7,452.38	5,986.32
Acceptances	1,634.78	9.70
Sundry Creditors :		
Dues to Micro enterprises and Small enterprises {Refer Note No.B - 14 of Schedule 19}	20.80	4.88
Subsidiaries	655.12	75.90
Joint Ventures	397.51	40.12
Others	12,892.96	10,321.65
Other Liabilities	710.53	252.29
Interest accrued but not due on loans	156.95	101.75
Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956		
- Not due - Unclaimed Public Deposit	0.30	0.30
- Not due - Unclaimed Dividends	2.81	2.21
- Interest accrued and due on Public Deposits	0.02	0.02
	23,924.16	16,795.14
Schedule - 13		
Provisions		
Proposed Dividend	213.61	186.91
Tax on Proposed Dividend	36.30	31.76
Gratuity	32.66	28.62
Compensated Absences	162.72	192.27
	445.29	439.56

Schedules forming part of the Profit and Loss Account

(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Schedule - 14				
Income from Operations				
Gross Work Bills / Other Operational Income		53,680.81		49,518.56
Share of (Loss) / Profit from Joint Ventures		(159.81)		101.06
Sale of Products		1,423.22		211.30
{Refer Note No.B - 26 of Schedule 19}				
		54,944.22		49,830.92
Schedule - 15				
Other Income				
Miscellaneous Income		87.61		102.17
Dividend Income from Subsidiaries		19.83		171.45
Dividend Income on Long Term Investments		0.03		0.01
Liabilities no longer required written back		47.59		25.50
		155.06		299.13
Schedule - 16				
Construction and Manufacturing Expenses				
Opening stock of Project Stores	1,931.51		1,850.34	
Add : Purchase of construction and other materials	19,028.24		16,413.40	
Less: Closing stock of Project Stores	2,215.44		1,931.51	
Construction and other materials consumed		18,744.31		16,332.23
Cost of projects stores and other consumables sold		1,060.15		-
Sub-contractors' work bills		10,845.38		13,512.52
Masonry and other works		11,559.60		9,914.87
Indirect Taxes and Cess		1,850.75		1,002.51
Repairs and Maintenance				
Construction Machinery	407.88		355.31	
Others	101.82	509.70	120.06	475.37
Electricity and Water Charges		104.70		80.58
Machinery Hire Charges		1,075.64		1,066.52
Royalty		99.45		94.59
Laboratory Testing Charges		24.71		32.19
At Factory				
Raw Materials Consumed	444.29		306.02	
Increase in Finished Goods and work-in-progress	(37.66)	406.63	(59.76)	246.26
		46,281.02		42,757.64

Schedules forming part of the Profit and Loss Account
(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Schedule - 17				
Administration and Other Expenses				
Salaries, Wages and Bonus		1,420.66		1,415.95
Contribution to Provident, Superannuation and Other Funds		149.37		139.08
Staff Welfare Expenses		265.14		240.94
Employee compensation expense under ESOP		-		1.11
Managerial Remuneration		190.40		156.01
Travelling and Conveyance		126.61		128.80
Printing and Stationery		37.09		39.86
Communication Expenses		51.33		53.00
Rates and Taxes		49.47		48.62
Tender Expenses		29.52		17.12
Business Promotion		9.07		6.75
Office Maintenance		138.58		124.88
Rent		107.20		90.14
Advertisement and Publicity		16.33		15.96
Auditors' Remuneration				
Audit Fees	8.90		7.00	
Tax Audit Fee	0.50		0.35	
Other Service	0.15		0.78	
Reimbursement of expenses	0.54		0.62	
		10.09		8.75
Director's sitting fees		0.66		0.64
Legal and Professional Charges		180.24		188.69
Insurance		111.22		43.63
Miscellaneous Expenses		30.32		34.58
Loss on Assets sold / discarded (Net)		19.85		10.53
Loss on sale of Investments		-		0.07
Provision for doubtful debts, advances and deposits		189.89		61.44
Bad Debts Written Off		192.86		-
Loss on Derivatives		3.15		2.36
		3,329.05		2,828.91
Schedule - 18				
Interest and Finance Charges				
Interest on Fixed Loans	806.01		419.14	
Foreign Exchange Loss (Net)	(44.27)		72.95	
Other Interest				
Interest on other Credit Facilities	1,125.60		1,216.68	
Bank and Financing Charges	232.96		271.55	
		2,120.30		1,980.32
Less: Interest received from Banks and Others - Gross*		483.74		674.18
(Tax Deducted at Source Rs.52.29 million (Rs.114.01million) * { including interest on Long Term Investments Rs.Nil (Rs.0.18 million) }				
		1,636.56		1,306.14

Notes on Balance Sheet and Profit and Loss Account

SCHEDULE - 19

Significant Accounting Policies and Notes on Accounts

Company overview

The Company, IVRCL Infrastructures & Projects Limited, 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 like Water Supply, Roads and Bridges, Townships and Industrial Structures, Power Transmission, etc for Central/State Governments, other local bodies and private sector in the country.

A. Significant accounting policies

1. Method of Accounting

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

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 year 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.

3. Recognition of contract revenue and expenses

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- 3.5 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.

4. Revenue receipts on Joint Venture contracts

- 4.1 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.
- 4.2 In Jointly Controlled Entities, the share of profits or losses are accounted as and when dividend/ share of profit or loss are declared by the entities.

5. Revenue from sale of manufactured goods

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

6. Employee Benefits

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

6.1 Gratuity

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

6.2 Compensated Absences

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

6.3 Superannuation

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

6.4 Provident Fund

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

7. Fixed Assets

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

8. Depreciation and amortization

- 8.1 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 %

8.2. Pucca sheds and land acquired for quarrying are amortised over the period of the project on project - to - project basis.

9. Impairment of assets

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

10. Foreign currency transactions

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

Foreign branches are classified as non-integral foreign operations. The Assets and Liabilities, both monetary and nonmonetary 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.

11. Investments

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

12. Inventories

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

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 Profit and Loss Account as period costs.

14. Income tax

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

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

15. Earnings Per Share (EPS)

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

B. NOTES ON ACCOUNTS

1. All amounts in the financial statements are presented in Rupees in million except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit and Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current year.

2. Debentures :

a) Secured Non Convertible Debentures:

2,000, 12.15% Secured Non Convertible Redeemable Debentures @ Rs.1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of five years from the date of allotment i.e. December 19, 2013. The debentures are secured with asset cover of 1.25 times by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

1,050, 8.85% Secured Non Convertible Redeemable Debentures @ 1,000,000 each issued to the following banks during the current year. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of Seventeen months from the date of allotment i.e. April 27, 2011. The debentures are secured with asset cover of 100% by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

S.No.	Name of the Bank	No.of Debentures
1	Federal Bank Limited	100.00
2	Dena Bank	100.00
3	Allahabad Bank	50.00
4	Corporation Bank	50.00
5	UCO Bank	100.00
6	Bank of Baroda	200.00
7	Bank of India	250.00
8	Central Bank of India	200.00
	Total	1,050.00

b) Unsecured Non Convertible Debentures:

During the year, the Company has issued 150 8.75% Unsecured Non Convertible Redeemable Debentures @ 1,000,000 each to the following Banks. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of Fifteen months from the date of allotment i.e. December 29, 2010 .

S.No.	Name of the Bank	No.of Debentures
1	State Bank of Indore	100.00
2	State Bank of Mysore	50.00
	Total	150.00

c) The debentures (Secured and Unsecured) are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange (NSE)

d) Debenture Redemption Reserve :

Rs.315.29 million (Rs.100.00 million) has been set aside towards redemption of these debentures and is carried as part of Reserves and Surplus.

3. Foreign Currency Convertible Bonds :

Option for conversion of bonds into equity shares has not been exercised by any of the Foreign Currency Convertible Bond holder during the year. Rs.44.27 million has been credited (Rs.80.72 million debited) to the Profit and Loss Account during the year towards foreign exchange translation difference on Foreign Currency Convertible Bonds.

4. Investments :

a) During the year, IVR Strategic Resources & Services Limited and IVRCL Water Infrastructure Limited, the wholly owned subsidiaries of the Company have been amalgamated with IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited) which is another subsidiary of the Company, pursuant to the order of the Hon'ble High Court of Andhra Pradesh dated February 26, 2010, with retrospective effect from April 1, 2009. As per the scheme of amalgamation approved by Hon'ble High Court of Andhra Pradesh the Company has received 59,463,572 equity shares face value of Rs.10 each in IVRCL Assets & Holdings Limited.

b) During the year, Company has invested into 5,000,000 7% Cumulative Redeemable Preference Shares of Rs.100 each in Salem Tollways Limited (a subsidiary of the Company) by converting the sponsor loan of Rs.500 million which was given on July 31, 2006.

5. Components of Deferred Tax Assets and Liabilities :

(Rs. in million)

	As at March 31, 2010	As at March 31, 2009
Deferred Tax Liability:		
Difference between book and tax depreciation	295.85	237.37
Total Deferred Tax Liability	295.85	237.37
Deferred Tax Asset:		
Provision for Compensated Absences	39.90	50.87
Provision for Gratuity	10.85	9.73
Provision for doubtful debts, advances and deposits	115.31	58.80
Others	5.02	0.56
Total Deferred Tax Asset	171.08	119.96
Net Deferred Tax Liability	124.77	117.41

6. 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:

(Rs. in million)

	2009-10	2008-09
Contract Revenue recognised as revenue during the year	53,491.59	49,358.13
Contract costs incurred and recognised profits, less losses	51,998.34	49,285.12
Advances received, net of recoveries from progressive bills	7,452.38	5,986.32
Gross amount due from customers for contract works	19,516.23	13,467.17
Retention Money	5,476.34	4,292.00

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

	2009-10	2008-09
Profit After Tax before earlier years' tax for calculation of Basic EPS (Rs. in million)	2,111.16	2,259.69
Profit After Tax after earlier years' tax for calculation of Basic EPS (Rs. in million)	702.13	2,259.69
Profit After Tax before earlier year's tax for calculation of Diluted EPS (Rs. in million)	2,081.94	2,259.69
Profit After Tax after earlier years' tax for calculation of Diluted EPS (Rs. in million)	672.91	2,259.69
Number of shares considered as weighted average shares for calculation of Basic Earnings Per Share(EPS)	267,009,858	267,005,584
Add: Dilutive effect of potential shares out of stock Options / FCCB etc., outstanding	2,977,354	4,274
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	269,987,212	267,009,858
Basic EPS before earlier years' tax (Rs.)	7.91	8.46
Basic EPS after earlier years' tax (Rs.)	2.63	8.46
Diluted EPS before earlier years' tax (Rs.)	7.71	8.46*
Diluted EPS after earlier years' tax (Rs.)	2.49	8.46*

*Note : The effect of dilution on account of Foreign Currency Convertible Bonds pending conversion are anti dilutive and hence ignored in the calculation of Diluted Earnings Per Share.

8. Contingent Liabilities:
(Rs. in million)

	As at March 31, 2010	As at March 31, 2009
8.1 Bank Guarantees / Letters of Credit issued by the banks on behalf of the Company	32,283.70	23,159.17
Corporate Guarantees issued by the Company on behalf of its subsidiaries	5,055.00	2,055.00
Claims against the Company not acknowledged as debts	563.92	73.46
Income Tax demand contested in appeal	28.22	14.13
Disputed Sales Tax / Service Tax	1,738.94	152.58

8.2 Estimated amount of contracts to be executed on capital account Rs.193.18 million (Rs.65.70 million)

9. The tax relief available to the Company under Section 80IA of the Income Tax Act had in earlier years been transferred to a Special Reserve account. This tax relief was withdrawn with retrospective effect in the Finance Bill (No.2) 2009 and hence provision has been made for additional tax aggregating to Rs.1,409.30 million. An amount of Rs.1,411.00 million previously appropriated to a Special Reserve account created for the purpose has been recredited to the Profit and Loss account.

10. Managerial Remuneration**10.1 Managerial Remuneration:***(Rs. in million)*

	2009-10	2008-09
Salary and allowances	21.81	21.59
Commission	166.84	132.72
Contribution to Provident and other Funds*	1.75	1.70
Total	190.40	156.01

* Excluding contribution towards Gratuity and Compensated absences, as separate figures cannot be quantified.

