

BOARD OF DIRECTORS

E. SUDHIR REDDY

Chairman & Managing Director

E. SUNIL REDDY
Director

R. BALARAMI REDDY
Executive Director - Finance & Group CFO

K. ASHOK REDDY
Executive Director

E. ELLA REDDY
Director

T. N. CHATURVEDI
Director

T. R. C. BOSE
Director

P. R. TRIPATHI
Director

Dr. S. K. GUPTA
Director

Dr. L. SRINIVASA REDDY
Director

B. SUBRAHMANYAM

Company Secretary

STATUTORY AUDITORS

M/s. Chaturvedi & Partners
Chartered Accountants
212 A, 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.

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.

REGISTRARS AND TRANSFER AGENTS

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

BANKERS

Andhra Bank | Canara Bank | Corporation Bank | HDFC Bank Ltd. | ICICI Bank Ltd. | IDBI Ltd. | IndusInd
Indian Overseas Bank | Karur Vysya Bank Ltd. | Kotak Mahindra Bank Ltd. | Lakshmi Vilas Bank Ltd.
Life Insurance Corporation of India | Punjab & Sind Bank | Reliance Capital Ltd. | Standard Chartered Bank
State Bank of India | State Bank of Indore | State Bank of Hyderabad | State Bank of Mauritius
Syndicate Bank | Tamilnad Mercantile Bank Ltd. | TATA Capital Ltd. | The Bank of Nova Scotia

REGISTERED OFFICE

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

CORPORATE OFFICE

"MIHIR", 8-2-350/5/A/24/IB&2, Road #2, Banjara Hills,
Hyderabad - 500 034. Andhra Pradesh, India.
Tel: +91-40-2335 6613 / 15 / 18 / 21 / 51 to 55
3093 1111 / 1444 (60 Lines). Fax: +91-40-2335 6693

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FORWARD LOOKING STATEMENT

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

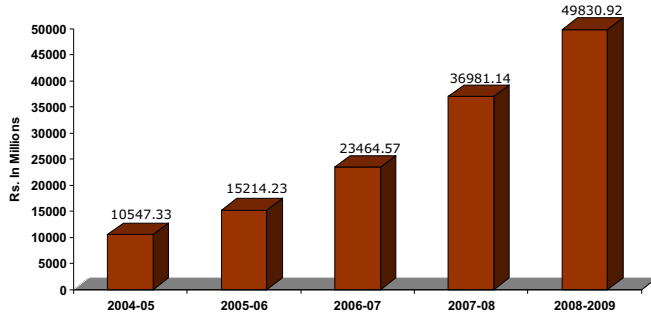
While these forward looking statements represent our judgements and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

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.

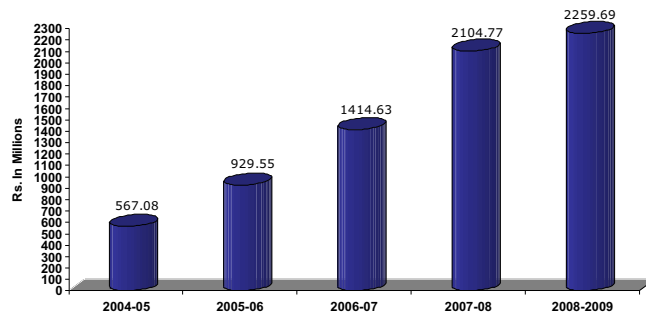
IVRCL undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

FINANCIAL PERFORMANCE

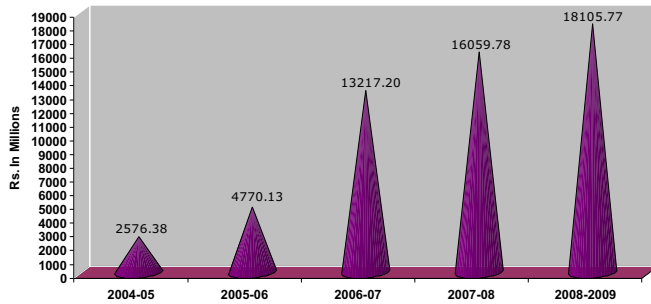
TURNOVER



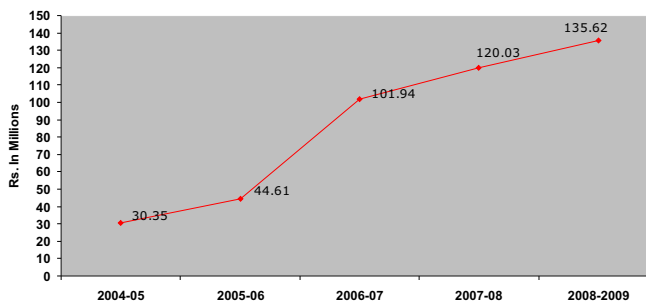
Profit After Tax



Net Worth



Book Value (Adjusted per share of Rs.2/- each)



PERFORMANCE AT A GLANCE

Rs. in million

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Turnover	49830.92	36981.14	23464.57	15214.23	10547.33	7734.53	4403.49	3919.96	2671.93	2116.40
Profit Before Tax	2737.76	2853.30	1850.96	1037.25	594.67	427.12	240.06	199.22	153.79	138.84
Profit After Tax	2259.69	2104.77	1414.63	929.55	567.08	391.81	155.09	130.94	128.06	90.55
Equity Capital	267.01	266.98	259.32	213.88	169.80	106.19	105.06	104.44	104.44	61.44
Reserves & Surplus	17838.76	15792.80	12957.88	4556.25	2406.58	1247.87	913.82	796.05	750.71	265.24
Net Worth	18105.77	16059.78	13217.20	4770.13	2576.38	1354.06	1018.88	900.49	855.15	326.68
Gross Block	6623.50	4175.96	2593.35	1580.10	1107.10	964.34	898.60	755.18	496.44	333.74
Net Block	5206.97	3191.94	1929.13	1107.35	741.03	672.97	703.94	644.74	404.02	250.85
Book Value (Rs.) Per Share	135.62	120.31	101.94	44.61	151.74	127.50	96.98	86.22	81.88	53.17
EPS (Rs.) Basic	16.93	16.08	12.38	8.84	33.56	37.04	14.85	12.54	12.26	14.73
Dividend	70%	70%	50%	50%	30%	30%	30%	30%	30%	30%

The Book Value and EPS are per share of Rs.2/- for the years 2008-09, 2007-08, 2006-07 and 2005-06, while the previous years figures indicate per share of Rs.10/- each. Equity share of Rs.10/- was sub-divided into five equity shares of Rs.2/- each with effect from 4th March, 2006.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the twenty second Annual General Meeting of the Members of IVRCL Infrastructures & Projects Limited will be held on Wednesday, the 9th September 2009 at Hotel Fortune Katriya, Somajiguda, Hyderabad at 11.30 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2009, 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.
3. To appoint a Director in place of Mr. E. Ella 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. E. Sunil Reddy, Director, who retires by rotation under Art.121 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr. T. R. C. Bose, 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 modifications 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 appoint Dr. Lingireddy Srinivasa Reddy as a Director of the Company

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

RESOLVED that Dr. Lingireddy Srinivasa Reddy be and is hereby appointed Director of the Company liable to retire by rotation.”

8. To reappoint Mr. E. Sudhir Reddy as Chairman & Managing Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 314, 316 and 317 read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, and subject to statutory approvals if any, Mr. E. Sudhir Reddy be and is hereby re appointed as the Chairman & Managing Director of the Company for a period of five years with effect from October 1, 2009, notwithstanding that he is Jt. Managing Director of another public limited company, on the terms and conditions stipulated below.”

- 1) COMMISSION - 5% of net profits as per provisions of Section 198 and 309 of Companies Act, 1956 including salary and perquisites
- 2) SALARY - Rs.10,00,000/- (Rupees Ten lakhs only) per month
- 3) PERQUISITES
 - a) Housing: Free furnished residential accommodation.
 - b) Maintenance & up keep of House: The expenditure incurred by the company on gas, electricity, water & furnishings will be valued as per Income Tax Rules 1962 subject, however to a ceiling of 10% (ten percent) of salary.
 - c) Reimbursement of Medical Expenses: For self and family subject to a ceiling of one month's salary in an year or three months salary over a period of three years or such other higher reimbursement as approved by Board under special circumstances.

- d) Leave Travel: For self and family once a year, any where in the world, subject to a ceiling of one month's basic salary.
- e) Club Fees: Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
- f) Personal Accident Insurance Premium not to exceed Rs.10,000/ per annum.
- g) Company's contribution to Provident Fund: As per the Company's rules.
- h) Company's contribution to Superannuation Scheme: As per the Company's rules. The Company's contribution to the pension fund shall not together with the Company's contribution to the Provident fund exceed 25% (twenty five percent) of salary as laid down in the Income Tax Rules 1962.
- i) Leave: Four weeks for every 11 months service or one month leave with salary which may be accumulated to a maximum of 120 days with a right to encash the leave.
- j) Gratuity: The gratuity shall not exceed half month's salary for each completed year of service.
- k) Use of Company car and driver on Company's business: Personal use of Company car will be billed to Mr. E. Sudhir Reddy.
- l) Use of residential telephone on Company's business: Charges for personal long distance calls will be billed to Mr. E. Sudhir Reddy.

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

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during Mr. E. Sudhir Reddy's term of office as Chairman & Managing Director, the minimum remuneration will be restricted

to a maximum of Rs.48,00,000/- per annum or Rs.4,00,000/- per month plus the perquisites as mentioned above.

- 9. To approve the remuneration to Mr. R. Balarami Reddy, Executive Director-Finance & Group CFO.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, and subject to approval of shareholders of the Company, Mr. R. Balarami Reddy be paid the same remuneration from 1-4-2009 as was paid from 1-4-2008 to 31-3-2009 as stated below till such time as he continues to be a Director liable to retire by rotation as may be decided by the Board, with liberty to the Board to increase the remuneration, if any, from time to time, subject to the same not exceeding the limits specified in Schedule XIII of the Companies Act, 1956:

- i. Salary - Rs.2,57,600/- p.m.
(Basic Salary - Rs.1,65,375/- p.m. and Allowances - Rs.92,225/- 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during Mr. R. Balarami Reddy's term of office as Executive Director – Finance & Group CFO, the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in Schedule XIII of the Companies Act, 1956.

10. To approve the remuneration to Mr. K. Ashok Reddy, Executive Director

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, and subject to approval of shareholders of the Company, Mr. K Ashok Reddy be paid the same remuneration from 1-4-2009 as was paid from 1-4-2008 to 31-3-2009 as stated below, till such time as he continues to be a Director liable to retire by rotation as may be decided by the Board, with liberty to the Board to increase the remuneration, if any, from time to time, subject to the same not exceeding the limits specified in Schedule XIII of the Companies Act, 1956:

- i. Salary - Rs.2,54,900/- p.m.
(Basic Salary - Rs.1,63,688/- p.m. and Allowance - Rs.91,212/- 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.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during Mr. K Ashok Reddy's term of office as Executive Director, the above remuneration and perquisites be paid as minimum remuneration, subject to the overall limits specified in Schedule XIII of the Companies Act, 1956.

11. Amendment to IVRCL-ESOP 2007 Scheme:

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

RESOLVED THAT, pursuant to provisions of Section 81(1A) and other applicable provisions if any of the Companies Act, 1956, the Articles of Association of the Company, the Listing Agreement entered into with the Stock Exchanges, the guidelines and clarifications issued by the Securities and Exchange Board of India (SEBI), (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and directions issued by any other regulatory authorities and subject to all such other approvals, permissions, consents and sanctions, as may be required and in partial modification of the IVRCL-ESOP 2007 scheme approved by the shareholders in the 20th Annual General Meeting held on 7th September 2007, the following modifications be approved in the resolution for (a) Grant of Options to the employees of the company under ESOP-2007 and (b) Grant of options to the employees of subsidiaries of IVRCL Infrastructures & Projects Limited under ESOP-2007:

- 1) Price: The price at which the options which are convertible into equity shares of nominal value of Rs.2/- per share shall be at a price which is 50% of the closing price recorded on National Stock Exchange of India Ltd. (NSE) on the date of such grant and on such terms and conditions as may be specified and determined by the Board / Compensation Committee.

- 2) Time limit: Time limit for utilizing the options shall be six years from the date of approval by the members
12. Keeping of Register of Members etc at the office of the Registrar & Transfer Agents to the company

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

RESOLVED FURTHER THAT pursuant to Section 163 of the Companies Act, 1956 approval of the members be and is hereby accorded for keeping the Registers and Indices of Members and Debenture Holders, if any, and copies of all Annual Returns at the office of the

Company's Registrars & Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd, "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034, and that the same shall be open for inspection by the persons entitled to it as specified in Section 163 of the Companies Act, 1956.

By order of the Board of Directors

Registered Office :
M-22/3RT,
Vijaynagar Colony,
Hyderabad - 500 057.

(B.SUBRAHMANYAM)
Company Secretary

Date: 29.05.2009

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 12 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 03.09.2009 to 09.09.2009 both days inclusive.
- 6) After declaration of dividend at the Annual General Meeting, the Dividend Warrants / Pay Orders / Drafts for the dividend amount are scheduled to be posted from 25.09.2009 onwards to the members, whose names appear on the Register of Members on close of business hours on 09.09.2009. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- 7) **Unclaimed Dividend**
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 dates for transfer of dividend unclaimed to IEPF:

Financial Year	Date of Declaration	Due date 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

- 8) The dividend will be paid through ECS in respect of shareholders having demat accounts, to the credit of relative bank accounts as furnished by the depositories. Members who desire the amounts to be credited by way of dividend warrants and would like to have their bank account details incorporated in their dividend warrants may please furnish the (i) Folio Nos. (ii) Name and address of sole/first shareholder (iii) Bank Account No. (with prefix SB/CA etc) (iv) Name of the bank and branch (v) Full address of the Bank with Pin Code.
9. 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 appoint Dr. Lingireddy Srinivasa Reddy as a Director of the Company.

Dr. Lingireddy Srinivasa Reddy was co-opted as an Additional Director of the Company w.e.f 05.12.2008 and he will hold the office until the conclusion of this Annual General Meeting. The Company has received a notice along with requisite deposit proposing him for being elected as Director liable to retire by rotation.

Memorandum of Interest: None of the directors, except Dr. Lingireddy Srinivasa Reddy, is interested in the resolution.

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

ITEM NO: 8

To reappoint Mr. E. Sudhir Reddy as Chairman & Managing Director of the Company

Mr. E. Sudhir Reddy was re-appointed as Vice Chairman & Managing Director of the Company for a period of five years with effect from 1st October 2004, and he was redesignated by the Board as Chairman & Managing Director with effect from July 7, 2006. His term of appointment expires on 30th September 2009. The Board of Directors at its meeting held on 29th May 2009, as approved by the Compensation Committee, have re-appointed him as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st October 2009 subject to the consent of the members at the ensuing Annual General Meeting of the Members of the company, on the terms and conditions and remuneration detailed in the resolution as proposed.

Memorandum of Interest: None of the Directors, except Mr. E. Sudhir Reddy personally and Mr. E. Ella Reddy and Mr. E. Sunil Reddy as relatives of Mr. E. Sudhir Reddy, is interested in the above resolution.

This may be treated as an abstract of the terms of the contract between the Company and Mr. E. Sudhir Reddy pursuant to Section 302 of the Companies Act, 1956.

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

ITEM NO: 9

To approve the remuneration to Mr. R. Balarami Reddy, Executive Director-Finance & Group CFO:

Mr. R. Balarami Reddy was appointed as Director-Finance & Group CFO in the 20th Annual General Meeting held on 7th September 2007, on the terms and conditions stated in the resolution of the said meeting so long as he continues to be a Director liable to retire by rotation.

In the Annual General Meeting held on 15th September 2008 the designation of Mr. R. Balarami Reddy has been changed as Executive Director – Finance & Group CFO and his salary has also been revised from Rs.1,96,000/- to Rs.2,57,600/- for the period from 01.04.2008 to 31.03.2009.

The Board of Directors at its meeting held on 29th May, 2009, as approved by the Compensation Committee, decided that Mr. R. Balarami Reddy be paid the same remuneration as in the previous year for the period from 01.04.2009 till such time as he continues to be a Director liable to retire by rotation as may be decided by the Board, with liberty to the Board to increase the remuneration, if any, from time to time, subject to the same not exceeding the limits specified in Schedule XIII of the Companies Act, 1956 and confirmation of the members of the Company at the immediately following general meeting.

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

This may be treated as abstract of the terms of contract between the company and Mr. R. Balarami Reddy pursuant to Section 302 of the Companies Act, 1956.

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

ITEM NO: 10

To confirm the remuneration to Mr. K. Ashok Reddy, Executive Director

Mr. K. Ashok Reddy was appointed as Director (Resources) in the 20th Annual General Meeting held on 7th September 2007, on the terms and conditions stated in the resolution of the said meeting so long as he continues to be a Director liable to retire by rotation.

In the Annual General Meeting held on 15th September 2008 the designation of Mr. K. Ashok Reddy has been changed as Executive Director and his salary has also been revised from Rs.1,94,000/- to Rs.2,54,900/- for the period from 01.04.2008 to 31.03.2009 and that his remuneration be increased from 01.04.2009 till such time he continues to be a Director liable to retire by rotation as may be decided by the Board subject to confirmation of the members at the immediately following General Meeting.

The Board of Directors at its meeting held on 29th May 2009, as approved by the Compensation Committee, decided that Mr. K. Ashok Reddy be paid the same remuneration as in the previous year for the period from 01.04.2009 till such time as he continues to be a Director liable to retire by rotation as may be decided by the Board, with liberty to the

Board to increase the remuneration, if any, from time to time, subject to the same not exceeding the limits specified in Schedule XIII of the Companies Act, 1956 and confirmation of the members of the Company at the immediately following general meeting.

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

This may be treated as abstract of the terms of contract between the company and Mr. K. Ashok Reddy pursuant to Section 302 of the Companies Act, 1956.

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

ITEM NO.11

Amendment to IVRCL-ESOP 2007 Scheme:

The shareholders of the company approved the ESOP-2007 scheme in the 20th Annual General Meeting held on 7th September 2007 authorising the Board of Directors to grant 4,200,000 options convertible into 4,200,000 shares of Rs.2/- on exercise of options granted to the employees.