10.2 Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956.*(Rs. in million)*

	2009-10	2008-09
Profit Before Tax	3,288.37	2,737.76
Add:		
1. Commission to Managing Director	166.84	132.72
2. Sitting Fees	0.66	0.64
3. Salary and allowances to Directors	21.81	21.59
4. Contribution to Provident and other Fund to Directors	1.75	1.70
5. Loss on sale of Investments	-	0.07
6. Provision For Doubtful Debts, Advances & Other Deposits	142.30	35.94
7. Loss on Sale of Assets / discarded	19.85	16.81
8. Donations	10.64	11.74
Sub Total	3,652.22	2,958.97
Less:		
1. Bad Debts Written Off	15.75	-
2. Capital Profit on sale of assets	-	1.56
Sub Total	15.75	1.56
Net Profit as per Sec. 309(5) for the year	3,636.47	2,957.41
Maximum Commission / Remuneration payable to Managing Director	181.82	147.87
Less: Remuneration charged to Profit and Loss Account	14.98	15.15
Commission payable to Managing Director	166.84	132.72

11. CIF Value of imports:*(Rs. in million)*

	2009-10	2008-09
Capital Goods	71.18	173.82
Construction materials	391.45	115.68

12. Expenditure / (Earnings) in foreign currency:*(Rs. in million)*

	2009-10	2008-09
Overseas Contract Revenue	(56.67)	-
Overseas Contract Expenditure	54.66	-
Travelling Expenses	2.25	1.10
Professional / Consultancy Charges	9.61	65.47
Interest Earned	-	(1.07)

13. Construction material and stores consumed:
(Rs. in million)

	2009-10		2008-09	
	Value	%	Value	%
Indigenous	19,413.01	98.02	16,216.55	99.29
Imported	391.45	1.98	115.68	0.71
Total	19,804.46	100.00	16,332.23	100.00

14. 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 and the required disclosures are given below:

(Rs. in million)

	2009-10	2008-09
Principal amount remaining unpaid as on March, 31	20.80	4.88
Interest due thereon as on March, 31	0.36	—
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	—	—
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	—	—
Interest accrued and remaining unpaid as at March, 31	0.36	—
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.	—	—

15. The Company has the following Joint Ventures as on March 31, 2010 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 - Tantia	50.00%
3	IVRCL, SEW & Prasad	50.00%
4	IVRCL, Navayuga & SEW	35.75%
5	Navayuga, IVRCL & SEW	35.75%
6	IVRCL Harsha	80.00%
7	SPCL - IVRCL	49.00%
8	IVRCL - JL	90.00%
9	UAN Raju IVRCL Construction	51.00%
10	IVRCL KBL	80.00%
11	IVRCL KBL MEIL	65.00%
12	IVRCL CR18G	90.00%
13	IVRCL SEW & WPIL	60.00%
14	IVRCL MBL	90.00%
15	IVRCL BATPASCO WPIL & MHI	70.00%
16	IVRCL BATPASCO ABB & AAG	85.00%
17	IVRCL CR18G Consortium	70.00%
18	MEIL IVRCL HCC & WPIL	23.00%
19	IVRCL KIPL	51.00%
20	IVRCL RAJ	32.17%
21	UNITY – IVRCL	50.00%
22	IVRCL SAI SUDHIR	51.00%
23	IVRCL CADAGUA	60.00%
24	CR18G IVRCL	30.00%

16. 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:

16.1 List of Related Parties and Relationships:

Sl No.	Name	Sl No.	Name
A	Subsidiary (The ownership, directly or indirectly through subsidiary (ies))		
1.	IVRCL PSC Pipes Pvt. Ltd.,	44	IVR Prime Developers (Guindy) Pvt. Ltd.,
2.	IVR Enviro Projects Pvt. Ltd.,	45.	Gamaa Developers Pvt Ltd.,
3.	IVRCL Assets & Holdings Ltd., (Formerly IVR Prime Urban Developer Ltd.,)	46.	Simhachalam Prime Developers Pvt. Ltd.,
4.	Hindusthan Dorr-Oliver Ltd.,	47.	Siripuram Developers Pvt. Ltd.,
5.	Alkor Petroo Ltd.,	48.	Kasibugga Developers Pvt. Ltd.,
6.	IVRCL Steel Constructions & Services Ltd.,	49.	Vijayawada Developers Pvt. Ltd.,
7.	Jalandhar Amritsar Tollways Ltd.,	50.	Eluru Developers Pvt. Ltd.,
8.	Salem Tollways Ltd.,	51.	IVR Prime Developers (Nellore) Pvt. Ltd.,
9.	Kumarapalyam Tollways Ltd.,	52.	IVR Prime Developers (Amalapuram) Pvt Ltd.,
10.	Chennai Water Desalination Ltd.,	53.	IVR Prime Developers (Erode) Pvt. Ltd.,
11.	First STP Pvt. Ltd.,	54.	IVR Prime Developers (Guntur) Pvt. Ltd.,
12.	IVRCL Building Products Ltd.,	55.	IVR Prime Developers (Kakinada) Pvt. Ltd.,
13.	IMCO (22010) Ltd.,	56.	IVR Prime Developers (Araku) Pvt. Ltd.,
14.	Davymarkham Holdings Ltd.,	57.	IVR Prime Developers (Pudukkotti) Pvt. Ltd.,
15.	Davymarkham Ltd.,	58.	Absorption Aircon Engineer Pvt. Ltd.,
16.	IVRCL Indore Gujarat Tollways Ltd.,	59.	IVR Prime Developers (Vanaprastha) Pvt. Ltd.,
17.	IVRCL Chengapalli Tollways Ltd.,	60.	IVR PUDL Resorts & Clubs Pvt. Ltd.,
18.	IVRCL Holdings & Services Pte. Ltd.,	61.	IVR Prime Developers (Thandiarpet) Pvt. Ltd.,
19.	IVRCL Infrastructures & Projects (Botswana) (Pty) Ltd.,	62.	IVR Prime Developers (Gummidipundy) Pvt. Ltd.,
20.	SPB Developers Pvt. Ltd.,	63.	IVR Prime Developers(Kodambakkam) Pvt. Ltd.,
21.	Sion Panvel Tollways Pvt. Ltd.,	64.	IVR Prime Developers (Arumbakkam) Pvt. Ltd
22.	IVR Hotels and Resorts Ltd.,	65.	IVR Prime Developers (Anna Nagar) Pvt. Ltd.,
23.	Geo IVRCL Engineering Ltd.,	66.	IVR Prime Developers (Pallavaram) Pvt. Ltd.,
24.	IVRCL Mega Malls Ltd.,	67.	IVRPrimeDevelopers (West Mamabalam) Pvt. Ltd.,
25.	HDO Technologies Ltd.,	68.	Bibinagar Developers Pvt. Ltd.,
26.	Agaram Developers Pvt. Ltd.,	69.	IVR Prime Developers (Anakapalle) Pvt. Ltd.,
27.	Papankuzhi Developers Pvt. Ltd.,	70.	IVR Prime Developers (Rajampeta) Pvt. Ltd.,
28.	Mummidi Developers Pvt. Ltd.,	71.	IVR Prime Developers (Tanuku) Pvt. Ltd.,
29.	Samatteri Developers Pvt. Ltd.,	72.	IVR Prime Developers (Red Hills) Pvt. Ltd.,
30.	Annupampattu Developers Pvt. Ltd.,	73.	IVR Prime Developers (Rajahmundry) Pvt. Ltd.,
31.	Kunnam Developers Pvt. Ltd.,	74.	IVR Prime Developers (Tuni) Pvt. Ltd.,
32.	Tirumani Developers Pvt. Ltd.,	75.	IVR Prime Developers (Bobbilli) Pvt. Ltd.,
33.	Ilavampedu Developers Pvt. Ltd.,	76.	IVR Prime Developers (Bhimavaram) Pvt. Ltd.,
34.	Haripuram Developers Pvt. Ltd.,	77.	IVRPrimeDevelopers (Valasaravakkam) Pvt. Ltd.,
35.	Chodavaram Developers Pvt. Ltd.,	78.	IVR Prime Developers (Adayar) Pvt. Ltd.,
36.	Vedurwada Developers Pvt. Ltd.,	79.	IVR Prime Developers (Ananthapuram) Pvt. Ltd.,
37.	Rudravaram Developers Pvt. Ltd.,	80.	IVR Prime Developers (Perumbadur) Pvt. Ltd.,
38.	Gajuwaka Developers Pvt. Ltd.,	81.	IVR Prime Developers (Egmore) Pvt. Ltd.,
39.	Geo Prime Developers Pvt. Ltd.,	82.	IVR PRime Developers (Tambram) Pvt. Ltd.,
40.	Theata Developers Pvt. Ltd.,	83.	IVR Prime Developers (Ashram) Pvt. Ltd.,
41.	Duvvda Developers Pvt. Ltd.,	84.	IVR Prime Developers (Retiral Homes) Pvt. Ltd.,
42.	IVR Prime Developers (Mylapore) Pvt. Ltd.,	85.	IVR Prime Developers (Avadi) Pvt. Ltd.,
43.	IVR Prime Developers (Palakkad) Pvt. Ltd.,	86.	IVR Prime Developers (Alwarpet) Pvt. Ltd.,

B. Associate (Where the Company Exercises Significant Influence)

Sl No.	Name	Sl No.	Name
1.	Viva Infrastructure Pvt. Ltd.,	3.	IVR Prime IT SEZ Pvt. Ltd.,
2.	Paresh Infrastructure Pvt. Ltd.,	4.	Rayalseema Expressway Pvt. Ltd.,

C. Joint Venture

1.	Bhanu - IVRCL Associates	13.	IVRCL SEW & WPIL
2.	IVRCL - Tantia	14.	IVRCL MBL
3.	IVRCL, SEW & Prasad	15.	IVRCL BATPASCO WPIL & MHI
4.	IVRCL, Navayuga & SEW	16.	IVRCL BATPASCO ABB & AAG
5.	Navayuga, IVRCL & SEW	17.	IVRCL CR 18G Consortium
6.	IVRCL Harsha	18.	MEIL IVRCL, HCC & WPIL
7.	SPCL - IVRCL	19.	IVRCL - KIPL
8.	IVRCL JL	20.	IVRCL - SAISUDHIR
9.	UAN Raju IVRCL Construction	21.	UNITY -IVRCL
10.	IVRCL KBL	22.	IVRCL - CADAGUA
11.	IVRCL KBL MEIL	23.	IVRCL-RAJ
12.	IVRCL CR 18G	24.	CR 18 G - IVRCL

D. Enterprises owned or significantly influenced by Key Management Personnel or their relatives:

1.	S.V. Equities Ltd.,	5.	Eragam Finlease Ltd.,
2.	Palladium Infrastructures & Projects Ltd.,	6.	Indus Palms Hotels & Resorts Ltd.,
3.	Soma Hotels & Resorts Ltd.,	7.	A.P. Enercon Engineers Pvt. Ltd.,
4.	Eragam Holdings Ltd.,		

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.	Mrs. E. Indira Reddy		
4.	Mr. E. Siddhanth Reddy		
5.	Mr. E. Sanjeeth Reddy		
6.	Mr. E. Sunil Reddy	}	Relative of Director
7.	Ms. E. Suha Reddy		
8.	Mr. E. Soma Reddy		
9.	Mrs. R. Vani		Relative of Executive Director - Finance & Group CFO

16.2 Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March 2010.

(Previous Year figures are given in brackets below the current year figures)

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Revenue			
IVRCL Assets & Holdings Limited	781.59 (111.85)		
Salem Tollways Limited	3,029.96 (1,239.66)		
Kumarapalyam Tollways Limited	431.95 (2,224.06)		
Jalandar Amritsar Tollways Limited	1,080.24 (1,202.24)		
IVRCL SEW & Prasad		1,228.76 (2,769.91)	
IVRCL Navayuga SEW		1,039.98 (285.47)	
IVRCL JL		636.23 (1,719.87)	
IVRCL KBL		284.27 (2,006.04)	
IVRCL KBL MEIL		1,471.10 (1,790.66)	
IVRCL CR18G		462.20 (1,352.60)	
Palladium Infrastructures & Projects Limited			3.65 (-)
Others	846.07 (8.67)	4,630.70 (1,183.70)	
Total	6,169.81 (4,786.48)	9,753.24 (11,108.25)	3.65 (-)
Dividend Income			
IVRCL Assets & Holdings Limited	- (160.00)		
Hindustan Dorr Oliver Limited	19.83 (11.45)		
Total	19.83 (171.45)		
Interest Received			
IVRCL Assets & Holdings Limited	261.72 (333.76)		
Alkor Petroo Limited	58.92 (25.69)		
Chennai Water Desalination Limited	- (0.08)		
First STP Private Limited	- (0.62)		
Salem Tollways Limited	41.48 (50.22)		
UAN Raju - IVRCL Construction		13.62 (11.05)	

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Others	23.33 (26.19)		
Total	385.45 (436.56)	13.62 (11.05)	- (-)
Rent Received			
Hindustan Dorr Oliver Limited	1.59 (1.50)		
IVRCL Assets & Holdings Limited	0.78 (0.90)		
Others	0.06 (-)		
Total	2.43 (2.40)	- (-)	- (-)
Interest paid			
Hindustan Dorr Oliver Limited	- (7.71)		
Total	- (7.71)	- (-)	- (-)
Rent Paid			
A.P Enercon Engineers Private Limited			10.26 (12.21)
Palladium Infrastructures & Projects Limited			0.44 (1.11)
Indus Palms Hotels & Resorts Limited			1.41 (3.30)
Total	- (-)	- (-)	12.11 (16.62)
Sub contractors Expenses			
Hindustan Dorr Oliver Limited	407.00 (454.20)		
IVRCL Assets & Holdings Limited	448.49 (-)		
UAN Raju - IVRCL Construction		- (81.30)	
IVRCL SEW & Prasad		125.38 (628.53)	
IVRCL Harsha		- (20.22)	
Navayuga IVRCL SEW		553.21 (306.14)	
IVRCL KBL MEIL		1,391.49 (1,651.25)	
IVRCL CR18G		482.09 (1,251.15)	
IVRCL - SAI SUDHIR		766.70 (-)	
Palladium Infrastructures & Projects Limited			889.99 (727.62)
Others		289.27 (110.32)	
Total	855.49 (454.20)	3,608.14 (4,048.91)	889.99 (727.62)

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Purchase of Construction Material			
IVRCL Building Products Limited	8.48 (0.99)		
Total	8.48 (0.99)	- (-)	- (-)
Interest paid on Mobilisation Advance			
IVRCL SEW & Prasad		4.16 (12.09)	
IVRCL Navayuga SEW		4.40 (5.86)	
IVRCL JL		- (1.13)	
IVRCL BATPASCO WIPL & MHI		19.28 (3.91)	
IVRCL BATPASCO ABB & AAG		14.38 (6.30)	
CR 18 G - IVRCL		15.76 (-)	
IVRCL KIPL		25.44 (-)	
Others		6.90 (-)	
Total	- (-)	90.32 (29.29)	- (-)
Advance Paid			
IVRCL Assets & Holdings Limited	209.03 (900.40)		
Hindustan Dorr Oliver Limited	82.98 (-)		
Bhanu IVRCL Associates		36.07 (36.07)	
SPCL - IVRCL		17.01 (18.48)	
UAN Raju - IVRCL Construction		124.23 (159.55)	
IVRCL SEW & Prasad		96.29 (175.34)	
IVRCL Navayuga SEW		98.72 (63.16)	
IVRCL Harsha		56.51 (62.56)	
IVRCL CR18G		19.84 (109.25)	
Paresh Infrastructures Private Limited			7.25 (13.55)
Others	36.42 (77.00)	55.43 (34.73)	-
Total	328.43 (977.40)	504.10 (659.14)	7.25 (13.55)