The company has not granted any options under the said scheme in view of the drastic fall in the market price of the shares making it unattractive to the employees. Now, it is proposed to revise ESOP-2007 scheme by making the following amendments in order to make it attractive enough.

The above changes may also be made applicable to the grant of options, if any, to the employees of subsidiaries of IVRCL under ESOP-2007 scheme.

Memorandum of Interest

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

The Board recommends the said resolution for adoption by members.

ITEM NO.12

Keeping of Register of Members etc. at the office of the Registrar & Transfer Agents to the company.

The company's shares are traded in the stock exchanges compulsorily in demat mode. As per the directions of the Securities and Exchange Board of India (SEBI), the company had appointed M/s. Karvy Computershare Pvt. Ltd. as common agency to

look after both physical and demat share work of the company.

The shareholders earlier in the 13th Annual General Meeting held on 29th September 2000 approved a resolution to keep the Register of Members etc., at the office of the then Registrar & Transfer Agent M/s. CIL Securities Ltd, Hyderabad. Subsequently there has been change in the R & T Agent and hence the change in the resolution is proposed.

In order to facilitate smooth functioning of share transfer work and quick information to the shareholders, the Register of Members and index of members, Annual Returns prepared under Section 159 / 160 together with the copies of certificates and documents required to be annexed to the Annual Returns at the office of Registrar & Transfer Agents and maintained and updated by them. Proviso to Section 163 of the Companies Act, 1956 provides that such registers and indices etc, instead of being kept at the registered office of the company may be kept at any other place within the city in which the registered office is situated, if such other place has been approved for this purpose by the special resolution passed by the company in general meeting and the Registrar of Companies has been given in advance a copy of the proposed Special Resolution.

A copy of the proposed Special Resolution has been given in advance to the Registrar of Companies, Andhra Pradesh, Hyderabad.

Memorandum of Interest

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

The Board recommends the resolution for your approval.

By order of the Board of Directors

Registered Office :
M-22/3RT,
Vijaynagar Colony,
Hyderabad - 500 057.

(B.SUBRAHMANYAM)
Company Secretary

Date: 29.05.2009

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

Annexure - A					
Name of Director	Mr. T. R. C. Bose	Mr. E. Sunil Reddy	Mr. E. Ella Reddy	Dr. L. Srinivasa Reddy	
Date of Birth	15.01.1941	21.07.1961	18.08.1933	12.06.1963	
Date of Appointment	29.10.2004	04.04.1990	07.12.1994	05.12.2008	
Expertise in Specific functional areas	He has 40 years of experience having held various senior positions including as Director Projects with A. P. State Electricity Board presently known as Transmission Corporation of Andhra Pradesh Ltd.	He has rich experience in legal and litigation matters.	Advocate with 28 years of standing.	He is experienced in hydraulic & water resources engineering. He is author of several books, contributed articles in professional magazines, submitted research reports, has close partnership with several controlled systems manufacturers in USA, France etc.	
Qualification	B.E. Electrical, FILE	B.Com, B.L.	B.A., B.L.	Ph.D., M.Tech., B.E. (Civil)	
List of other companies in which Directorship is held as on 31st March, 2009	a) Vijai Electricals Ltd. b) Konaseema Gas Power Ltd. c) Kakatiya Cement Sugar & Industries Ltd. d) Countrywide Power Transmission Ltd.	a) IVR Prime Urban Developers Limited b) Hindustan Dorr-Oliver Limited c) Soma Hotels & Resorts Limited d) Palladium Infrastructures & Projects Ltd. e) S. V. Equities Limited f) Indus Palms Hotels & Resorts Limited g) IVRCL Building Products Limited h) Eragam Holdings Limited i) IVR Hotels and Resorts Limited j) IVRCL Megamalls Ltd. k) HDO Technologies Ltd. l) IVR PUDL Resorts & Clubs Private Ltd.	a) Eragam Holdings Ltd.	a) Fluid Hammer Consultancy Services Pvt. Ltd. b) Saisanket Enterprises Pvt. Ltd.	
Chairman / Members of the Committees of the Board of the Companies in which he is a Director as on 31st March 2009	a) Kakatiya Cement Sugar & Industries Ltd. Member Audit Committee Shareholders Grievance Committee Remuneration Committee b) Konaseema Gas Power Limited Member : Project Management Committee c) Countrywide Power Transmission Ltd. Member : Remuneration Committee			NIL	
Equity Shares held in the Company	NIL	1255505	NIL	NIL	NIL

DIRECTORS' REPORT

To
The Members

The Directors have pleasure in presenting the 22nd Annual Report and Audited Accounts for the financial year ended 31st March, 2009.

1. FINANCIAL RESULTS

(Rs. in million)

	Year ended March 31, 2009	Year ended March 31, 2008
Gross Turnover	49,830.92	36,981.14
Profit before Interest, Depreciation, Extraordinary Items & Tax	4,516.95	3,659.70
Less : Interest & Finance Charges	1,306.14	478.22
Less : Depreciation	473.05	328.18
Profit Before Tax	2,737.76	2,853.30
Provision for Tax	478.07	748.53
Profit After Tax	2,259.69	2,104.77
Balance brought forward from previous year / adjustment	2,086.88	970.76
Profit available for appropriation	4,346.57	3,075.53
Appropriations : Transfer to		
General Reserve	600.00	500.00
Special Reserve (Taxation)	375.00	270.00
Debenture Redemption Reserve	100.00	-
Proposed Dividend	186.91	186.89
Corporate Dividend Tax (Net)	2.63	31.76
Sum total of Appropriations	1,264.54	988.65
Balance carried to Balance Sheet	3,082.03	2,086.88
Paid-up Capital	267.01	266.98
Reserves and Surplus	17,838.76	15,788.61

2. DIVIDEND

Your Directors have pleasure in recommending a dividend of 70% i.e. Rs.1.40 per share of Rs.2 each (last year Rs.1.40 per share of Rs.2 each) on 133,504,929 equity shares of Rs.2 each for the financial year ended 31st March, 2009, which if approved at the ensuing Annual General Meeting, will be paid to all those members whose names appear in the Register of Members as on the close of business hours on 9th September, 2009 and to all those shareholders whose names appear on that date as beneficial owners in the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The dividend payable will result in an outgo of Rs.186.91 million towards dividend besides the applicable taxes.

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. RESERVES

It is proposed to transfer Rs.600.00 million to the General Reserve of the Company, constituting 26.55% of the profits made during the year. Further, it is proposed to transfer Rs.375.00 million to Special Reserve Account to meet any unforeseen liabilities that may arise in matters connected with taxation and Rs.100.00 million to Debenture Redemption Reserve.

4. REVIEW OF PERFORMANCE

The financial year 2008-09 is yet another year of significant growth. Your company achieved a gross turnover of Rs.49,830.92 million for the year ended 31st March, 2009 as against Rs.36,981.14 million for the previous financial year registering an incremental turnover of Rs.12,849.78 million and recording a growth rate of 34.75% over the previous year.

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA) at Rs.4516.95 million are 9.06% of the Gross Turnover for the year under review as against 9.90% for the previous financial year and this rate of gross profit compares well with those of similar other companies.

IVRCL continues to be called the Water related technology company with maximum turnover from water related projects. The Irrigation Division of Water Division has substantially contributed to the improved turnover during the year under review.

5. ORDER BOOK POSITION:

The Order Book has substantially increased during the year to Rs.1,36,824.60 million as on 31st March 2009, and is likely to increase further considering the tenders in which the company's offers were rated lowest, for which orders are in pipeline. Water and Irrigation works constitute the bulk of the Order Book Position accounting for 68.75%:

Sl. No.	Particulars	Orders on hand (Rs. in millions)	%
1	Water Division	94,063.10	68.75
2	Buildings Division	30,067.10	21.98
3	Transportation Division	6,393.90	4.67
4	Power Division	6,300.50	4.60
	Total	1,36,824.60	100

6. FUTURE OUTLOOK

The negative effects of global recessionary conditions are being attenuated by various countries through huge investments in infrastructure and India is no exception in this regard. 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.

7. SUBSIDIARIES

Your company firmly believes in partnering with the Government in implementing and managing various infrastructure projects under the concept of Public Private Partnership (PPP) and has decided to have a greater role in the infrastructure development of the country in the Water, Roads and Power sectors. To meet the challenges in this evolving scenario, separate companies - SPVs have been incorporated into which investments have been made for execution of the projects awarded on BOT, BOOT and DBOOT basis. The Statement pursuant to Sec.212 of the Companies Act 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 2009, the company achieved a turnover of Rs.5,202.86 million, an increase of 67.3% compared to previous year. The Profit after tax has increased from Rs.226.36 million to Rs.301.60 million, an increase of 33.2% resulting an EPS of Rs.8.38 ps on Rs.2 share. The order book has also substantially improved with an order of Rs.441.00 Crores from the Uranium Corporation of India Ltd. The company increased the dividend from 30% to 50% on the equity capital of the Company.

IVR PRIME URBAN DEVELOPERS LTD., (PUDL)

The company has made a very cautious approach to investments in the existing as well as new projects since the market for real estate is affected by recessionary trends.

For the financial year ending 31st March 2009, the company has achieved turnover of Rs.810.65 million and recorded a gross profit (PBT) of Rs.133.77 million and net profit (PAT) of Rs.85.86 million.

IVR STRATEGIC RESOURCES & SERVICES LIMITED (Formerly IVRCL Road Toll Holdings Limited)

The name of the company IVRCL Road Toll Holdings Limited has been changed as '**IVR Strategic Resources & Services Limited**' (ISRSL) effective from 05.08.2008. ISRSL is an investment subsidiary through which all the investments into road related BOT projects viz., Jalandhar-Amritsar road project, Salem-Kumarapalayam road project and Kumarapalayam-Chengapalli road project have been routed. ISRSL has made investments in Salem Tollways Limited to the extent of Rs.798.75 million, Kumarapalayam Tollways Limited to the extent of Rs.650.00 million and Jalandhar Amritsar Tollways Limited to the extent of Rs.412.50 million which are the Special Purpose Vehicles conceived for implementation of the road projects as further detailed herein.

Salem Tollways Limited

Salem Tollways Limited (a subsidiary of ISRSL) was incorporated to widen the road from 2 lane to 4 lane with the scope of designing, constructing, developing, financing, operating and maintaining 53 kilometers section of National Highways – 47 from Salem to Kumarapalayam in the state of Tamilnadu pursuant to the entering into concession agreement dated 20.01.2006 between the Company and National Highways Authority of India (NHAI). The Project cost is estimated at Rs.5,020.00 million and to be financed by way of equity of Rs.800.00 million, grant from NHAI of Rs.1,290.00 million and term loans of Rs.2,930 million. There has been delay on the part of NHAI in giving right of way[ROW] hence the project completion is rescheduled for last quarter of this financial year 2009-10. The company has achieved 50% of project completion in terms of financial progress.

Kumarapalayam Tollways Limited

Kumarapalayam Tollways Limited (a subsidiary of ISRSL) has been incorporated to widen the road from 2 lane to 4 lane with the scope of designing, constructing, developing, financing, operating and maintaining 47 kilometers section of National Highways – 47 from Kumarapalayam to Chengapalli in the state of Tamilnadu pursuant to the signing of the concession agreement dated 20.01.2006 between the company and National Highways Authority of India (NHAI). The estimated cost of the project is Rs.4,215.50 million which is to be financed by way of equity of Rs.650.50 million, grant from NHAI of Rs.175.00 million and term loans of Rs.3,390.00 million. In financial terms, the company has already completed 96% of the project and the Company envisages commissioning the project during the financial year 2009-10.

Jalandhar Amritsar Tollways Limited

Jalandhar Amritsar Tollways Limited (a subsidiary of ISRSL) has been incorporated for widening the road from 2 lanes to 4 lanes and strengthening of Jalandhar-Amritsar road as per the concession agreement signed with National Highways Authority of India (NHAI). The cost originally envisaged was Rs.2,377.50 million and to be funded through loan of Rs.1,570.00 millions, equity of Rs.413.00 million and grant of Rs.394.50 million.

However due to change of scope, the project cost is revised to Rs.3,430.00 million. To meet the increase in project cost

of Rs.1,052.50 million the company has approached the existing bankers and has obtained the sanction for a loan of Rs.795.00 million. The balance cost will be funded through equity infusion.

In terms of financial progress, the Company has completed about 75% of the project. The project is targeted for completion during the 3rd quarter of this Financial Year 2009-10

IVRCL Building Products Limited

IVRCL BUILDING PRODUCTS LIMITED (IBPL) (a subsidiary of ISRSL, whose stake is 60%) was incorporated with a view to manufacture, produce mine and deal in various inputs connected with the construction industry with more thrust initially on metal aggregates. The company is in the process of acquiring mining leases at various places like Bangalore, Chennai, Pune etc. for production of metal aggregates. The operations of this company have been conceived to be complementary to those of your company. However, since the operations are not going on as envisaged due to wide geographical spread, it has been decided to consolidate the operations before taking up new ventures.

IVRCL Water Infrastructures Limited

IVRCL Water Infrastructures Limited (IWIL) was incorporated as a subsidiary of IVRCL to make investments into various water related BOOT projects. IWIL holds 75% of shareholding of Chennai Water Desalination Limited, the Special Purpose Vehicle for implementing desalination project awarded by the Government of Tamilnadu, besides 95% of FIRST STP Pvt. Ltd. which has set up the Sewerage Treatment Plant for Allandur Municipality, Chennai.

Chennai Water Desalination Limited

Chennai Water Desalination Limited (CWDL) is a Special Purpose Vehicle promoted by your company and M/s. BEFASA CTA, SPAIN who are also the technical partner. Your company holds through IWIL 75% of shareholding as reduced by one share while BEFASA holds 25% plus one share. CWDL has received all the clearances for implementation of the project. The original estimated cost is Rs.4,900.00 million. However due to impact of forex on imported capital goods and delay in commissioning due to force majeure conditions, the project cost has increased to Rs.5,680.00 million. The project execution, except for the marine works, has reached advanced stage of completion. In financial terms the Company has achieved about 93% of the project implementation. The project which was scheduled to be completed by August 2008 has been finally rescheduled to be completed by October 2009, mainly on account of execution of marine works, which was in turn due to consecutive cyclones, abnormal climatic conditions at the site and other unforeseen circumstances.

First STP Private Limited

FIRST STP Private Limited is a subsidiary of IWIL which acquired 95% of shareholding from IVRCL. The company is engaged in the business of sewerage treatment for Allandur Municipality, a suburb of Chennai. The total investment made is Rs.28.50 million. The company achieved a turnover of Rs.15.46 million with a Profit Before Tax (PBT) of Rs.0.09 million and Profit After Tax (PAT) of Rs.0.08 million, during the period under review.

Alkor Petroo Limited

During the financial year 2007-08, your company has forayed into oil and gas sector by acquiring the majority stake in Alkor Petroo Limited, a company which is having 25% participating interest in three oil exploration blocks i.e., Blocks 19, 28 and 57 in Yemen and 20% participating interest in two blocks viz., Blocks 6 ((N-Happy)(Off-shore))and Block 8 ((South Diyar)(On-shore)) in Egypt as a member of consortia which were awarded the exploration rights by the respective Governments. The other members of the Consortium are Gujarat State Petroleum Corporation Limited (Operator-45%) Jubilant (30%) in Blocks 19, 28 and 57 of Yemen; and Gujarat State Petroleum Corporation Limited (Operator-50%) Geo Global (30%) in Blocks 6 and 8 of Egypt.

Production Sharing Agreements have been ratified by the Parliaments of respective countries for the relative blocks and the Consortia have entered into necessary agreements with the respective governments.

The company has also fulfilled its obligations in making payment of signature bonus and provision of performance guarantees to the Government of Yemen to the extent of its share in blocks located in Yemen and to the Gujarat State Petroleum Corporation in respect of Egyptian Blocks. The surveys are in progress and it is expected that results of the surveys will be available shortly.

The performance of the other subsidiaries is detailed hereunder in a nut shell:

(Rs. in million)

Sl. No.	Name of the Company	Investment Made	Turnover Achieved	Profit before Tax	Profit after Tax
1	IVR Enviro Projects Private Limited	29.25	0.16	(2.21)	(1.48)
2	IVRCL PSC Pipes Private Limited	1.67	1.34	(0.17)	(0.11)
3	IVRCL Steel Construction & Services Limited	0.50	0.03	-	(0.02)

8. 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 form part of the Annual Report and Accounts.

Profit after tax and minority interest as per the consolidated accounts is Rs.2,249.84 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.11.10 million.

9. 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.234.03 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 2008-09. Bonds of the value of US \$ 7.60 million convertible into 1,488,635 shares are outstanding as on 31.03.2009.

10. ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Your Company issued 2,000 Secured Redeemable Non-convertible Debentures of Rs.10 lacs each, aggregating Rs.200 crores on private placement basis to LIC of India, pursuant to SEBI (Issue and Listing of Debt Securities) Regulations 2008. The securities have been listed on NSE under the Whole-sale Debt Market Segment (WDM). Your company completed the creation of security with the Debenture Trustees appointed for the purpose.

11. EMPLOYEE STOCK OPTION SCHEMES

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

- a) **IVRCL ESOP 2000 Scheme:** All the options granted were converted into shares. The details of IVRCL ESOP 2000 Scheme under which 15,000 shares were allotted during the financial year 2008-09 are annexed as required under SEBI guidelines.
- b) **IVRCL ESOP 2004 Scheme:** All the options granted were converted into shares.
- c) **IVRCL ESOP 2007:** 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. Since, the terms and conditions have proved to be not beneficial to employer no

grants could be made and the company is proposing some changes so as to achieve the purpose for which the scheme is in place.

12. PUBLIC DEPOSITS

There are no outstanding public deposits as on 31st March, 2009.

13. DIRECTORS

Mr. T. R. C. Bose, Mr. E. Sunil Reddy and Mr. E. Ella Reddy retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. Mr. Mahesh Madduri resigned as director w.e.f 07.06.2008 due to his other engagements. Dr. Lingireddy Srinivasa Reddy has been appointed Additional Director on the Board effective from 5-12-2008 and he will hold the office until the conclusion of the ensuing Annual General Meeting. A proposal for his appointment is included in the Notice.

14. 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 of M/s. Chaturvedi & Partners, Chartered Accountants, along with the report on Corporate Governance is included in the Annual Report. The Management Discussion and Analysis of the previous year's performance is also provided in the Annual Report.

15. 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the financial year ended on that date.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

16. AUDITORS

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

17. 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.