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Advance Received			
First STP Private Limited	-		
	(0.72)		
Kumarapalyam Tollways Limited	-		
	(0.43)		
IVRCL KBL		84.05	
		(27.82)	
IVRCL KBL MEIL		24.95	
		(12.30)	
Advance Received			
UNITY IVRCL		240.50	
		(-)	
IVRCL SEW & WIPL		42.82	
		(-)	
Others		5.20	
		(-)	
Total	-	397.52	-
	(1.15)	(40.12)	(-)
Capital Advance			
IVRCL Assets & Holdings Limited	150.20		
	(187.75)		
Total	150.20		
	(187.75)		
Creditors for Construction Expenses			
IVRCL Building Products Limited	6.51		
	(3.12)		
IVRCL Assets & Holdings Limited	390.52		
	(-)		
Creditors for Construction Expenses			
Hindustan Dorr Oliver Limited	156.99		
	(-)		
IVRCL SEW & Prasad		74.44	
		(201.76)	
IVRCL Harsha		-	
		(18.11)	
Navayuga IVRCL SEW		392.69	
		(76.71)	
IVRCL KBL MEIL		421.80	
		(399.33)	
MEIL IVRCL HCC & WPIL		154.78	
		(97.07)	
IVRCL - SAI SUDHIR		751.37	
		(-)	
Palladium Infrastructures & Projects Limited			590.44
			(480.90)
Others			5.31
			(1.50)
Total	554.02	1,795.08	595.75
	(3.12)	(792.98)	(481.59)

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Purchase of Assets			
IVRCL Building Products Limited	- (102.79)		
Salem Tollways Limited	62.23 (-)		
Kumarapalyam Tollways Limited	25.43 (-)		
UAN Raju - IVRCL Construction		19.56 (-)	
Total	87.66 (102.79)	19.56 (-)	
Provision for Advance			
Bhanu IVRCL Associates		36.07 (36.07)	
Total	- (-)	36.07 (36.07)	- (-)
Debtors			
IVRCL Assets & Holdings Limited	669.30 (16.10)		
Jalandhar Amritsar Tollways Limited	190.32 (51.72)		
Kumarapalyam Tollways Limited	113.70 (73.94)		
Salem Tollways Limited	488.92 (-)		
Chennai Water Desalination Limited	- (6.73)		
IVRCL SEW & Prasad		512.01 (914.46)	
IVRCL Navayuga SEW		370.34 (471.92)	
IVRCL JL		207.19 (217.09)	
IVRCL KBL MEIL		419.79 (478.84)	
IVRCL KBL		324.89 (286.35)	
IVRCL - SAI SUDHIR		786.76 (-)	
Others	95.81 (4.28)	904.00 (302.53)	
Total	1,558.05 (152.77)	3,524.98 (2,671.19)	
Mobalisation Advance			
SPB Developers Limited	551.69 (-)		
IVRCL Indore Gujarat Tollways Limited	952.50 (-)		
Salem Tollways Limited	- (433.06)		

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
IVRCL SEW & Prasad		42.79	
		(41.26)	
IVRCL MBL		321.76	
		(325.01)	
IVRCL BATPASCO ABB & AAG		-	
		(199.44)	
CR 18 G - IVRCL		139.32	
		(-)	
IVRCL KIPL		328.77	
		(-)	
IVRCL-CADAGUA		119.97	
		(-)	
Others		54.19	
		(138.92)	
Total	1,504.19	1,006.80	-
	(433.06)	(704.63)	(-)
Retention Money Receivable			
IVRCL Assets & Holdings Limited	7.73		
	(27.09)		
Hindustan Dorr Oliver Limited	8.50		
	(-)		
IVRCL SEW & Prasad		242.94	
		(172.69)	
IVRCL Navayuga SEW		138.30	
		(96.00)	
IVRCL JL		209.89	
		(222.90)	
IVRCL KBL		96.58	
		(153.14)	
IVRCL KBL MEIL		230.52	
		(214.52)	
Others		315.66	
		(61.34)	
Total	16.23	1,233.89	-
	(27.09)	(920.59)	(-)
Retention Money Payable			
IVRCL Assets & Holdings Limited	9.00		
	(-)		
Hindustan Dorr Oliver Limited	92.09		
	(71.63)		
IVRCL SEW & Prasad		81.09	
		(73.76)	
IVRCL KBL MEIL		231.37	
		(214.52)	
Palladium Infrastructures & Projects Limited			77.24
			(54.99)
Others		65.22	
		(15.75)	
Total	101.09	377.68	77.24
	(71.63)	(304.03)	(54.99)

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Corporate Guarantee			
Salem Tollways Limited	55.00		
	(55.00)		
Alkor Petroo Limited	2,000.00		
	(2,000.00)		
IVRCL Assets & Holdings Limited	3,000.00		
	(-)		
Total	5,055.00	-	-
	(2,055.00)	(-)	(-)
Rent Deposit			
Palladium Infrastructures & Projects Limited			0.44
			(0.89)
Indus Palms Hotels & Resorts Limited			2.64
			(2.64)
A.P. Enercon Engineers Private Limited			2.58
			(2.58)
Total			5.66
			(6.11)
Loan given			
IVRCL Assets & Holdings Limited	1,653.85		
	(2,600.00)		
Alkor Petroo Limited	604.69		
	(237.75)		
Salem Tollways Limited	-		
	(500.00)		
Others	223.50		
	(183.87)		
Total	2,482.04		
	(3,521.62)		
Bank Guarantee given			
Jalandhar Amritsar Tollways Limited	-		
	(78.90)		
Total	-		
	(78.90)		
Investment in Equity Shares			
IVRCL Assets & Holdings Limited {Refer Note B - 4(a) of Schedule - 19}	4,521.03		
	(435.21)		
Hindustan Dorr Oliver Limited	15.37		
	(27.65)		
Rayalseema Expressway Private Limited			0.19
			(-)
IVR Prime IT SEZ Private Limited			-
			(0.10)
Others	1.00		-
	(22.50)		-

(Rs. in million)

	Subsidiary Companies	Joint Ventures	Associate Companies & Others
Total	4,537.40 (485.36)	- (-)	0.19 (0.10)
Investment in Preference Shares			
Salem Tollways Limited {Refer Note B - 4(b) of Schedule - 19}	500.00 (-)		
Total	500.00 (-)	- (-)	- (-)
Sale of Investments			
Alkor Petroo Limited	70.10 (-)		
Total	70.10 (-)	- (-)	- (-)

16.3
(Rs. in million)

Key Management Personnel / Relatives	Designation	Remuneration	Dividend	Office Rent	Rent Deposit
i) Mr. E. Sudhir Reddy	Chairman & Managing Director	181.82 (147.87)	7.34 (6.96)	0.93 (0.51)	0.50 (0.25)
ii) Mr. E. Sunil Reddy	Director	- (-)	1.76 (1.76)	0.93 (0.51)	0.50 (0.25)
iii) Mr. K. Ashok Reddy	Executive Director	4.27 (4.05)	0.03 (0.03)	- (-)	- (-)
iv) Mr. R. Balarami Reddy	Executive Director - Finance & Group CFO	4.31 (4.09)	0.03 (0.03)	- (-)	- (-)
v) Mr. E. Ella Reddy	Director	- (-)	- (-)	1.29 (1.29)	- (-)
vi) Relatives		- (-)	3.24 (3.24)	1.29 (1.29)	- (-)
Total		190.40 (156.01)	12.40 (12.02)	4.44 (3.60)	1.00 (0.50)

17. Disclosure as per clause 32 of the Listing Agreement

Loans and Advances in the nature of Loans given to Subsidiaries and Joint Ventures:

(Rs. in million)

Name of the company	Balance as on 31.03.2010	Balance as on 31.03.2009	Maximum Outstanding 2009-10	Maximum Outstanding 2008-09
A. Subsidiary { The ownership, directly or indirectly through subsidiary(ies)}				
IVRCL PSC Pipes Private Limited	8.59	8.35	8.59	8.59
IVR Enviro Projects Private Limited	8.59	8.21	8.59	30.63
IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited)	1,862.88	3,500.40	2,849.01	4,185.61
Hindustan Dorr Oliver Limited	82.98	47.79	83.30	71.37
IVRCL Steel Construction & Services Limited	0.10	0.09	0.10	0.09
IVRCL Infrastructures & Projects (Botswana) (Pty) Limited	0.03	-	0.03	-
IVRCL Holdings & Services Pte. Limited	0.84	-	0.84	-
IVRCL Chengapalli Tollways Limited	0.03	-	0.03	-
First STP Private Limited	3.04	-	3.04	-
SPB Developers Private Limited	0.03	-	0.06	-
IVRCL Indore Gujarat Tollways Limited	8.35	-	8.35	-
Alkor Petroo Limited	604.69	237.75	604.69	237.75
Jalandhar Amritsar Tollways Limited	0.07	0.91	6.14	5.72
Salem Tollways Limited	0.29	501.85	62.54	535.34
Chennai Water Desalination Limited	4.25	9.55	41.35	18.52
IVRCL Building Products Limited	223.50	183.87	223.50	290.14
Geo IVRCL Engineering Limited	0.25	0.25	0.25	0.25
Kumarapalyam Tollways Limited	1.96	-	1.96	-
B. Associates				
Paresh Infrastructures Private Limited	7.25	13.55	13.55	13.55
C. Joint Ventures				
Bhanu IVRCL Associates	36.07	36.07	36.07	36.07
SPCL - IVRCL	17.01	18.48	18.48	18.54
IVRCL - Tantia	0.62	0.62	0.62	0.62
UAN Raju-IVRCL Construction	124.23	159.56	172.13	159.56
IVRCL,SEW & Prasad	96.29	175.34	183.39	180.78
IVRCL Navayuga SEW	98.72	63.17	98.82	71.13
IVRCL Harsha	56.51	62.56	64.28	69.03
Navayuga IVRCL SEW	21.93	20.60	24.19	20.60
IVRCL JL	9.26	10.92	19.57	12.94
IVRCL CR18G	19.84	109.25	297.07	109.25
CR18G IVRCL	4.41	-	4.41	-
IVRCL SEW & WPIL	-	1.34	-	1.62
IVRCL MBL	10.13	1.22	12.71	1.22
IVRCL Raj	8.97	-	8.97	-
IVRCL CR18G Consortium	0.11	0.01	0.82	0.01

Notes:

- a) Loans and Advances shown above are repayable on demand; there is no repayment schedule except for IVRCL Assets & Holding Limited, Alkor Petroo Limited and IVRCL Building Products Limited.
- b) Above Loans and Advances are interest free except loans given to IVRCL Assets & Holdings Limited, Alkor Petroo Limited, IVRCL Building Products Limited and UAN Raju - IVRCL Construction.
- c) None of the loanees have made investments in the shares of the Company.

18. Employee Benefit Plan:
a) Gratuity Plan
(Rs. in million)

Particulars	2009-10	2008-09
18.1 Components of Employer Expenses		
Current service cost	20.94	13.85
Interest cost	7.44	4.55
Expected return on plan assets	(4.96)	(3.30)
Net Actuarial (Gain) / Loss to be recognized	(0.69)	16.91
Total expense recognised in the Statement of Profit and Loss Account	22.73	32.01
18.2 Actual Contribution & Benefit Payments		
Actual Benefit Payments	(3.03)	(4.46)
Actual Contribution	23.75	19.21
18.3 Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	98.64	75.02
Fair value of plan assets at the end of the year	65.98	41.34
(Net Asset) / Liability recognised in the Balance Sheet	(32.66)	33.68
18.4 Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at Beginning of Year	75.02	45.21
Interest Cost	7.44	4.55
Current Service Cost	20.94	13.85
Benefits Paid	(3.03)	(4.46)
Actuarial (Gain) / Loss on obligations	(1.73)	15.87
Present Value of DBO at the End of Year	98.64	75.02
18.5 Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	41.35	24.34
Expected return on planned assets	4.96	3.30
Contributions	23.75	19.21
Benefit paid	(3.03)	(4.46)
Actuarial Gain / (Loss) on plan assets	(1.05)	(1.04)
Fair value of plan assets at the end of the year	65.98	41.35
Defined benefit plan – Gratuity Assumptions		
Discount rate	8.00%	8.00%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

Note:

- a) In accordance with the payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the year end. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The management understands that LIC's overall portfolio assets is well diversified and as such, the long term return of the policy is expected to be higher than the rate of return on Central Government Bonds.
- b) The expense pertaining to gratuity of Rs.22.73 million (Rs.32.01 million) has been considered in "Contribution to Provident, Superannuation and Other Funds" under Schedule 17.
- c) In view of the change in leave rules, the Company has reversed an excess liability of Rs.64.90 million. The net amount credited to the profit and loss account during the year is Rs.20.91 million, whereas the expense recognized in the previous year was Rs.91.78 million.

19. 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 year under report.

b) Geographical Segment:

During the year 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.