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

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

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

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

The particulars of expenditure and earnings in Foreign currency is furnished in item No.10 Notes to Accounts in Schedule 19.

19. INDUSTRIAL RELATIONS

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

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, 2009

E. Sudhir Reddy
Chairman & Managing Director

ANNEXURE - B

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

Name of the Subsidiary Company	Rupees													
	Hindustan Dorr Oliver Limited	IVR Prime Urban Developers Limited	IVRCL PSC Pipes Private Limited	IVR Enviro Projects Private Limited	First STP Private Limited	IVR Strategic Resources & Services Limited	IVRCL Water Infrastructures Limited	Kumarapa layam Tollways Limited	Salem Tollways Limited	Chennai Water Desalination Ltd.	Jalandhar Amritsar Tollways Limited	IVRCL Steel Construction & Services Limited	Alkor Petroo Limited	IVRCL Building Products Limited
Number of shares held and extent of holding thereof by the holding company, IVRCL Infrastructures & Projects Ltd. as at the above date:														
a) The number of equity shares of Rs.10/- each fully paid.	19,801,597	40,000,005	167,000	2,924,550	2,850,000	42,718,600	19,281,465	26,050,000	32,000,000	83,264,651	22,940,000	50,000	5,625,000	599,995
b) Extent of holdings in percentage terms.	55.00	62.35	66.43	97.49	95.00	100.00	100.00	100.00	100.00	75.00	100.00	100.00	84.91	60.00
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.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Not dealt with or provided in the accounts of the holding company (Rs.)	171,161,478	5,171,034	(75,107)	(1,440,360)	77,948	(3,223,969)	(424,039)	-	-	-	-	3,690	1,511,528	(36,533)
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.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Not dealt with or provided in the accounts of the holding company (Rs.)	79,944,870	532,621,797	(359,769)	(5,682,502)	14,242,326	(4,119,484)	(1,389,779)	-	-	-	-	(20,908)	(465,314)	-

ANNEXURE - C

FINANCIAL INFORMATION REGARDING SUBSIDIARY COMPANIES

(Rs. in million)

Name of the Subsidiary Company	IVR Prime Urban Developers Limited	Hindustan Dorr-Oliver Limited	Alkor Petroo Limited	IVR Enviro Projects Pvt. Limited	IVRCL PSC Pipes Pvt. Limited	IVR Strategic Resources & Services Limited	IVRCL Water Infrastructures Limited	IVRCL Steel Construction & Services Limited
Capital	641.50	72.01	66.25	30.00	2.51	427.19	192.81	0.50
Reserves	9195.01	1681.48	(35.90)	(7.92)	1.06	1433.49	658.92	(0.02)
Total Assets	12613.13	1918.65	270.65	22.08	14.46	2088.68	1316.46	0.48
Total Liabilities	12613.13	1918.65	270.65	22.08	14.46	2088.68	1316.46	0.48
Investments (except in case of investment in subsidiaries)	0	16.52	0	0	0	0	0	0
Turnover	751.76	5133.22	3.94	0.16	1.34	0	0	0.03
Profit Before Taxation	133.77	466.03	2.70	(2.23)	(1.71)	(3.22)	(0.42)	0
Provision for Taxation	47.91	165.23	0.92	(0.75)	(0.58)	0	0	0
Profit After Taxation	85.86	301.60	1.78	(1.48)	(1.13)	(3.22)	(0.42)	0
Proposed Dividend	0	36.00	0	0	0	0	0	0

We M/s. IVRCL Infrastructures & Projects Limited, do hereby undertake the annual accounts of the above subsidiary companies and the related detailed information will be made available to the investors of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Head Office and of the subsidiary company concerned.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The Construction sector has grown at about 12 percent annually for the past five years. It contributed Rs.3.8 trillion to the Indian GDP during the year 2007-08 compared to Rs.3.46 trillion in 2006-07. In the past five years, the sector has seen many new trends, project sizes have increased, and equipment and manpower have been ramped up with better technologies deployed. Until the global crisis, the growth rate of the construction sector was higher than the GDP growth rate. However, the situation has changed drastically in the past six months. While the sector witnessed robust growth during the first half of 2008, growth slowed in the second half of the year and experts estimate that for financial year 2008-09, the construction sector growth rate would match the fall in the GDP growth rate.

The global crisis has impacted the construction sector in several ways. Although the sector has not remained completely unaffected by the ongoing financial crisis, since the gestation period of a typical infrastructure project is considerably long, certain verticals that depend directly on real estate have been hurt the most with the economic meltdown. Most construction and engineering companies have pushed back several big projects planned earlier, either due to lack of funds or due to these becoming economically unviable. On the other hand however, sectors such as irrigation, water, roads and power have remained relatively unaffected.

In a major lending operation, the World Bank is providing a \$1.2 billion line of credit to state-run India Infrastructure Finance Company (IIFCL) to help it catalyze long-term debt for infrastructure projects built on public private partnerships and about \$1 billion to Power Grid Corporation (PGCIL) for expanding its inter-state transmission network.

Allocation of Rs.40 billion towards the development of roads infrastructure 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, shifting of utilities and granting of regulatory clearances.

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. 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.

Opportunities & Challenges

Companies that have a diversified presence even within the infrastructure sector are doing fine despite the financial down turn. The impetus provided by infrastructure growth continues to throw unprecedented opportunities for the construction sector. While potential investments are spread across all sectors, there has certainly been a tremendous growth in the sectors of Power, comprising, generation and transmission; Oil & Gas, Ports, Airports, Roads & Bridges, Railways and Urban Infrastructure. As shown below, the estimated investment across these sectors for the 11th Five year plan is close to Rs.2600 billion.

Estimated Investment across Infrastructure Sectors for the Eleventh Five Year Plan - 2007-12

SECTOR	INVESTMENT (Rs. Billion)
Power	7,352.25
Oil and Gas	2,690.49
Roads	4,014.88
Ports	1,050.00
Airports	450.00
Railways	2,510.00
Urban Infrastructure (including water and urban transportation)	2,595.00

Source - Planning Commission

IVRCL – Resilience combined with Sustained Growth

On the backdrop of this unprecedented construction opportunity and the economic slide down, your Company, IVRCL is among the few construction companies that has shown remarkable resilience with a sustained growth in order book, strong financial performance with its continued leadership in the water and irrigation spaces shoring up its growth prospects. We are consistently making efforts to increase our presence in the core sectors of the infrastructure space. The company's dominating presence in the water and irrigation segments is one of the key reasons for this hardiness. The execution of projects and translation into revenues has also kept pace. At IVRCL, having a strong customer focused approach also helps. We believe in managing our fundamentals well and that 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 regular orders in other areas as well. Of its total order book, 65 percent comprises water projects, 22 percent of buildings works, 8 percent of power projects and the balance consists of roads and other projects.

The Company's interest and foray into emerging lines of businesses such as hydropower and railways hold much promise for the Company in the coming years.

WATER

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.

The waste water treatment segment of the water industry is experiencing one of the fastest growth rates because of growing industrialization around urban centers, intensifying regulatory and enforcement measures, planned Government investment on sanitation and for reclaiming treated waste water which is being increasingly seen as an effective alternate source of fresh water for industry.

To IVRCL, Water continues to be the dominant business vertical which provides any and every solution for all types of water and sanitation needs. With an enviable track record and proven capabilities and credentials in the industry, IVRCL is uniquely positioned to take advantage of the 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 Andhra Pradesh, Kerala, West Bengal, Madhya Pradesh, Uttar Pradesh, Karnataka and Rajasthan to name a few, have launched massive irrigation schemes, reservoir 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.

IVRCL has been scaling up its design and engineering capabilities by enhancing the skills and resources of its in-house Design team with special focus on Advanced water technologies and industrial water solutions, design and engineering of hydro power generation stations (hydraulics), balance of plant (BOP) works for thermal power projects, material handling systems, architectural plans and critical building designs; design and analysis of RCC, industrial and water retaining structures and Towers (communication/Transmission Line) Control and Automation of Infrastructure Projects through PLC and SCADA, besides, planning, surveying and line profiles of EHV Substations and transmission lines to name a few activities. Some of the significant projects currently undertaken by the Design Division include one of the largest infrastructure development packages of ONGC – OPAL project at Dahej in Gujarat and water schemes for several thermal power projects on EPC basis, building and power related projects undertaken by the Company.

Irrigation - The irrigation spends by States have not seen any significant slow down until now, thanks to the political sensitivity in lowering the spending in this sector. IVRCL is the undisputed leader in irrigation projects across the country and irrigation projects continue to be a bulk of our water sector portfolio. IVRCL has, in recent times, bagged some of its biggest lift irrigation projects in Andhra Pradesh, Madhya Pradesh and Maharashtra, besides exploring the potential opportunities emerging in other States as well.