20. Employee Share based Plan – ESOP 2007 Scheme :

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

21. Derivative Instruments:

The year end foreign exposures that have not been hedged by a derivative instrument or otherwise are given below:

(in million)

Particulars	US Dollar	INR	US Dollar	INR
	Equivalent	Equivalent	Equivalent	Equivalent
	2009-10	2009-10	2008-09	2008-09
Amount payable in foreign currency :				
Foreign Currency Convertible Bonds	7.60	341.21	7.60	385.49

22. The utilisation of fund raised through QIP issue is as under:*(Rs. in million)*

Particulars	Actual utilisation upto March 31, 2010	Actual utilisation upto March 31, 2009
Repayment of Debt / Loan	0.05	-
Issue Expenses	-	-
Balance - in Bank	-	0.05
Total	0.05	0.05

23. During the year, the Company entered into certain derivative transaction in steel and crude oil. The net loss from the transactions of Rs.3.15 million (Rs.2.36 million) have been charged to the Profit and Loss Account under the head Administrative and Other Expenses.
24. Sundry Debtors includes claims aggregating to Rs. 347.02 million (Rs.506.13 million) receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered realisable based on favorable developments arising out of continuous contract management steps taken by the Company.
25. Capital Work-in-Progress include assets held for sale of Rs.150.20 million (Rs.187.75 million).
26. Sale of Products include Rs.1,060.15 million (Rs. Nil) being sale of project stores and consumables to sub-contractors.
27. The Company has availed exemption from audit of financial statements of Dubai Branch as required under section 228 of the Companies Act, 1956 for the year ended March 31, 2010 by virtue of Rule 3 of Companies (Branch Audit Exemption) Rules, 1961.
28. Details of capacities and production, sales, raw materials consumed and finished goods at Transmission Line Tower (TLT) Factory:

Capacities and Production

Class of Goods	Unit	Licensed Capacity	Installed Capacity	Actual Production	
				2009-10	2008-09
Galvanised steel structures	MT	24,000	24,000	11,087.31	6,303.25

Sales

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Galvanised Steel structures (excluding captive consumption of MT 4,292.55 (MT 412.89) }	MT	6,079.91	314.94	5,051.73	201.19

Raw Materials Consumed

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Steel	MT	11,541.37	364.43	6,863.43	256.79
Zinc	MT	497.36	57.63	324.04	26.78
Chemicals/Consumable Stores			22.23		22.45
Total			444.29		306.02

Break-Up of Imported and Indigenous Raw materials

Particulars	2009-10		2008-09	
	(Rs. in million)	%	(Rs. in million)	%
Imported	-	-	-	-
Indigenous	444.29	100	306.02	100
Total	444.29	100	306.02	100

Inventories*(Rs. in million)*

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Galvanised steel structures		2009-10		2008-09	
Opening Stock	MT	1,141.76	63.63	303.13	14.68
Closing Stock	MT	1,856.61	94.73	1,141.76	63.63

29. Details of purchase, sale and stock of project stores and consumables:

(Rs. in million)

Class of Goods	Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		Opening Stock		Purchase		Sales		Closing Stock	
Steel	MT	Nil	Nil	22,526	295.40	22,526	295.40	Nil	Nil
Cement	MT	Nil	Nil	53,123	201.82	53,123	201.82	Nil	Nil
Oil & Lubricants	LTRS	Nil	Nil	7,676,998	277.10	7,676,998	277.10	Nil	Nil
Others		Nil	Nil	-	285.83	-	285.83	Nil	Nil

Signatures to Schedule to '1' to '19' forming part of the financial statements

FOR AND ON BEHALF OF THE BOARD

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

B. SUBRAHMANYAM
Company Secretary

Place : Hyderabad
Date : May 29, 2010

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

IVRCL INFRASTRUCTURES & PROJECTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **IVRCL Infrastructures & Projects Limited** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 29,521.03 million, as at March 31, 2010, total revenues of Rs. 235.71 million and net cash inflows amounting to Rs. 196.94 million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. As stated in Note B-2(i) of Schedule 20, certain subsidiaries having total assets of Rs.1,800.98 million, total revenue of Rs.138.68 million and net cash inflows amounting to Rs. 86.14 million as at March 31, 2010 have been consolidated on the basis of Management accounts.
5. (a) As stated in Note B-2(ii) of Schedule 20, in case of certain associates, the financial statements as at March 31, 2010 are not available. The investment in these associates valued at Rs.0.84 million in the Financial Statements of the Company, have not been adjusted in the Consolidated Financial Statements in the absence of their Financial Statements as at March 31, 2010.
(b) As stated in Note B-2(ii) of Schedule 20, in case of certain Joint Venture Entities, the financial statements as at March 31, 2010 are not available. The investment in Joint Venture Entities valued at Rs. 0.21 million in the Financial Statements of the Company, have not been adjusted in the Consolidated Financial Statements in the absence of their Financial Statements as at March 31, 2010.
6. Attention is invited to Note B-7 of Schedule 20 forming part of the consolidated financial statements regarding the Company's claim for the benefit of Rs. 1,409.03 million and in respect of which no provision had been made in the previous year as the matter was under appeal. During the year, necessary provision has been made by transfer from the special reserve account, as the tax relief available to the Company was withdrawn with retrospective effect.

7. Subject to the matters referred to in paragraph 4 and 5 above:
- (a) We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
 - (b) Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, the aforesaid subsidiaries and joint ventures and associates and on the other financial information of the components and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements 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 Group as at March 31, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Chaturvedi & Partners
Chartered Accountants
Registration No. 307068E

R. N. Chaturvedi
Partner
Membership No. 092087
Hyderabad, May 29, 2010

For Deloitte Haskins & Sells
Chartered Accountants
Registration No. 008072S

K. Rajasekhar
Partner
Membership No. 23341

Consolidated Balance Sheet as at March 31, 2010
(Rs. in million)

	Schedules/ Notes		As At 31.03.2010		As At 31.03.2009
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	534.02		267.01	
Stock Options	Note-B-11 of sch-20	3.61		-	
Reserves and Surplus	2	26,372.01	26,909.64	24,465.23	24,732.24
Minority Interest			5,623.63		5,963.61
Loan Funds					
Secured Loans	3	29,618.99		21,200.34	
Unsecured Loans	4	3,445.18		3,795.42	
			33,064.17		24,995.76
Deferred Tax Liability (Net)	Note-B - 8 of sch-20		3.28		28.75
			65,600.72		55,720.36
APPLICATION OF FUNDS					
Goodwill on Consolidation	5		1,129.45		671.12
Fixed Assets					
Gross Block	6	13,729.67		8,231.89	
Less: Depreciation and Amortisation		2,484.96		1,773.61	
Net Block		11,244.71		6,458.28	
Capital work-in-progress {including capital advance of Rs. 1,684.94 million (Rs. 189.24 million)}		15,758.82	27,003.53	14,530.49	20,988.77
Investments	7		41.28		41.09
Current Assets, Loans and Advances					
Inventories	8	17,814.80		16,636.39	
Sundry Debtors	9	19,928.47		15,633.57	
Cash and Bank Balances	10	2,521.07		3,401.19	
Other Current Assets	11	20,636.79		16,230.49	
Loans and Advances	12	6,908.03		6,939.84	
		67,809.16		58,841.48	
Less: Current Liabilities and Provisions					
Current Liabilities	13	29,885.85		24,350.19	
Provisions	14	496.85		471.91	
		30,382.70		24,822.10	
Net Current Assets			37,426.46		34,019.38
			65,600.72		55,720.36
Significant Accounting Policies and Notes on Accounts	20				

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

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K.RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : May 29, 2010

B. SUBRAHMANYAM
Company Secretary

Consolidated Profit and Loss Account for the Year ended March 31, 2010 (Rs. in million)

	Schedules/ Notes		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Income					
Income from Operations	15		58,414.19		50,740.71
Less : Excise Duty			101.86		96.02
Net Income from Operations			58,312.33		50,644.69
Other Income	16		209.50		215.69
			58,521.83		50,860.38
Expenditure					
Construction and Manufacturing Expenses	17		47,473.49		42,353.21
Administration and Other Expenses	18		4,255.76		3,499.58
Interest and Financial Charges	19		2,198.73		1,351.42
Depreciation / Amortisation		803.25		537.89	
Less: Transferred to Revaluation Reserve		0.66	802.59	0.67	537.22
Prior Period Items			9.87		-
			54,740.44		47,741.43
Profit Before Tax			3,781.39		3,118.95
Add/ (Less) : unrealised profit/ (loss) from intra group transactions			(0.47)		(11.10)
Provision for Taxation:					
Current Tax			1,456.04		617.89
Deferred Tax			(18.52)		61.54
Fringe Benefit Tax			-		23.40
Profit Before earlier Years' Tax and Minority Interest			2,343.40		2,405.02
Less: Earlier Year's Tax (Refer Note B-7 of Schedule 20)			1,409.03		2.05
Profit After earlier Years' Tax and before Minority Interest			934.37		2,402.97
Add : Transferred from Special Reserve (Refer Note B-7 of Schedule 20)			1,411.00		-
Profit After Tax and before Minority Interest			2,345.37		2,402.97
Add / (Less) : Minority Interest			(189.82)		(153.13)
Profit After Tax and Minority Interest			2,155.55		2,249.84
Balance brought forward from Previous Year		3,767.62		2,881.32	
Less : Preacquisition Profit		416.08		-	
Add : Adjustment on amalgamation of IVR Strategic Resources & Services Ltd and IVRCL Water Infrastructure Ltd with IVRCL Assets & Holdings Ltd (formerly IVR Prime Urban Developers Ltd)		156.20		-	
			3,507.74		2,881.32
Available for appropriation			5,663.29		5,131.16
Appropriations					
Proposed Dividend			213.61		186.91
Corporate Dividend Tax Current Year			36.30		31.76
Earlier year's provision no longer required			-		(29.13)
Transfer to General Reserve			638.20		699.00
Transfer to Special Reserve			-		375.00
Transfer to Debenture Redemption Reserve			315.29		100.00
Balance carried to Balance Sheet			4,459.89		3,767.62
Earnings per share of face value Rs.2 each					
Basic EPS before earlier years' tax (Rs.)	Note-B-9 of Sch-20		8.07		8.43
Basic EPS after earlier years' tax (Rs.)			2.80		8.43
Diluted EPS before earlier years' tax (Rs.)			7.88		8.43
Diluted EPS after earlier years' tax (Rs.)			2.66		8.43
Significant Accounting Policies and Notes on Accounts	20				

The schedules referred to above form an integral part of the Profit and Loss Account.
As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered Accountants

For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K.RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director -
Finance & Group CFO

Place : Hyderabad
Date : May 29, 2010

B. SUBRAHMANYAM
Company Secretary

Consolidated Cash flow Statement for the Year ended March 31, 2010
(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
A. Cash flow from operating activities				
Profit Before Tax		3,780.92		3,107.85
Adjustment for:				
Depreciation	802.59		537.22	
Loss on sale of fixed assets	20.08		10.53	
Loss on sale of Investments	-		0.84	
Employees Compensation expenses under ESOP	3.61		1.11	
Dividend received on investments	(0.15)		(20.49)	
Provision for doubtful Amounts & Bad debts Written Off	428.53		120.28	
Liabilities no longer required written back	(54.38)		(31.24)	
(Gain)/ Loss on Foreign exchange translation	(16.94)		80.72	
Interest Income	(154.11)		(346.31)	
Interest Expenses	2,136.70	3,165.93	1,363.71	1,716.37
Operating profit before working capital changes		6,946.85		4,824.22
Increase in Inventories	(1,178.42)		(1,782.82)	
Increase in Debtors	(4,705.08)		(6,086.35)	
Increase in Other Current Assets	(4,449.39)		(4,163.80)	
(Increase)/ Decrease in Loans and Advances	(1,056.43)		208.62	
Increase in Current Liabilities	5,507.81	(5,881.51)	7,418.58	(4,405.77)
Cash generated from operations		1,065.34		418.45
Direct taxes paid		(1,605.30)		(1,352.65)
Net Cash used in operations		(539.96)		(934.20)
B. Cash Flow From investing activities				
Purchase of Fixed Assets	(7,006.38)		(9,634.75)	
Sale of Fixed Assets	168.29		39.52	
Purchase of Investments	(0.19)		(0.10)	
Sale of Investments	-		19.06	
Purchase of interest in subsidiaries (net)	(589.70)		-	
Net proceeds from Bank fixed deposits	1,325.55		2,311.99	
Dividend received on long term Investments	0.15		20.49	
Interest Received	181.09		355.53	
Net Cash used in investing activities		(5,921.19)		(6,888.26)
C. Cash Flow from financing activities				
Proceeds from issue of Share Capital	-		0.03	
Proceeds from issue of Debentures	2,550.00		2,000.00	
Capital Grant Received	1,129.54		729.96	
Proceeds from share premium	-		0.12	
Proceeds from Minority Interest	-		76.71	
Proceeds from Long Term Borrowings (net of repayments)	3,780.97		4,585.90	
Proceeds from Short Term Borrowings (net of repayments)	1,781.72		1,080.47	
Interest and Finance Charges Paid	(2,120.94)		(1,340.06)	

Consolidated Cash Flow Statement for the Year ended March 31, 2010*(Rs. in million)*

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Dividends paid (including dividend distribution tax paid)	(214.64)		(188.34)	
Net cash generated from financing activities		6,906.65		6,944.79
Net Increase/(Decrease) in cash and cash Equivalents (A+B+C)		445.50		(877.67)
Cash and Cash Equivalents at the Beginning of the Year		1,749.37		2,627.04
Foreign Exchange Translation adjustment		(0.08)		-
Cash and Cash Equivalents at the end of the year		2,194.79		1,749.37

Notes :

1. Cash and Cash equivalents includes:

		As at 31.03.2010		As at 31.03.2009
a) Cash and Cheques on Hand		26.42		83.80
b) Balances with Scheduled Banks				
1. In Current Accounts		1,689.08		737.24
2. In Fixed Deposit Accounts				
- Margin Money	14.92		13.34	
- Others	790.63	805.55	2,566.79	2,580.13
c) Balances with Other Banks		0.02		0.02
Cash and Bank Balance		2,521.07		3,401.19
Less : Fixed Deposits with maturity more than 3 months		326.28		1,651.82
		2,194.79		1,749.37

- Bank balance includes restricted amount of Rs.4.07 million (Rs.3.40 million) towards unclaimed dividend.
- During the current year, the IVRCL Assets & Holdings Limited (subsidiary of the Company) has entered into the scheme of amalgamation with erstwhile IVR Strategic Resources and Services Limited and erstwhile IVRCL Water Infrastructure Limited (erstwhile, wholly owned subsidiaries of the Company). The scheme was sanctioned by the Hon'ble High Court of Judicature at Hyderabad vide its Order date February 26, 2010.
- The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements as notified in the companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped, wherever necessary