- While we are successfully executing major irrigation projects namely, Telugu Ganga Stage-3, Kalwakurthi Lift Irrigation Scheme-Package 28 and Koil Sagar Stages 1 & 2 and the HNSS Phase – 1 projects, we have commenced work on the prestigious Pranahitha - Chevella Lift Irrigation Scheme - Package No.20 - for drawl / lifting of 25 TMC of water from Foreshore of SRSP Reservoir to Balancing Reservoir and Package No.9 - for drawl and lifting of 6.00 TMC of water in 120 days from Mid Manair to Upper Manair Reservoir; all associated components on EPC Turnkey System. The Company has also bagged and commenced work on the Lift Scheme from Thotapally Reservoir to Gouravelly Reservoir including tunnel and other allied works near Regonda in Karimnagar District, which is currently under execution.
- After having successfully completed and winning appreciation for the prestigious Purandhar Lift Irrigation project, the Company has started work on the Automised Distribution System (Phase - II) for Dehani Lift Irrigation Scheme of Bembla River Project under Vidarbha Irrigation Development Project at Yavatmal in Maharashtra.

In Madhya Pradesh, the Company has reinforced its footprint by bagging and commencing works on Punasa Lift Irrigation Scheme with a distribution network of pipelines down to 40 Ha. Chak of Culturable Command Area (CCA) of about 35008 ha. The Company has also bagged and started work on the Lower Goi project consisting of an earthen cum masonry dam of length 2400 m and height of 44.20 m and a spillway with crest level of 288m designed for the flood of 12026 cumecs, and a tunnel of size 3 m dia for a discharge head of 10.60 cumecs; besides a canal and its distribution network up to 40 Ha. Chak for Irrigation of a cultivable 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 last year 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 Company is aggressively pursuing such opportunities in other States as well to replicate this success in the Irrigation projects.

- Pranahitha - Chevella 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 - Pranahitha - Chevella 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 in Barwani District in Madhya Pradesh.
- 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 feed an ayacut of 45,000 acres.

Water & Sewerage Schemes - The sheer competence and capability of IVRCL as a leading player in the drinking water infrastructure sector has set new standards in Rajasthan with the on – going Jalore Water Scheme and Bharatpur water supply project, a determined effort considering the harsh desert conditions and difficult terrain which demonstrate the magnitude of IVRCL's commitment.

Another major drinking water project that the Company has bagged and is engaged in is the Transmission of 735 MLD treated water from WTP Maqdumpur, pipeline route through the intermediate pumping stations at Mallaram and Kondapak including construction of CWR, pump house, providing CW pumping equipment & electrical sub-stations at Mallaram with all associated components of civil, electrical, mechanical of Package II under GDWSS Phase-I on EPC Basis in Andhra Pradesh.

These apart, the Company is executing the 140 ML Capacity Master Balancing Reservoir and Associated Works at Bhandup Complex, in Mumbai. The slab area of the reservoir is 28435 sq.m and with associated pipelines of maximum dia of 2.75m, a significant project for the Company, involving 2200 columns using plastic shuttering and 1.4 km of RCC wall for which customized wall form shuttering has been employed.

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

- Execution of Clear Water Transmission main from RIICO Industrial area (Sanganer) to SEZ boundary, Jaipur.
- Design, Drawing, Execution, testing and commissioning of Augmentation of Drinking Water Supply Scheme for Sasaram Town (2nd Phase) on Turnkey Basis.
- Sattenapally Water Supply Improvement Scheme - Construction of 1904 ML Capacity Summer Storage Tank at Vaddavalli Village.
- Design, Drawing, Execution, testing and commissioning of Muzaffarpur Urban Water Supply Scheme (1st Phase) on Turnkey Basis.
- CWSS to Chavara and Panmana - Construction of Common Components - Supplying, Laying and Testing of Common Transmission Mains DI K9 and PVC Pipe. Independent Transmission main to Panmana Panchayat

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

- HMWSSB - Transmission of 735 MLD treated water from WTP Maqdumpur, pipeline route through the intermediate pumping stations at Mallaram and Kondapak including construction of CWR, pump house, providing CW pumping equipent & electrical sub-stations at Mallaram with all associated components of civil, electrical, mechanical including staff quarters - Package II under GDWSS Phase-I on EPC Basis

- AVR HNSS Project - Phase-II - Investigation, Design, Drawings and construction of Pumping Stations and manufacture, supply of pumps & motors at site of work including erection, testing and commissioning of mechanical, electrical accessories etc., complete inclusive of all civil works etc., and including construction of 33 KV and 132 KV electrical substations and related transmission lines etc., complete and maintenance of system for 15 years at 17 pumping stations on Medakasira Branch canal and another pumping stations at Km.216.300 of HNSS main canal in Anantapur district on EPC Turnkey basis
- Construction of Atomized Distribution System (Phase - II) for Dehani Lift Irrigation Scheme.
- Modernization of Godavari Delta Systems - Narsapur Canal and its distributory system (Package No.19); Eastern Delta - Kakinada Canal including KMJ canal and its distributory system, (Package No.2); Yanamadurru Drain, (Package No.24) and Godavari Eastern Main Canal and Samalkot Canal and its distributory system (Package No.1) ; all on EPC Turnkey system.
- Varangaon – Talwel Gat Parisar Sinchan Yojana Tal, Bhusawal, Muktainagar in Maharashtra on turnkey basis of command area survey of around 30000 ha and consisting of a pump house of 31 m height with pumping capacity of 19050 HP, intake structure with two rising mains with 1840 mm dia M.S. Pipe laid over a length 8640 Rmt and the associated mechanical and electrical works, besides supply, besides executing the pipeline and related works for supply of water to the Bhusawal Thermal Power Project of MSEB as well. The project includes one year of operation and maintenance as well .
- Comprehensive Water Supply Scheme to Hungund, Ilkal, & Kustagi Towns and enroute villages from Almatti Dam under UIDSSMT.
- Rayachoti Water Supply Scheme - UIDSSMT Scheme - Investigation survey design and execution of Rayachoti Water Supply Scheme with Veligallu Reservoir as source under UIDSSMT scheme.
- Pipeline Project from Reverse canal to various tanks of Idar Taluka & Vadali taluka, Gujarat
- Somasila Drinking Water Supply Project - Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 1500mm dia gravity main with cement mortar factory in-lining and outer coating and other appurtenances from proposed sump at Kanumalonipalli (on Kadapa - Rajampet Highway) to proposed sump at Kadapa SEZ including maning & operation for a period of 24 months - Package - II
- Design, Drawing, Execution, testing and commissioning of Augmentation of Drinking Water Scheme from Kishangunj Town on Turnkey Basis.
- Providing Water Supply to B.G.Pura & other 56 villages in Malavalli taluk Mandya District.
- Design, Drawing, Execution, testing and commissioning of Augmentation of Drinking Water Scheme from Sheikpura Town on Turnkey Basis.
- Providing water supply to Malebennur and other 25 villages of Harihar Taluka, Dhavanagere District under submission project.
- Rehabilitation of Kozhipally Water Supply Scheme in Palakuzha Panchayath - Supplying, Laying, trial run and commissioning of 100 mm dia DI (K9) raw water pumping main and allied items.
- Providing Under Ground Sewerage Scheme to Thiruvallur Municipality in Thiruvallur District for Zone III for Package 2.
- Guntakal Comprehensive Water Supply Improvement Scheme - UIDSSMT Scheme - Investigation Survey Design and execution of Remodelling Distribution Network in the entire Guntakal Municipal Town.
- Providing Sewerage system to Erstwhile Bommanahalli (Zone-4A), (Zone-4E) and (Zone-4F) CMC Areas under Karnataka Municipal Reforms Projects

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 will be commissioned shortly. IVRCL recognizes the immense potential of desalination as a major water source for the country and will spearhead the desalination drive to bring water to people and industry.

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, with an eye on the future, has carved out a niche for itself in the industrial water solutions having executed works for NTPC, NLC and TNEL in the recent past.

Some of the noteworthy industrial water projects executed by the Company are:

- Barsingsar Thermal Power Project (2 x 125 MW) – Water Carrier System (RA 8) package for Neyveli Lignite Corporation Limited in Rajasthan
- Jindal River Intake Pumping & Piping system from Dam to Power Plant site package for O. P. Jindal Super Thermal Plant (4x250 MW), Tamnar District, Raigarh (C.G).
- Make-up Water System Package for Sipat Super Thermal Power Project (3x660 MW) for NTPC.
- Make-up Water Pre-Treatment, CW System, ETP & 160 MLD capacity WTP Package for Vindhychal Super Thermal Power Project for NTPC (2X500 MW).
- Rayalaseema Thermal Power Project Water Supply Scheme at Kadapa for APGENCO

Having gained experience and qualifications on the successful completion of the above projects, the Company sees a vast potential and scope for similar works in the large number of power plant projects coming up across the country. The Company is also targeting works related to Industrial high purity Water solutions, Waste Water Treatment & Recirculation Systems and Industrial Effluent Treatment Solutions. Besides, the Company is strongly focusing on Multiple Urban related Water projects coming in various metros, cities and towns across the country, including some of the upcoming 24 x 7 water supply schemes and a substantial number of JNNURM works.

The strong emphasis on irrigation, finding solutions which alleviate “Water Stress” for rural and urban drinking water besides the current boom in industrial construction; all point towards a future full of immense possibilities and potential for a huge wave of opportunities in the water sector in India. With its leadership in water segment, IVRCL is perceived to be the natural beneficiary of India's mega water plans in the near future and will continue to emerge as a winner in the water sector.

TRANSPORTATION

IVRCL has established itself as a key player in the transportation sector. The focus of the Company during the year has been to complete the ongoing National highway projects and bid for turn key contracts of roads, railways, bridges and tunnel projects. All the three major National Highway projects on concession basis, viz., Salem – Kumarapalyam and Kumarapalyam – Chengapalli in Tamil Nadu and the Jalandhar – Amritsar stretch in Punjab are in advanced stages of completion.