As per our report of even date attached

For CHATURVEDI & PARTNERS
Chartered AccountantsFor DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
PartnerK.RAJASEKHAR
PartnerE. SUDHIR REDDY
Chairman &
Managing DirectorR. BALARAMI REDDY
Executive Director -
Finance & Group CFOPlace : Hyderabad
Date : May 29, 2010B. SUBRAHMANYAM
Company Secretary

Schedules forming part of the Consolidated Balance Sheet
(Rs. in million)

		As At 31.03.2010		As At 31.03.2009
Schedule - 1				
Capital				
Authorised				
275,000,000 (175,000,000) Equity shares of Rs.2 each		550.00		350.00
25,000,000 (25,000,000) Preference shares of Rs.2 each		50.00		50.00
		600.00		400.00
Issued, Subscribed and Paid up				
267,009,858 (133,504,929) Equity shares of Rs. 2 each fully paid up {Of the above, following were allotted as fully paid bonus shares		534.02		267.01
a) 18,660,500 shares of Rs.2 each (in 1999-2000) represents after subdivision of 3,732,100 shares of the face value of Rs.10 each by utilisation of Rs.37.32 million from General Reserve				
b) 133,504,929 of Rs.2 each (in 2009-2010) by utilising Rs.267.01 million from General Reserve}				
		534.02		267.01
Schedule - 2				
Reserves & Surplus				
Capital Reserve - At the commencement of the year	1.22		1.22	
Add : Addition during the year on account of amalgamation	4,055.07		-	
		4,056.29		1.22
Securities Premium Account - At the commencement of the year	15,447.34		18,303.37	
Add : Additions during the year on account of consolidation	1,327.43		5.30	
Less : Adjustment pursuant to amalgamation / adjustment against goodwill	3,529.63		2,580.30	
Less : Provision towards redemption premium on FCCB of US \$ 7.60 million (US \$ 7.60 million) and amalgamation expenses (net of deferred tax Rs. 6.94 million) (Refer Note B-19.4 of Schedule 20)	36.49		281.03	
		13,208.65		15,447.34
Revaluation Reserve-At the commencement of the year	142.76		137.60	
Add : Additions during the year	0.87		5.83	
Less : Depreciation on revalued portion of assets	0.66		0.67	
		142.97		142.76
General Reserve - At the commencement of the year	2,865.33		2,166.33	
Less :Adjustment on account of Consolidation /Amalgamation during the year	55.43		-	
Add : Transfer from Profit and Loss Account	638.20		699.00	
Less : Amount utilised for issue of fully paid-up bonus shares	267.01		-	
		3,181.09		2,865.33
Government Grant		907.91		729.96
Special Reserve - At the commencement of the year	1,411.00		1,036.00	
Add/ (Less) : Transfer from Profit and Loss Account (Refer Note B-7 of Schedule 20)	(1,411.00)		375.00	
		-		1,411.00
Debenture Redemption Reserve	100.00			
Add : Transfer from Profit and Loss Account	315.29		100.00	
		415.29		100.00
Foreign Exchange Translation Reserve		(0.08)		
Profit and Loss Account		4,459.89		3,767.62
		26,372.01		24,465.23

Schedules forming part of the Consolidated Balance Sheet

(Rs. in million)

		As At 31.03.2010		As At 31.03.2009
Schedule - 3				
Secured Loans				
Debentures				
12.15% Non-Convertible Debentures	2,000.00		2,000.00	
8.85% Redeemable, Non-Convertible Debentures	1,050.00		-	
9.50% Redeemable, Non-Convertible Debentures (Refer Note B- 4(a) of Schedule 20)	1,500.00	4,550.00	-	2,000.00
Term Loans				
From Banks	12,083.67		9,023.73	
From Others	3,065.76	15,149.43	2,317.34	11,341.07
Earth Moving Equipment and Vehicle Loans				
From Banks	19.15		39.67	
From Others	11.61	30.76	18.48	58.15
Working Capital Loans				
Working Capital Demand Loans from consortium of Banks	8,235.14		5,874.27	
Project-Specific Working Capital Loans from Banks	1,653.66	9,888.80	1,926.85	7,801.12
		29,618.99		21,200.34
Schedule - 4				
Unsecured Loans				
8.75% Redeemable, Non-Convertible Debentures {Refer Note B - 4(b) of Schedule 20}		150.00		-
Short Term Loans				
- From Banks		2,953.97		3,409.94
Foreign Currency Convertible Bonds		341.21		385.48
		3,445.18		3,795.42
Schedule - 5				
Goodwill on Consolidation				
At the commencement of the Year	671.12		3,510.81	
Add : Additions / (Adjustments) during the Year	507.30		(3.62)	
Less : Adjustment on account of amalgamation /against Securities Premium	48.97	1,129.45	2,836.07	671.12
		1,129.45		671.12

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE - 6

FIXED ASSETS (Consolidated)

(Rs. in million)

Name of the Asset	Gross Block at Cost/Revaluation				Depreciation				Net Block	
	As at 01.04.2009	Additions	Deletions Adjustments	As at 31.03.2010	Upto 01.04.2009	For the year	Deletions Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible										
Land - Freehold	736.61	-	5.72	730.89	-	-	-	-	730.89	736.61
Land - Leasehold	101.49	6.68	-	108.17	14.34	12.35	-	26.69	81.48	87.15
Buildings	1,122.59	99.65	55.77	1,166.47	263.15	61.93	47.66	277.42	889.05	859.44
Roads	0.55	-	0.55	-	0.33	-	0.33	-	-	0.22
Plant & Machinery	4,720.75	984.35	184.38	5,520.72	987.84	395.57	21.65	1,361.76	4,158.96	3,732.91
Motor Vehicles	887.78	155.92	20.01	1,023.69	240.51	97.28	12.60	325.19	698.50	647.27
Furniture	178.05	29.52	4.69	202.88	71.02	19.09	4.00	86.11	116.77	107.03
Office Equipment	467.36	82.50	13.41	536.45	181.68	58.37	9.93	230.12	306.33	285.68
Intangible										
Toll Collection	-	-	-	-	-	-	-	-	-	-
Rights	-	4,423.69	-	4,423.69	-	160.97	-	160.97	4,262.72	-
Technical know-how	9.81	-	-	9.81	7.84	1.96	-	9.80	0.01	1.97
Goodwill	6.90	-	-	6.90	6.90	-	-	6.90	-	-
Total	8,231.89	5,782.31	284.53	13,729.67	1,773.61	807.52	96.17	2,484.96	11,244.71	6,458.28
	(5,282.31)	(3,036.44)	(86.86)	(8,231.89)	(1,272.54)	(537.89)	(36.82)	(1,773.61)	(6,458.28)	(4,009.77)

NOTES:

1. Land-Freehold includes Rs. 18.79 Million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
2. Land-Freehold includes Rs. 50.66 million, for which transfer of Title in favour of the Company is pending.
3. Buildings includes Rs.2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
4. Adjustments include an amount of Rs.18.10 million towards Cenvat / VAT deducted from cost of assets.
5. In case of subsidiary companies
6. Depreciation amounting to Rs.4.27 million for the year ended March 31, 2010 transferred to expenditure incurred during construction period pending allocation.
7. Freehold Land includes land at Nelankarat Village, Sattadapet Taluka, Chinglepet District Chennai of the gross value of Rs. 2.80 million for which the subsidiary Company has taken legal action for removal of encroachment on certain part of the property.
8. Land & Building were revalued as on 1 April, 1989, 31 March, 1993 and 31 March, 1996 by professional valuers on current market value basis. The revalued amounts Freehold Land Rs.177.10 million (Rs. 177.10 million), Leasehold Land Rs. 15.2 million (Rs. 15.2 million), Factory Building Rs. 40.73 million (Rs. 40.73 million), and other Buildings Rs. 40.26 (Rs. 40.26) have been substituted for historical cost (Freehold Land Rs. 0.39 million (Rs.0. 39 million), Leasehold Land Rs. 1.08 (Rs. 1.08 million), Factory Building Rs. 6.06 million (Rs. 6.06 million) and other Buildings Rs. 8.07 million (Rs. 8.07 million) in the Gross Block of Fixed Assets.
9. Depreciation for the year Rs. 55.60 million (Rs. 34.50 million) includes depreciation on revaluation - Leasehold land Rs. 0.18 million and Buildings Rs.0.44 million; (Rs. 0.18 million and Buildings Rs. 0.45 million respectively)
10. Buildings include Company owned residential flats of the Book Value of Rs. 8.85 million; (Rs.8.85 million) including face value of shares held in Co-operative Housing Societies of Rs. 0.01 million in respect of which documents lodged with the Registrar of Properties for registration are yet to be received back.
11. Leasehold land includes land at Vatva, Ahmedabad of the Gross value Rs. 20.30 million acquired in auction, yet to be registered in the name of the company.

Schedules forming part of the Consolidated Balance Sheet

(Rs. in million)

		As At 31.03.2010		As At 31.03.2009
Schedule - 7				
Investments				
Long Term Investments <i>(At cost less provision for diminution in value)</i>				
In Partnership Firms		0.21		0.21
In Associate Bodies Corporates - Unquoted		0.84		0.65
Others				
Shares - Quoted	16.52		16.52	
Shares - Unquoted	24.24		24.24	
Less : Provision for diminution in value of Investments	0.53	40.23	0.53	40.23
		41.28		41.09
Schedule - 8				
Inventories <i>(at lower of cost and net realisable value, except otherwise stated)</i> <i>At Project sites - (at cost)</i>				
- Stores and Spares		2,215.44		2,125.73
Manufacturing Activities -				
- Raw material, Stores and Spares		455.82		69.64
- Finished Goods		99.01		75.83
- Work-in-Progress		208.27		146.23
Work-in-Progress		975.81		938.81
Plot Stocks		12.57		91.21
Inventories of residential properties		72.78		13.46
Freehold Land		4,579.60		3,208.81
Property Development Rights		7,055.29		6,664.95
Development rights for land		2,140.21		3,301.72
		17,814.80		16,636.39

Schedules forming part of the Consolidated Balance Sheet
(Rs. in million)

	As At 31.03.2010	As At 31.03.2009
Schedule - 9		
Sundry Debtors		
Debts outstanding for a period exceeding six months (<i>unsecured</i>)	5,762.54	4,342.91
Other debts		
Secured	271.94	-
Unsecured	14,130.87	11,371.75
	20,165.35	15,714.66
Less: Provision for Doubtful Debts	236.88	81.09
	19,928.47	15,633.57
Of the above		
Considered good	19,928.47	15,633.57
Considered doubtful	236.88	81.09
	20,165.35	15,714.66
Schedule - 10		
Cash and Bank Balances		
a) Cash and Cheques on Hand	26.42	83.80
b) Balances with Scheduled Banks		
1. In Current Accounts*	1,689.08	737.24
2. In Fixed Deposit Accounts		
- Margin Money	14.92	13.34
- Others	790.63	2,566.79
c) Balance with other Banks	0.02	0.02
* Includes unpaid share application money of Rs. 0.48 million (Rs. 0.52 million) pertaining to one of the subsidiary company		
	2,521.07	3,401.19
Schedule - 11		
Other Current Assets (<i>Unsecured</i>)		
Interest Accrued other than on Investments	12.25	39.23
Retention Money	7,316.71	5,361.28
Other Deposits	2,940.70	2,691.08
Unbilled Revenue	9,659.34	7,608.28
Other Receivables	728.00	534.71
	20,657.00	16,234.58
Less: Provision for Doubtful Assets	20.21	4.09
	20,636.79	16,230.49
Of the above		
Considered good	20,636.79	16,230.49
Considered doubtful	20.21	4.09
	20,657.00	16,234.58

Schedules forming part of the Consolidated Balance Sheet

(Rs. in million)

	As At 31.03.2010	As At 31.03.2009
Schedule - 12		
Loans and Advances (Unsecured, unless otherwise stated)		
Advance to Joint Venture in which the company is a partner	504.11	659.14
Advances recoverable in cash or in kind or for value to be received	4,859.74	3,347.11
Tax deducted at Source and Advance Tax (net of provisions)	540.26	1,800.03
Advance for purchase of land	991.96	1,118.99
Balance with Post Office(held in the names of employees)	0.62	0.62
Balances with Central Excise Department	101.40	101.77
	6,998.09	7,027.66
Less: Provision for Doubtful Advances	90.06	87.82
	6,908.03	6,939.84
Of the above		
Considered good	6,908.03	6,939.84
Considered doubtful	90.06	87.82
	6,998.09	7,027.66
Schedule - 13		
Current Liabilities		
Advances received from Contractee-Clients	6,503.59	6,909.58
Acceptances	2,082.91	475.92
Sundry Creditors :		
Dues to Micro enterprises and Small enterprises	20.80	4.88
Joint Ventures	397.51	40.12
Others	15,859.48	12,780.43
Amounts payable in respect of development rights	3,721.33	3,455.32
Other Liabilities	1,118.95	571.63
Interest accrued but not due on loans	176.15	107.79
Liability towards Investors Education & Protection Fund under Section 205C of the Companies Act,1956		
- Not due - Unclaimed Public Deposit	0.56	0.58
- Not due - Unclaimed Dividends	4.07	3.40
- Not due - Unpaid application money received for allotment of securities and due for refund	0.48	0.52
- Interest accrued and due on Public Deposits	0.02	0.02
	29,885.85	24,350.19
Schedule - 14		
Provisions		
Proposed Dividend	213.61	186.91
Tax on Proposed Dividend	36.30	31.76
Gratuity	47.19	38.75
Compensated Absences	183.65	214.49
Resurfacing obligation (Refer Note B-20 of Schedule 20)	16.10	-
	496.85	471.91