During the year, the Company has successfully completed the project on Integrated Improvement cum Performance Based Maintenance on Pachpadra to Ram Ji Ki Gol Road in Rajasthan (PR-2), a two – lane state highway of 133.85 km for Road Infrastructure Development Company of Rajasthan Limited, Jaipur under roads. In Railways, the work of Doubling of Mohol – Solapur BG Railway line work on Chennai - Mumbai Trunk Route on a lump sum turnkey basis including supply and installation of road bed, facilities, bridges, track; signaling and general electric works has been completed in a record time.

With the advent of New Ministry in place and consequent to the dynamic actions taken by the Hon'ble Minister, the Company is extremely bullish for putting in place a well thought out plan of action to implement the Highway Projects in the country.

The action plan of the Ministry includes among other things:

- Issue of orders to the tune of One Lakh Crores with a target to develop over 12000 Km of road during the year which would be a mix of BOT Toll, Annuity as well as EPC as determined by the viability of the stretch.
- A special cell is being formed to address and facilitate the most critical issue in Project Implementation i.e. Land Acquisition.
- NHAI is undergoing a major restructuring in terms of relocation of senior officials on the ground as well on induction of additional man power which will help in faster decision making on issues relating to all aspects of the BOT Projects.
- The Project estimate which was totally out of sync with the actual assessment of the capital cost during the bidding process is now being revisited and unnecessary capital expenditure involving superfluous structures are expected to be brought down which in turn would improve the viability of the Project.
- The Hon'ble Minister has personally taken up the challenge of promoting the Projects to investors through International Road Shows aimed at providing comfort for FII's across the globe.
- Additional financing issues as well as disinvestment opportunities for the concessionaire during the concession period is being looked positively by the Ministry such that unlocking of this value can be ploughed back by the companies to cater to future investments to the BOT Projects. Debt Refinancing by IIFCL would receive a major trust and in addition we expect certain policy decisions by the government to allow ECB's for financing BOT Projects.

The above actions being undertaken by the new Ministry have prompted our Company to re-enter the Highway BOT Projects with aggression and has once again opened an enormous opportunity for the Company in this sector.

The Railways sector has been rapidly consolidating a spectacular turnaround. An investment outlay of Rs.2,510 billion has been proposed for the Eleventh Plan, with major capacity expansion plans lined up. 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 some of the orders for the prestigious Bangalore Metro work, the Company is also focusing on the other upcoming metro rail projects in major cities as well apart from focusing on the port connectivity and other projects across the country as highly potential projects in near future.

Among the new projects, the Company has bagged the EPC Contract for the Vivekananda Road Flyover project in Kolkata and work has commenced on the project.

BUILDINGS AND INDUSTRIAL STRUCTURES

In the Buildings and Industrial Structures Sector, IVRCL brand continues to command an impeccable reputation in regard to highest standards of project execution and deliverables for quality construction and the orders of some of the most prestigious projects bagged by the Company are a testimony to this. IVRCL has a diversified portfolio in this sector comprising Integrated Townships, Composite Housing Projects, Institutional and Educational Infrastructure, Commercial and Retail Space, Technical and Research Building facilities and Industrial Construction besides the infrastructure construction of SEZs on turnkey basis.

During the year, the Company has bagged prestigious contracts in each of these segments reinforcing its formidable position as a company to reckon with in this vertical. The Company has so far bagged the contracts for 3 packages comprising six Elevated Metro Stations of Bangalore Metro Rail Corporation Ltd marking its entry into metro projects besides being awarded the contract for Traffic and Transit Management Center (TTMC) under JNNURM Scheme - Package-4 at Yeshwanthpur, in Bangalore. Under the commercial segment, IVRCL has been awarded the contract for construction of CIDCO Exhibition Centre including the civil, interior & site development works at Vashi in Navi Mumbai and also the main civil works for the Shopping Mall with Multiplex for Pride Malls in Bangalore. The industrial projects bagged by the Company and currently under construction include the civil & structural works off sites & utilities for Guru Gobind Singh Refinery Project of M/s. HPCL - Mittal Energy Limited at Bathinda in Punjab; EPC Contract for TATA Cummins Limited (TCL) Plant at Phaltan, District Satara in Maharashtra and the civil, structural and associated UG Piping works of MS Quality Up-gradation project at Guwahati Refinery in Assam. After having successfully completed the first phase of the highly prestigious Naval Academy Project at Ezhimalai in Kerala, the Company is currently engaged in the second phase comprising of the Fifth Squadron and allied facilities.

One of the most significant projects undertaken by the Buildings Division during the year is the Construction of Research Buildings Complex and Providing Infrastructure Facilities for Indira Gandhi Centre for Advanced Research on Livestock (IGCARL); a state-of-the art and a highly advanced facility of international standards for world class research on livestock spread over 7.30 lakh sft comprising research block, bio safety lab-3 & animal bio safety lab-3 facilities, laboratories, feed & fodder unit, embryo collection facility & veterinary hospital including staff quarters, guest house & health centre etc., at Pulivendula, Kadapa District of Andhra Pradesh. The research Block construction completed in a time span of 8 months consists of 1.35 lakh sft built-up area and was inaugurated by Dr. Y. S. Rajasekhara Reddy, Hon'ble Chief Minister of Andhra Pradesh on 25th January 2009.

Major works completed by the Company during the year are:

- Construction of Sea woods Estate Phase-II Housing in Sectors 54, 56 & 58 (Part), Construction of 7 Nos. Buildings including on site Infrastructural works at Nerul, Navi Mumbai.
- Construction of Swimming Pool at Ponda Sports Complex, Ponda, Goa for GSRDC.

Major works awarded are:

- Civil & Structural works offsites & utilities for Guru Gobind Singh Refinery Project of M/s. HPCL - Mittal Energy Limited at Bathinda (Punjab).
- Construction of CIDCO Exhibition Centre including Civil, Interior & site Development works at Plot No. 1A, 15, 29 & 30 in Sector 30A at Vashi, Navi Mumbai.
- Construction of Research Buildings Complex and Providing Infrastructure Facilities for IGCARL (Part-II) at Pulivendula, Kadapa District.
- Construction of Traffic and Transit Management Center (TTMC) under JNNURM Scheme - Package-4, Yeshwanthpur, Bangalore, Karnataka.
- Construction of 3 Packages of Elevated Metro Stations -. Old Madras Road and Ulsoor Station– CMH Road and Byappanahalli Station in Reach - 1 and R. V. Road Terminal and Jayanagar Reach - 4 for Bangalore Metro Rail Project, Phase-I.
- EPC Contract for TATA Cummins Limited (TCL) Plant at Phaltan, District Satara (Maharashtra).
- Providing EPC Services on Turnkey Basis for creating new habitation at Kalapet site for the Tsunami affected victims at Puducherry.
- Main Civil works - Construction of Proposed Shopping Mall with Multiplex for Pride Malls Private Limited at No.69, Lal Bagh Fort Road, Bangalore.

- Civil, Structural & Associated UG Piping works of MS Quality Upgradation project at Guwahati Refinery, Guwahati.
- Provision of Fifth Squadron, Northern and Southern entry gates, Misc. facilities comprising of Canteen, Post Office, Bank, Shopping Complex, Family Welfare Centre etc and approach road from Cadet mess to Sports area at Naval Academy, Ezhimala.
- Construction of Housing complex for AIIMS like institution at Raipur (C.G).
- Construction of Academic Complex Building and Girls Hostel and Site Development works for College of Engineering, Pune.
- Construction of IT Park, Phase - I (Incubation Centre) for West Bengal Electronics Industry Development Corporation Limited (WEBEL) at Durgapur, Dist. Burdhaman.
- Construction of Trauma Center at S.G.P.G.I., and Cardio – Vascular & Cardiology Department Extension at CSJM Medical University Campus; both projects in Lucknow

Infrastructure Development for Industrial Projects - IVRCL has the distinction of being associated with ONGC Petro Additions Limited (OPAL) - Petrochemical Complex as a Contractor for the Infrastructure Development of an integrated green field petrochemical complex in Dahej SEZ in Gujarat State. The area of the plant site is 508 hectares and the scope involves 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.

Power Transmission

The role of transmission in the Indian power sector is becoming more important. Over the next few years, the demand for transmission capacity is expected to increase dramatically, driven primarily by significantly bigger increases in generation capacity of 10,000-15,000 MW per year versus 4,000-8,000 MW per year in the past. The transmission requirements are also becoming more complex in nature. An electricity market is beginning to develop in India. Two power exchanges are now operational. The regulators have mandated provisioning of open access. A large number of merchant power plants are being developed. To meet these needs and requirements, the government has targeted a 10 percent growth in network length at 220 kV and above and 14 per cent growth in transformation capacity in the Eleventh Plan.

The government is also intensifying the investment and focus on the Accelerated Power Development and Reforms Program (APDRP) which was launched in 2002-03 to reduce AT & C losses to 15 percent in five years in urban and high density consumption areas. So far, the Government of India has sanctioned 571 projects for strengthening and up-gradation of sub-transmission and distribution systems of the States, providing significant business opportunities for equipment suppliers and contractors.