Schedules forming part of the Consolidated Profit and Loss Account
(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Schedule - 15				
Income from Operations				
Gross Work Bills		47,968.79		44,704.90
Sale of Systems, Equipments, Services and Spares		8,855.25		5,224.68
Income from Sale of Villas & Flats		202.13		456.76
Toll Collection		183.64		
Sewerage Treatment Revenue		16.56		15.46
Share of profit from Joint Ventures		(159.81)		101.06
Sales of Products (Refer Note No. B-18 of Schedule 20)		1,347.63		237.85
		58,414.19		50,740.71
Schedule - 16				
Other Income				
Miscellaneous Income		154.97		163.96
Dividend Income on Long Term Investments		0.15		20.49
Liabilities no longer required written back		54.38		31.24
		209.50		215.69
Schedule - 17				
Construction and Manufacturing Expenses				
Opening stock of project stores/ Residential Properties	2,296.89		2,391.34	
Add: Purchase of construction and other materials	26,008.26		15,655.44	
Less: Closing stock of project Stores/ Residential Properties	2,799.15		2,296.89	
Construction and other materials consumed		25,506.00		15,749.89
Cost of Sale of Land		87.44		-
Cost of Development Rights		(50.22)		656.45
Cost of Project stores and other consumables sold		1,060.15		-
Sub-contractors' work bills		5,064.63		12,930.40
Operation and Maintenance Expenses		36.82		6.21
Masonry and other works		11,559.60		9,922.26
Indirect Taxes and Cess		1,850.75		1,003.70
Repairs and Maintenance:				
Construction Machinery	419.36		355.46	
Others	123.59		132.08	
		542.95		487.54
Electricity and Water Charges		104.70		80.89
Machinery Hire Charges		1,075.64		1,066.52
Royalty/ Lease Paid		99.48		94.63
Laboratory Testing Charges		24.71		32.19
Manufacturing Expenses		104.21		71.14
Rawmaterial Consumed	444.29		317.86	
Increase in Finished Goods and Work-in-progress	(37.66)		(66.47)	
		406.63		251.39
		47,473.49		42,353.21

Schedules forming part of the Consolidated Profit and Loss Account

(Rs. in million)

		For the Year ended 31.03.2010		For the Year ended 31.03.2009
Schedule - 18				
Administration and Other Expenses				
Salaries, wages and bonus		1,842.75		1,703.89
Contribution to Provident, Superannuation and Other Funds		177.63		160.79
Staff Welfare Expenses		293.85		271.19
Employee compensation expense under ESOP		3.61		1.11
Managerial Remuneration		239.54		168.69
Traveling and Conveyance		224.76		205.65
Printing and Stationery		45.15		47.35
Communication Expenses		67.44		65.93
Rates and Taxes		79.34		66.47
Tender Expenses		30.35		17.99
Business Promotion		9.22		7.14
Office Maintenance		142.13		129.40
Rent		136.07		121.46
Advertisement and Publicity		21.07		23.69
Auditors' remuneration				
Audit Fees	14.58		12.78	
Tax Audit Fee	0.50		0.35	
Other Services	0.15		0.78	
Reimbursement of expenses	0.54		0.62	
		15.77		14.53
Directors' sitting fees		1.02		0.85
Legal and Professional Charges		259.48		227.90
Insurance		118.77		49.49
Miscellaneous Expenses		90.38		70.38
Loss on Assets sold/ discarded (Net)		20.08		10.53
Provision for doubtful debts, advances and deposits		189.89		61.44
Bad debts Written Off		238.64		58.84
Loss on sale of Investments		-		0.84
Loss on Derivatives		3.15		2.36
Marketing Expenses		-		9.93
Preliminary Expenses Written Off		5.67		1.74
		4,255.76		3,499.58
Schedule - 19				
Interest and Financial Charges				
Interest on Fixed Loans	1,290.34		491.00	
Foreign Exchange Loss (Net)	(16.94)		72.95	
Other Interest				
Interest on other Credit Facilities	807.93		852.78	
Bank and Financing Charges	233.08		261.07	
Interest Others	38.43	2,352.84	19.93	1,697.73
Less: Interest received from Banks and Others		154.11		346.31
		2,198.73		1,351.42

Notes to the Consolidated Financial Statements

Schedule - 20

Significant Accounting Policies and Notes on Accounts

A. Significant Accounting Policies:

1. Method of Accounting

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

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 year 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.

3. Principles of Consolidation

The Consolidated Financial Statements relate to 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. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.

- vii. The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2010.
- 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.

4. Fixed Assets

Tangible Assets:

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

Intangible Assets:

Intangible assets are recognized only when it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured readily. Intangible assets are stated at cost less accumulated amortization.

Toll Collection Rights:

Toll Collection Rights have been obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer (BOT) basis. The cost of such rights comprises construction cost and other preoperative costs incurred during the implementation phase.

Goodwill:

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

Expenditure incurred during construction period pending allocation

Incidental expenditure incurred during construction period is capitalized on commencement of commercial operation of the project.

5. Depreciation and amortisation

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%

Pucca sheds and land acquired for quarrying are amortized over the period of the Project on project-to-project basis. Lease hold improvements are amortised over the primary period of lease of four years. Toll Collection Rights are amortised over the period of 15 to 20 years representing the concession period over which the Group has right to collect tolls.

Technical Know-how is amortised over a period of five years in equal installments.

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.

6. Impairment of assets

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

amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

7. Investments

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

8. Revenue Recognition

8.1 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.

8.2 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.

8.3 An expected loss on the construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.

8.4 Price escalation and other claims and /or variation in contract work are included in revenue only when:

(a) Negotiations have reached an advanced stage such that it is probable that customer will accept the claim; and

(b) The amount that is probable will be accepted by the customer can be measured reliably.

8.5 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.

8.6 Recognition of revenue from real estate projects

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

Sale of land and development rights

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

Sale of flats, villas, plots

Revenue from sale of flats, villas and plots is recognised upon transfer of significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Sale consideration is determined through agreement of sale or registration of sale deed. Revenue recognised is net of adjustment on account of cancellations.

However, in case where the seller is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method.

8.7 In case of one of the subsidiaries, Income from commission receivable from foreign collaborator is accounted for as and when confirmed by them to the Company.

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

8.9 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.

8.10 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.

9. Government Grants :

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all conditions attached to grant will be complied.

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.

10. Inventories

Inventories, are valued at cost. Cost is determined on first-in-first-out method. Finished goods are valued at lower of cost or net realisable value.

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

Residential properties and Plots stock is valued at lower of cost and net realizable value.

Freehold land purchased for the purpose of real estate development is considered as inventory and valued at lower of cost and net realizable value.

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.

Inventories include consideration paid towards acquisition of land/ property development rights and are valued at lower of cost and net realizable value.

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

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.

11. Employee Benefits

11.1 Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity covering eligible employees on the basis of actuarial valuation as carried out by an Actuary. The liability is funded.

11.2 Compensated Absences

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

11.3 Superannuation

In terms of the Superannuation Scheme of the Company, certain employees of the Company are covered in the defined contribution plan. Under this plan, the Company makes annual contributions, to an approved Superannuation Fund under a policy with Life Insurance Corporation of India. The Company has no further obligations on this account beyond its yearly contributions.

11.4 Provident Fund

Provident fund Contributions are made to the Government administered provident fund except for

one of the subsidiary, where contributions are paid to Management Administered Fund. The Company has no further obligations beyond these contributions charged in the financial statements

12. Foreign currency transactions

Monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. Gains/Losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account in the period in which they arise.

Foreign branches and subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and nonmonetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate at the end of the respective month. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments.

13. Provisions

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

14. Borrowing Costs

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

15. Income Tax

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 is probable.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

16. Earnings per Share (EPS)

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

B. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. All amounts in the financial statements are presented in Rupees in million except per share data and as otherwise stated. Figures in brackets / *italics* represent corresponding previous year figures in respect of Profit & Loss items, and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

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

SI No.	Name of Subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
		2009-10	2008-09	
	Subsidiaries direct, indirect control			
1	IVRCL PSC Pipes Private Limited	66.43%	66.43%	India
2	IVR Enviro Projects Private Limited	97.49%	97.49%	India
3	IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited) {Refer Note B-3}	80.46%	62.35%	India
4	Hindusthan Dorr-Oliver Limited	55.28%	55.00%	India
5	Alkor Petroo Limited	84.91%	84.91%	India
6	IVRCL Steel Constructions & Services Limited	100.00%	100.00%	India
7	Jalandhar Amritsar Tollways Limited	100.00%	100.00%	India
8	Salem Tollways Limited	100.00%	100.00%	India
9	Kumarapalyam Tollways Limited	100.00%	100.00%	India
10	Chennai Water Desalination Limited	75.00%	75.00%	India
11	First STP Private Limited	95.00%	95.00%	India
12	IVRCL Building Products Limited	60.00%	60.00%	India
13	IMCO (22010) Limited ^{3,4}	55.28%	-	United Kingdom
14	Davymarkham Holdings Limited ^{3,4}	55.28%	-	United Kingdom
15	Davymarkham Limited ^{3,4}	55.28%	-	United Kingdom
16	IVRCL Indore Gujarat Tollways Limited ^{3,4}	100.00%	-	India
17	IVRCL Chengapalli Tollways Limited ^{3,4}	100.00%	-	India
18	IVRCL Holdings & Services Pte. Limited ^{3,4}	100.00%	-	Singapore
19	IVRCL Infrastructures & Projects (Botswana) (Pty) Limited ^{3,4}	100.00%	-	Botswana
20	SPB Developers Private Limited ⁴	99.86%	-	India
21	Sion Panvel Tollways Private Limited ^{3,4}	51.00%	-	India
22	IVR Hotels and Resorts Limited	66.88%	66.88%	India
23	Geo IVRCL Engineering Limited	100.00%	100.00%	India
24	IVRCL Mega Malls Limited	100.00%	100.00%	India
25	HDO Technologies Limited	55.28%	55.00%	India
26	Agaram Developers Private Limited	100.00%	100.00%	India
27	Papankuzhi Developers Private Limited	100.00%	100.00%	India
28	Mummididi Developers Private Limited	100.00%	100.00%	India
29	Samatteri Developers Private Limited	100.00%	100.00%	India
30	Annupampattu Developers Private Limited	100.00%	100.00%	India
31	Kunnam Developers Private Limited	100.00%	100.00%	India
32	Tirumani Developers Private Limited	100.00%	100.00%	India
33	Ilavampedu Developers Private Limited	100.00%	100.00%	India
34	Haripuram Developers Private Limited	100.00%	100.00%	India
35	Chodavaram Developers Private Limited	100.00%	100.00%	India
36	Vedurwada Developers Private Limited	100.00%	100.00%	India
37	Rudravaram Developers Private Limited	100.00%	100.00%	India
38	Gajuwaka Developers Private Limited	100.00%	100.00%	India
39	Geo Prime Developers Private Limited	100.00%	100.00%	India
40	Theata Developers Private Limited	100.00%	100.00%	India

SI No.	Name of Subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
		2009-10	2008-09	
41	Duvvda Developers Private Limited	100.00%	100.00%	India
42	IVR Prime Developers (Mylapore) Private Limited	100.00%	100.00%	India
43	IVR Prime Developers (Palakkad) Private Limited	100.00%	100.00%	India
44	IVR Prime Developers (Guindy) Private Limited	100.00%	100.00%	India
45	Gamaa Developers Private Limited	100.00%	100.00%	India
46	Simhachalam Prime Developers Private Limited	100.00%	100.00%	India
47	Siripuram Developers Private Limited	100.00%	100.00%	India
48	Kasibugga Developers Private Limited	100.00%	100.00%	India
49	Vijayawada Developers Private Limited	100.00%	100.00%	India
50	Eluru Developers Private Limited	100.00%	100.00%	India
51	IVR Prime Developers (Nellore) Private Limited	100.00%	100.00%	India
52	IVR Prime Developers (Amalapuram) Private Limited	100.00%	100.00%	India
53	IVR Prime Developers (Erode) Private Limited	100.00%	100.00%	India
54	IVR Prime Developers (Guntur) Private Limited	100.00%	100.00%	India
55	IVR Prime Developers (Kakinada)Private Limited	100.00%	100.00%	India
56	IVR Prime Developers (Araku) Private Limited	100.00%	100.00%	India
57	IVR Prime Developers (Pudukkottai) Private Limited	100.00%	100.00%	India
58	Absorption Aircon Engineer Private Limited	100.00%	100.00%	India
59	IVR Prime Developers (Vanaprastha) Private Limited	66.67%	66.67%	India
60	IVR PUDL Resorts & Clubs Private Limited	66.67%	66.67%	India
61	IVR Prime Developers (Thandiarpet) Private Limited	100.00%	100.00%	India
62	IVR Prime Developers (Gummidipundy) Private Limited	100.00%	100.00%	India
63	IVR Prime Developers (Kodambakkam) Private Limited	100.00%	100.00%	India
64	IVR Prime Developers (Arumbakkam) Private Limited	100.00%	100.00%	India
65	IVR Prime Developers (Anna Nagar) Private Limited	100.00%	100.00%	India
66	IVR Prime Developers (Pallavaram) Private Limited	100.00%	100.00%	India
67	IVR Prime Developers (West Mambalam) Private Limited	100.00%	100.00%	India
68	Bibinagar Developers Private Limited	100.00%	100.00%	India

Sl No.	Name of Subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
		2009-10	2008-09	
69	IVR Prime Developers (Anakapalle) Private Limited	100.00%	100.00%	India
70	IVR Prime Developers (Rajampeta) Private Limited	100.00%	100.00%	India
71	IVR Prime Developers (Tanuku) Private Limited	100.00%	100.00%	India
72	IVR Prime Developers (Red Hills) Private Limited	100.00%	100.00%	India
73	IVR Prime Developers (Rajahmundry) Private Limited	100.00%	100.00%	India
74	IVR Prime Developers (Tuni) Private Limited	100.00%	100.00%	India
75	IVR Prime Developers (Bobbilli) Private Limited	100.00%	100.00%	India
76	IVR Prime Developers (Bhimavaram) Private Limited	100.00%	100.00%	India
77	IVR Prime Developers (Valasaravakkam) Private Limited	100.00%	100.00%	India
78	IVR Prime Developers (Adayar) Private Limited	100.00%	100.00%	India
79	IVR Prime Developers (Ananthapuram) Private Limited	100.00%	100.00%	India
80	IVR Prime Developers (Perumbadur) Private Limited	100.00%	100.00%	India
81	IVR Prime Developers (Egmore) Private Limited	100.00%	100.00%	India
82	IVR Prime Developers (Tambaram) Private Limited	100.00%	100.00%	India
83	IVR Prime Developers (Ashram) Private Limited	100.00%	100.00%	India
84	IVR Prime Developers (Retiral Homes) Private Limited	100.00%	100.00%	India
85	IVR Prime Developers (Avadi) Private Limited	100.00%	100.00%	India
86	IVR Prime Developers (Alwarpet) Private Limited	100.00%	100.00%	India
87	IVR Strategic Resources & Service Limited ¹	-	100.00%	India
88	IVRCL Water Infrastructure Limited ¹	-	100.00%	India
89	M.M. Kuppam Developers Private Limited ²	-	100.00%	India
90	Velursantha Developers Private Limited ²	-	100.00%	India
91	Annavaram Developers Private Limited ²	-	100.00%	India
92	ETA Developers Private Limited ²	-	100.00%	India
93	IOTA Developers Private Limited ²	-	100.00%	India
94	IVR Prime Developers (Godavari) Private Limited ²	-	100.00%	India
95	Kappa Developers Private Limited ²	-	100.00%	India
96	Lamda Developers Private Limited ²	-	100.00%	India

Notes :

1. These Companies were amalgamated with IVRCL Assets & Holdings Limited with effect from April 1, 2009. (Refer Note B-4(i) of Schedule 20)
2. These Companies were amalgamated with IVR Hotels & Resorts Limited with effect from April 1, 2009. (Refer Note B-4(ii) of Schedule 20)
3. Consolidated based on management certified accounts
4. Acquired / incorporated during the year

ii) Associates & Joint Ventures not included in consolidation

Name of the Company / Joint Venture	Share of Interest
Bhanu - IVRCL Associates	50.00%
IVRCL – Tantia	50.00%
IVR Prime IT SEZ Private Limited	50.00%
Paresh Infrastructures Private Limited	49.00%
VIVA Infrastructures Private Limited	50.00%
Rayalaseema Expressway Private Limited	49.00%

3. Notes on Amalgamation carried out in subsidiary companies:

- i) During the current year, the IVRCL Assets & Holdings Limited entered into a Scheme of Amalgamation (the “Scheme”) with IVR Strategic Resources and Services Limited (ISRSL) and IVRCL Water Infrastructure Limited (IWIL) (“transferor companies”). The transferor companies were engaged in the business of executing various Road and Water BOT projects. The Scheme was sanctioned by the Hon’ble High Court of Judicature at Hyderabad vide its Order dated February 26, 2010.

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

- i. The Scheme of Amalgamation became effective on April 01, 2009, the appointed date.
- ii. The assets, liabilities, rights and obligations of erstwhile ISRSL and IWIL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting prescribed by Accounting Standard 14 – “Accounting for amalgamations”.
- iii. In consideration of amalgamation of ISRSL and IWIL with the Company, 59,463,572 equity shares of Rs 10 each fully paid up amounting to Rs. 594.64 million were issued to the equity share holders of ISRSL and IWIL, i.e., IVRCL Infrastructures & Projects Limited, whose name is registered in the register of members of ISRSL and IWIL respectively on record date.
- iv. Excess of fair value of net assets taken over by the Company over the face value of equity shares issued amounting to Rs. 12,531.53 million has been credited to Capital Reserve Account in accordance with the Scheme. Had the Scheme not prescribed this accounting treatment, the aggregate amount of Rs. 12,531.53 million would have credited to Securities Premium account instead of Capital Reserve Account in accordance with Accounting Standard 14 - “Accounting for amalgamations”.
- v. From the appointed date, the authorized share capital of the Company stands increased by the authorized share capital of ISRSL and IWIL, amounting to Rs.908.00 million comprising of 90,800,000 equity shares of Rs.10 each.
- vi. ISRSL and IWIL shall stand dissolved without going through the process of winding up.

The Company has acquired 37.5% of share holding interest in IOT Utkal Energy Services Limited (one of the SPV’s of IWIL), on amalgamation of IWIL with the Company. As at March 31, 2010, IWIL has not invested in the equity share capital of the entity. Accordingly the fair value of the above share holding interest acquired amounting to Rs. 173.76 million is disclosed under Schedule 11 “Loans and Advances” under “Advances recoverable in cash or in kind or for value to be received”.

- ii) During the current year, the following subsidiaries of IVR Hotels & Resorts Limited, which are engaged in real estate business, have entered into Scheme of Arrangement in the nature of amalgamation with IVR Hotels & Resorts Limited. Scheme of Arrangement was sanctioned by the Hon’ble High Court of Judicature at Hyderabad vide its Orders dated June 23, 2009 and March 19, 2010.

Following are the names of the Transferor Companies:

1. Velursantha Developers Private Limited
2. M.M.Kuppam Developers Private Limited
3. Lamda Developers Private Limited
4. Kappa Developers Private Limited

5. IOTA Developers Private Limited
6. Annavaram Developers Private Limited
7. IVR Prime Developers (Godavari) Private Limited
8. ETA Developers Private Limited

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

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

4. Debentures:

a) Secured Non Convertible Debentures:

2,000, 12.15% Secured Non Convertible Redeemable Debentures @ Rs.1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of five years from the date of allotment. The debentures are secured with asset cover of 1.25 times by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

1,050, 8.85% Secured Non Convertible Redeemable Debentures @ Rs.1,000,000 each issued to the following banks during the current year. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of Seventeen months from the date of allotment. The debentures are secured with asset cover of 100% by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company.

S.No.	Name of the Bank	No.of Debentures
1	Federal Bank Limited	100.00
2	Dena Bank	100.00
3	Allahabad Bank	50.00
4	Corporation Bank	50.00
5	UCO Bank	100.00
6	Bank of Baroda	200.00
7	Bank of India	250.00
8	Central Bank of India	200.00
	Total	1,050.00

On March 10, 2010 IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited), had issued 1,500 secured redeemable non-convertible debentures of face value of Rs. 1,000,000 each, carrying an interest rate of 9.5% interest per annum payable on a quarterly basis with a tenor of 3 years. The Company has executed the Trust Deed as on March 31, 2010 and is in the process of creating charge on the security. The Company has 90 days time from the date of issue of information memorandum for creation of charge on the security. The debentures are redeemable at par in two equal installments at the end of the 2nd and 3rd year from the date of allotment viz., Mar 10, 2010.

In relation to the above, the Company has not created a Debenture Redemption Reserve to the extent of Rs.8.98 million under Section 117C of the Companies Act, 1956 due to losses incurred during the year.

b) Unsecured Non Convertible Debentures:

During the year, the Company has issued 150, 8.75% Unsecured Non Convertible Redeemable Debentures @ Rs.1,000,000 each to the following Banks. IDBI Trusteeship Services Ltd, Mumbai are the trustees for the debenture holders. The debentures shall be redeemed at the end of Fifteen months from the date of allotment.

S.No.	Name of the Bank	No.of Debentures
1	State Bank of Indore	100.00
2	State Bank of Mysore	50.00
Total		150.00

c) The debentures (Secured and Unsecured) are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange (NSE).

d) Debenture Redemption Reserve :

Rs.315.29 million (Rs.100.00 million) has been set aside towards redemption of these debentures and is carried as part of Reserves and Surplus.

5. Option for conversion of bonds into equity shares has not been exercised by any of the Foreign Currency Convertible Bond holder during the year. Rs.44.27 million has been credited (Rs.80.72 million debited) to the Profit and Loss Account during the year towards foreign exchange translation difference on Foreign Currency Convertible Bonds.

6. Contingent Liabilities

(Rs. in million)

Particulars	As at March 31, 2010	As at March 31, 2009
6.1 Bank Guarantees/Letters of Credit issued by the banks on behalf of the company	39,599.27	28,842.84
Claims against the company not acknowledged as debts	880.61	100.34
Tax demands contested in appeal filed by the Company in the Tribunal	80.82	49.20
Disputed Sales Tax / Service Tax	1,767.67	178.48
Disputed Central excise, customs duty and stamp duty	11.94	3.93
Corporate Guarantees issued by the Company	6,617.59	2,055.00

6.2 In case of Hindustan Dorr-Oliver Limited, in connection with litigation by a client claiming compensation for alleged breach of contract was settled by the Company during the year. Consequently, all other claims and counter claims relating to the contract and the related proceedings pending in the Courts at Bombay and Goa have been withdrawn / settled.

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

As at March 31, 2010, 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, based on legal opinion, 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/ or legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on March 31, 2010.

- 6.4 Estimated amount of Contracts to be executed on capital account Rs.15,297.64 million (Rs.2,223.68 million)
7. The tax relief available to the Company under Section 80IA of the Income Tax Act had in earlier years been transferred to a Special Reserve account. This tax relief was withdrawn with retrospective effect in the Finance Bill (No.2) 2009 and hence provision has been made for additional tax aggregating to Rs.1,409.30 million. An amount of Rs.1,411.00 million previously appropriated to a Special Reserve account created for the purpose has been recredited to the Profit and Loss account.

8. Components of Deferred Tax Assets and Liabilities:

(Rs. in million)

Particulars	As at March 31, 2010	As at March 31, 2009
Deferred Tax Liability		
Difference between book and tax depreciation	(341.86)	(273.37)
Total Deferred Tax Liability	(341.86)	(273.37)
Deferred Tax Asset		
Provision for Gratuity and Leave Encashment	60.63	69.79
Provision for Doubtful Debts, Advances and Deposits	115.31	59.78
Public Issue Expenses	53.60	84.93
Amalgamation Expenses	7.13	-
Carry Forward Losses	93.91	29.56
Others	8.00	0.56
Total Deferred Tax Asset	338.58	244.62
Net Deferred Tax Asset / (Liability)	(3.28)	(28.75)

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

	2009-10	2008-09
Profit After Tax before earlier years' tax for calculation of Basic EPS (Rs. in million)	2,155.55	2,249.84
Profit After Tax after earlier years' tax for calculation of Basic EPS (Rs. in million)	746.52	2,249.84
Profit After Tax before earlier year's tax for calculation of Diluted EPS (Rs. in million)	2,126.33	2,249.84
Profit After Tax after earlier years' tax for calculation of Diluted EPS (Rs. in million)	717.30	2,249.84
Number of shares considered as weighted average shares for calculation of Basic Earnings Per Share(EPS)	267,009,858	267,005,584
Add: Dilutive effect of potential shares out of stock Options / FCCB etc., outstanding	2,977,354	4,274
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	269,987,212	267,009,858
Basic EPS before earlier years' tax (Rs.)	8.07	8.43
Basic EPS after earlier years' tax (Rs.)	2.80	8.43
Diluted EPS before earlier years' tax (Rs.)	7.88	8.43*
Diluted EPS after earlier years' tax (Rs.)	2.66	8.43*

*Note : The effect of dilution on account of Foreign Currency Convertible Bonds pending conversion are anti dilutive and hence ignored in the calculation of Diluted Earnings Per Share.

10. Related Party Disclosure

Information regarding Related Parties and Transactions, if any, with them as per Accounting Standard 18 as notified in the Companies (Accounting Standards) Rules, 2006 , is given below:

List of Related Parties

Sl No.	Name	Sl No.	Name
A Associate (Where the Company Exercises Significant influence)			
1	Viva Infrastructure Pvt. Limited	3	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	4	Rayalseema Expressway Private Limited
B Joint Ventures			
1	Bhanu - IVRCL Associates	13	IVRCL SEW & WPIL
2	IVRCL - Tantia	14	IVRCL MBL
3	IVRCL, SEW & Prasad	15	IVRCL BATPASCO WPIL & MHI
4	IVRCL, Navayuga & SEW	16	IVRCL BATPASCO ABB & AAG
5	Navayuga, IVRCL & SEW	17	IVRCL CR28G Consortium
6	IVRCL Harsha	18	MEIL IVRCL HCC & WPIL
7	SPCL - IVRCL	19	IVRCL - KIPL
8	IVRCL JL	20	IVRCL – SAISUDHIR
9	UAN Raju IVRCL Construction	21	UNITY - IVRCL
10	IVRCL KBL	22	IVRCL-CADAGUA
11	IVRCL KBL MEIL	23	IVRCL- RAJ
12	IVRCL CR28G	24	CR 28 G - IVRCL
C Enterprises owned or significantly influenced by key management personal 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. E. Sunil Reddy
2	Mr. K. Ashok Reddy	5	Mr. S. C. Sekaran
3	Mr. R. Balarami Reddy	6	Mr. D.P.Mishra
E Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy	Relative of Chairman & Managing Director	
2	Mrs. E. Sujatha Reddy	Relative of Chairman & Managing Director	
3	Mrs. E. Indira Reddy	Relative of Chairman & Managing Director	
4	Mr. E. Siddhanth Reddy	Relative of Chairman & Managing Director	
5	Mr. E. Sanjeeth Reddy	Relative of Chairman & Managing Director	
6	Mr. E. Sunil Reddy	Relative of Chairman & Managing Director	
7	Ms. E.Suha Reddy	Relative of Director	
8	Ms. E. Soma Reddy	Relative of Director	
9	Mrs. R. Vani	Relative of Executive Director - Finance & Group CFO	

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2010 (figures in brackets are for previous year)

(Rs. in million)

	Joint Ventures	Associate Companies & Others
Income	9,753.24 (11,108.25)	3.65 (-)
Interest Received	13.62 (11.05)	- (-)
Sub contractor Expenses	3,608.14 (4,408.91)	994.87 (727.62)
Rent Paid	- (-)	18.29 (30.46)
Interest paid on Mobilisation Advance	90.32 (29.29)	- (-)
Advances Paid	504.10 (659.14)	7.25 (13.55)
Advances Received	397.52 (40.12)	- (-)
Creditors for Construction Expenses	1,795.08 (792.98)	599.33 (481.59)
Provision for Advance	36.07 (36.07)	- (-)
Debtors	3,524.98 (2,671.19)	- (-)
Mobilisation Advance	1,006.80 (704.63)	- (-)
Retention Money receivable	1,233.89 (920.59)	- (-)
Rent Deposit	- (-)	5.66 (6.11)
Retention Money payable	377.68 (304.03)	77.24 (54.99)

(Rs. in million)

Key Management Personnel / Relatives	Designation	Remuneration	Dividend	Office Rent	Rent Deposit
Mr. E. Sudhir Reddy	Chairman & Managing Director	181.82 (147.87)	7.34 (6.96)	0.93 (0.91)	0.50 (0.25)
Mr. E. Sunil Reddy	Managing Director (Subsidiary)	44.52 (6.92)	1.76 (1.76)	0.93 (0.91)	0.50 (0.25)
Mr. K Ashok Reddy	Executive Director	4.27 (4.05)	0.03 (0.03)		
Mr. R. Balarami Reddy	Executive Director - Finance & Group CFO	4.31 (4.09)	0.03 (0.03)		
Mr. Ella Reddy	Director			2.54 (3.49)	
Mr. S.C. Sekaran	Executive Director (Subsidiary)	4.50 (4.26)			
Mr. S.V. Ramkumar	Manager (Subsidiary)	- (1.38)			
Mr. D.P.Mishra	Manager (Subsidiary)	0.12 (0.12)			
Relatives			3.24 (3.24)	2.33 (3.14)	
Total		239.54 (168.69)	12.40 (12.02)	6.73 (8.45)	1.00 (0.50)

11. Employee Share based Plan

a) Employee Share based Plan – ESOP 2007 Scheme :

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

b) Employee Share based Plan – HDO-ESOP-2005 Scheme :

During the year one of Subsidiary (Hindustan Dorr - Oliver Limited), 252,000 options granted to its employees under the Employees Stock Option Scheme HDO-ESOP-2005 at a single exercise price of Rs.41.52 per stock option with a vesting period of 1 year.

Method used for accounting for share based plan:

The Company has used intrinsic value method to account for the compensation cost of stock option to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying stock exceeds the exercise price of the option. The total intrinsic value of the options granted during the year is recognised as deferred compensation expense with a corresponding liability as Stock Options.

Deferred employee compensation expense is amortised on a straight line basis over a vesting period of the option granted.

Movement in the option during the year.

Employees Stock Options Scheme, 2005

Particulars	ESOP : 2005 Scheme	Weighted average exercise price per stock option (Rs.)
Options outstanding at the beginning of the year	500,000	41.52
Granted during the year	252,000	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding during the year	248,000	41.52
Options exercisable at the end of the year	252,000	41.52

Fair value Methodology:

The fair value of options used to compute pro forma net income and earnings per equity share have been estimated on the date of granting using Black-Scholes model. The key assumptions used in Black-Scholes model for computing the fair value are; (a) Risk free interest rate of 6.6% p.a. (b) Expected life of 1 year and (c) Expected volatility of share price of 61.55%. The weighted average fair value of the option works out to Rs. 90.67.

Had compensation cost for the stock options granted under ESOP 2005 been determined based on fair value approach, the Company's net profit and earning per share would have been as per the pro forma amounts indicated below:

Particulars	(Rs. in million)
Net Profit (as reported)	2,155.55
Add: Employee compensation expense included in net income, based on market price as on Date of grant	3.61
Less: Employee compensation expense determined under fair value based method	0.96
Net profit (pro forma)	2,158.20
Basic Earnings per share (as reported)	8.07
Basic Earnings per share (pro forma)	8.08
Diluted Earnings per share (as reported)	7.88
Diluted Earnings per share (pro forma)	7.89

12. Derivative Instruments:

The year end foreign exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	US Dollar Equivalent (million)	INR Equivalent (million)	US Dollar Equivalent (million)	INR Equivalent (million)
	2009-10	2009-10	2008-09	2008-09
Amount payable in foreign currency : Foreign Currency Convertible Bonds	7.60	341.21	7.60	385.48

13. Segmental Reporting:

Information about primary business segments

(Rs. in million)

Particulars	Engineering & Construction	Real Estate	Eliminations	Total
Revenue:				
Total External Sales	58,033.79 50,187.81	278.54 456.88	- -	58,312.33 50,644.69
Add : Inter segment sales	6,975.63 4,813.94	- -	(6,975.63) (4,813.94)	- -
Total Revenue	64,009.42 55,001.75	278.54 456.88	(6,975.63) (4,813.94)	58,312.33 50,644.69
Segment result before interest, exceptional items and tax				5,979.65 4,459.27
Less: Interest				2,198.73 1,351.42
Profit before Exceptional items and tax				3,780.92 3,107.85
Exceptional items:				- -
Profit Before Tax				3,780.92 3,107.85
Tax				1,437.52 704.88
Profit After tax				2,343.40 2,402.97
Segment Assets	82,685.73 69,235.37	18,368.54 16,483.72	(6,241.58) (5,888.84)	94,812.69 79,830.25
Unallocated Corporate Assets				1,170.73 712.21
Total Assets				95,983.42 80,542.46
Segment Liabilities	28,970.16 21,906.91	5,178.11 6,550.30	(3,765.57) (3,635.11)	30,382.70 24,822.10
Unallocate Corporate Liabilities				33,067.45 25,024.51
Total Liabilities				63,450.15 49,846.61
Segment Depreciation	801.10 524.05	1.49 13.17	- -	802.59 537.22
Non - Cash Expenses other than Depreciation				380.90 182.24

Secondary Segment disclosure:

Geographical Segment:

During the year under report, the Group has engaged in their business primarily within India. The scale of operations in other countries does not constitute a reportable segment as per the Accounting Standard 17 notified in Companies (Accounting Standard) Rules, 2006. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

14. Managerial Remuneration:

(Rs. in million)

	2009-10	2008-09
Salary and allowances	40.15	32.85
Commission	195.10	132.72
Contribution to Provident and other Funds*	4.29	3.12
Total	239.54	168.69

* Excluding contribution towards Gratuity and Compensated absences, as separate figures cannot be quantified.

15. Employee Benefits

a) Gratuity Plan

(Rs. in million)

Particulars	2009-10	2008-09
15.1 Components of Employer Expenses		
Current service cost	25.37	16.92
Interest cost	10.67	7.41
Expected return on plan assets	(6.90)	(4.50)
Net Actuarial (Gain) / Loss to be recognized	(0.26)	20.35
Total expense recognised in the Statement of Profit and Loss Account	28.88	40.18
15.2 Actual Contribution & Benefit Payments		
Actual Benefit Payments	(8.42)	(8.74)
Actual Contribution	25.43	22.66
15.3 Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	139.49	110.24
Fair value of plan assets at the end of the year	89.85	54.43
(Net Asset) / Liability recognised in the Balance Sheet	(49.64)	11.54
15.4 Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at Beginning of Year	114.25	80.06
Interest Cost	10.67	7.41
Current Service Cost	25.37	16.92
Benefits Paid	(8.51)	(8.74)
Actuarial (Gain) / Loss on obligations	(0.91)	18.65
Present Value of DBO at the End of Year	140.87	114.25
15.5 Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	66.60	37.72
Expected return on planned assets	6.90	4.50
Contributions	25.43	22.66
Benefit paid	(8.42)	(8.74)
Actuarial Gain / (Loss) on plan assets	(0.66)	(1.71)
Fair value of plan assets at the end of the year	89.85	54.44
Defined benefit plan – Gratuity Assumptions		
Discount rate	8.00%	8.00%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

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

- b) The expense pertaining to gratuity of Rs.28.88 million (Rs.40.18 million) has been considered in "Contribution to Provident, Superannuation and Other Funds" under Schedule 17.
 - c) In view of the change in leave rules, the Company has reversed an excess liability of Rs.64.90 million. The net amount credited to the profit and loss account during the year is Rs.20.91 million, whereas the expense recognized in the previous year was Rs.91.78 million.
16. During the year, the Company entered into certain derivative transaction in steel and crude oil. The net loss from the transactions of Rs.3.15 million (Rs.2.36 million) have been charged to the Profit and Loss Account under the head Administrative and Other Expenses.'
 17. Sundry Debtors includes claims aggregating to Rs. 347.02 million (Rs.506.13 million) receivable from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. The claims are considered realisable based on favorable developments arising out of continuous contract management steps taken by the Company.
 - 18.. Sale of Products include Rs.1,060.15 million (Rs. Nil) being sale of project stores and consumables to sub-contractors.
 19. Specific Notes relating to one of the subsidiary, IVRCL Assets & Holdings Limited and its subsidiaries

19.1The Group has acquired various land parcels and is into initial stage of project implementation. As per Group's business plan, the projects will have multiple properties consisting of integrated townships, plots, flats, residential and commercial multistoried buildings and IT Parks which will be classified under Fixed Assets, Investment Properties and Inventories, as the case may be, based on ultimate end use pattern as per final business plan of the Group. Pending such reclassification, the cost incurred on development of projects is included under the head 'Inventory'.

The Group has directly and through some of its subsidiaries incurred an aggregate cost of Rs.14,834.63 million as at March 31, 2010 on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The said land parcels/projects are being carried in the books at cost, which in the opinion of the management, is lower than the net realizable value/value in use, based on the assessment of experts engaged by the management. Accordingly, no adjustment has been made to the carrying value of these land parcels/projects.

19.2 Development rights for land

Inventories include Earnest Money Deposits for paid towards consideration for acquiring development rights of land from group companies and others as per Joint Development Agreements amounting to Rs.2,978.73 million (Rs.3,301.72 million) towards "rights for development" of land.

19.3 Property Development Rights

Property development rights under inventory include consideration paid/payable to NOIDA (New Okhla Industrial Development Authority) aggregating to Rs. 5,960,64 million towards the rights for development of 100.41 acres of leasehold land at NOIDA. Balance payable outstanding to NOIDA as on March 31, 2010 is Rs. 3,721.33 million (Rs.3,455.31 million). During the year 2006-07, the Holding Company, IVRCL Infrastructures & Projects Limited had transferred these rights to the Company, vide Memorandum of Understanding dated 14th February, 2007.

Hitherto property development rights was disclosed including interest pertaining to future installments. During the year, the same has been excluded and the effect is given in comparative figures amounting to Rs. 314.64 million.

19.4 Hitherto goodwill on consolidation included an amount of Rs.410.20 million representing securities premium of a subsidiary. During the year, the same has been netted off against securities premium and the effect is given in comparative figures.

20. Provision for resurfacing obligation

One of the subsidiary, IVRCL Assets and Holdings Limited and its 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 recognized the provision in accordance with Accounting Standard-29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(Rs. in million)

Particulars	As on April 1, 2009	Additions during the Year	Amount used during the Year	Amounts reversed During the Year	As on March 31, 2010
Provision for resurfacing obligation	-	16.20	-	-	16.20
	-	16.20	-	-	16.20

21. Un-hedged foreign currency exposure

(Rs. in million)

Particulars	As at March 31, 2010		As at March 31, 2009	
	EURO	INR	EURO	INR
Payables				
Loans	13.35	808.00	14.06	949.01
Interest payable on Loan	0.06	3.96	0.09	6.05

22. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.

Signatures to Schedules 1' to 20' forming part of the financial statements as on 31st March, 2010.

FOR AND ON BEHALF OF THE BOARD

E. SUDHIR REDDY
 Chairman &
 Managing Director

R. BALARAMI REDDY
 Executive Director -
 Finance & Group CFO

B. SUBRAHMANYAM
 Company Secretary

Place : Hyderabad
 Date : May 29, 2010

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. State Code

Balance Sheet Date

II. Capital Raised during the year (Rs. in millions)

Public Issue Rights Issue

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

III. Position of Mobilisation & Deployment of Funds (Rs. in millions)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves
& Surplus

Secured Loans Unsecured Loans

Deferred Tax
Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Mis Expenditure

Accumulated Losses

IV. Performance of Company (Rs. in millions)

Turnover Total Expenditure

Profit/(Loss)
before Tax Profit/(Loss)
after Tax

Earnings Per
Share in Rs. Dividend Rate (%)

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

Item Code (ITC Code)

Not allotted

Product Description

Construction & Engineering



We make it happen

IVRCL Infrastructures & Projects Ltd

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

PROXY FORM

23rd ANNUAL GENERAL MEETING

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

I/Weof.....in the district ofbeing a member/members of the above named company, hereby appoint Mr / Ms / Kum.....in the district ofas my/our proxy to vote for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company to be held on Saturday the 18th September, 2010 at 12.30 p.m. at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082 and at any adjournment thereof.

Signed thisday of 2010

Address

.....

Signature

Affix
Re.1
Revenue
Stamp

Note: The proxy form duly completed must be deposited at Regd.Office:M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057, A.P., India, not less than 48 hours before the time for commencement of the meeting. A proxy need not be a member.



IVRCL Infrastructures & Projects Ltd

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

ATTENDANCE SLIP

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

I hereby record my presence at the Twenty Third Annual General Meeting of the Company to be held at at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082 on Saturday, the 18th September, 2010 at 12.30 p.m.

.....

Full Name of the Shareholder
(in block Letters)

Signature

Full Name of the Proxy
(in block Letters)

Signature

(To be filled if the Proxy attends instead of the member)

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. Please carry a copy of the Annual Report.