IVRCL has further strengthened its presence in the power transmission, particularly in cross country transmission lines, substations, distribution systems and railway traction works. Having acquired a leadership in projects of accelerated power leadership generation (APDRP), and the Accelerated Rural Electrification Program (APRP), by edging out established players in this sector, IVRCL will continue to pursue opportunities in the revised APDRP and rural electrification sectors. The Company continues to take up railway traction projects which, going further, would qualify us for the upcoming major projects envisaged in the railways sector.

The Company has bagged the first order for 765 KV Single Circuit Transmission Line; which is part of 765 KV Seoni - Wardha Transmission Line associated with Western Region System Strengthening Scheme. This is the highest capacity transmission line work undertaken by the Power Division, the completion of which will qualify the Division to take up all types of transmission line projects which includes triple & quadruple conductor configured lines, in future.

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

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

- Supply of Equipment & materials and inland transportation & insurance, delivery of equipment / materials, survey, foundation, erection, stringing, testing and commissioning of Tower Package (Package - A1) for 765 KV (2nd Circuit) S/C Seoni - Nandanwadi Transmission Line, Part of 765 KV Seoni - Wardha Transmission Line associated with Western Region System Strengthening Scheme - II (set A).
- Design, Engineering, Supply, Erection, Testing & Commissioning of 220 KV 3 Phase Double Circuit Transmission line from Latehar to Daltonganj (Package - B) on Turnkey basis.
- Design, Engineering, Supply of Equipments / materials and installation, testing, commissioning and completion of facility for Rural Electrification work in Uttar Dinajpur of West Bengal.
- Rural Electrification works - supply of equipment / material, installation, testing, commissioning and completion of facility in the district of Bilaspur, Chhattisgarh.

The Division has completed the following major works during the year:

- Supply, erection, testing & commissioning of new 6.3/10/16/25 KVA distribution transformers and conversion of LT line to 11 KV line on Turnkey basis on all the agricultural consumers fed from 3 phase 3 wire feeders under Amloh, Shamashpur & Tohra Sub Division under Amloh Division of Punjab State Electricity Board HVDS Scheme.
- Supply for Package - III of Rural Electrification works in Purulia District of West Bengal.
- Supply of all equipments and materials and erection, testing and commissioning of owner supplied equipments for Rural Electrification works in Purbi Champaran district of Bihar.
- Rural Electrification works under Accelerated Rural Electrification Programme (AREP) on Turnkey Basis in Jhansi & Lalitpur Districts of Uttar Pradesh.

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 members of the company. The COC in turn accesses projects associated with such risk perception and initiates prompt action to avoid or mitigate any such risks.

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 the professional services of M/s. Deloitte and documented the various risks involved and developed a structure for systematic management of the 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 Companies assets.
- Achieve the targeted and sustainable business growth.
- Avoid sudden and major surprises with respect to the overall business and control environment.
- Safe guard share holder investment.
- Ensure the compliance with applicable, legal regulatory and strategy requirements.

Internal Control Systems

The 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. The 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

While IVRCL will continue at 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 value will continue to inspire us as we strive to make it happen.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Over View:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, 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 continued its growth in terms of revenue and profitability in Fiscal 2009. The Company's total net revenue increased to Rs.49,118 million i.e. increased by 34.0% over fiscal 2008 and Net Profit (PAT) to Rs.2,260 million, increase by 7.4% over fiscal 2008.

Financial Performance:

A summary of the Company's financial position as at March 31, 2009 and 2008 is given below:

(Rs. in million)

	March 31 2009	%	March 31 2008	%	Growth %
Sources of Funds					
Share Capital	267.01	0.8	266.98	1.0	-
Reserves and Surplus	17,838.76	55.4	15,792.80	58.8	13.0
Total Shareholders' Funds	18,105.77	56.2	16,059.78	59.8	12.7
Secured Loans	10,184.82	31.6	5,787.86	21.6	76.0
Unsecured Loans	3,795.43	11.8	4,890.55	18.2	(22.4)
Total Loan Funds	13,980.25	43.4	10,678.41	39.8	30.9
Deferred Tax Liability	117.41	0.4	103.09	0.4	13.9
	32,203.43	100.0	26,841.28	100.0	20.0
Application of Funds					
Fixed Assets	5,402.48	16.8	3,732.80	13.9	44.7
Investments	3,892.03	12.1	3,409.07	12.7	14.2
Current Assets, Loans & Advances					
Inventories	2,093.49	6.5	1,943.39	7.2	7.7
Sundry Debtors	11,430.31	35.5	6,584.88	24.5	73.6
Cash & Bank Balances	1,008.68	3.1	1,771.37	6.6	(43.1)
Other Current Assets	14,284.06	44.4	10,746.75	40.0	32.9
Loans and Advances	9,318.73	28.9	7,780.51	29.0	19.8
	38,135.27		28,826.90		32.3
Current Liabilities & Provisions					
Current Liabilities	14,786.79	45.9	8,780.12	32.7	68.4
Provisions	439.56	1.4	347.37	1.3	26.6
	15,226.35		9,127.49		66.8
Net Current Assets	22,908.92	71.1	19,699.41	73.4	16.3
	32,203.43	100.0	26,841.28	100.0	20.0

1. SHARE CAPITAL

The authorized share capital of the Company consists of 175,000,000 equity shares of Rs.2/- each amounting to Rs.350,000,000 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.0.03 million on account of allotment of 15,000 equity shares under ESOP 2000 Scheme. The total paid up share capital as at March 31, 2009 stood at Rs.267.01 million.

A statement showing movement of share capital is given below:

	March 31, 2009		March 31, 2008	
	Equity Shares (No.)	Rs. million	Equity Shares (No.)	Rs. million
Balance at the beginning	133,489,929	266.98	129,662,390	259.32
Shares issued - on conversion of FCCB	-	-	3,545,284	7.09
Shares issued upon conversion of options as under:				
ESOP 2004 Plan	-	-	282,255	0.57
ESOP 2000 Plan	15,000	0.03	-	-
Balance at the end	133,504,929	267.01	133,489,929	266.98

2. RESERVES AND SURPLUS

Security Premium Account:

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

(Rs. in million)

	March 31, 2009	March 31, 2008
Balance - beginning of the year	10,622.79	9,630.53
Add:		
Premium on conversion of FCCBs	-	822.62
Premium on allotment under ESOP	5.30	126.60
Redemption premium on converted FCCBs	(25.26)	48.14
Reversed / Premium provided on balance (net)		
	10,602.83	10,627.89
Less:		
Expenses incurred on issue of shares to QIBs	-	5.10
Balance-end of the year	10,602.83	10,622.79

Revaluation Reserve:

The revaluation reserve amount of Rs.28.45 million as on March 31, 2009 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, 2009.

General Reserve:

Out of the profits for the year Rs.600 million has been transferred to general reserve, Rs.375 million to a special reserve created for the purpose of adjustment of disputed tax liability that may arise in case of disallowance of deduction claimed under section 80 IA of the Income Tax Act, 1961, Rs.100 million to Debenture Redemption Reserve and balance of Rs.995.15 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.18,106 million as of March 31, 2009 from Rs.16,060 million as of the previous year end. The book value per share having face value Rs.2/- increased to Rs.135.62 as of the year end compared to Rs.120.31 as of the previous year end registering an increase of 12.7%.

3. SECURED LOAN

The details of Secured Loans are discussed below:

(Rs. in million)

	March 31, 2009	March 31, 2008
Non-Convertible Debentures	2,000.00	-
Term Loan	539.40	572.75
Working Capital Loans:		
Project Specific	1,926.85	822.28
From Consortium Banks	5,718.57	4,392.83
Total	10,184.82	5,787.86

During the year, the Company raised Secured, Non-Convertible Debentures of Rs.2,000 million for repayment of some high cost debts and to meet the long term working capital margin. The NCDs were fully subscribed by Life Insurance Corporation of India.

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 amount of loan availed as on March 31, 2009 stood at Rs.539.40 million as against Rs.572.75 million, the amount of loan availed as on March 31, 2008. However, additions to these assets during the year was Rs.1,824.13 million.

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, 2009	March 31, 2008
Bank and Others	3,409.94	4,585.78
Foreign Currency Convertible Bonds	385.49	304.77
Total	3,795.43	4,890.55

The Company has also availed short term unsecured loan of Rs.3,409.94 million (Rs.4,585.78 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 2010.

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, 2009 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 overall Long-term and Short-term borrowings of the Company (other than FCCB) stood at Rs 13,594.76 million as on March 31, 2009 (Rs 10,373.64 million for the last year) representing an increase of 31.1% due to increased operations.

5. FIXED ASSETS

(Rs. in million)

	March 31, 2009	March 31, 2008	Growth %
Land	361.30	109.11	231.1
Building	726.09	398.03	82.4
Plant and Machinery	4,334.47	2,822.83	53.6
Motor Vehicles	830.74	597.57	39.0
Other Assets	370.90	248.42	49.3
Gross Book Value	6,623.50	4,175.96	58.6
Less: Accumulated Depreciation	1,416.53	984.02	44.0
Net Block	5,206.97	3,191.94	63.1
Add: Capital work-in-progress	195.51	540.86	(63.9)
Net Fixed Assets	5,402.48	3,732.80	44.7
For the Year			
- Depreciation as a % of revenue	1.0%	0.9%	
- Depreciation as a % of gross block	7.1%	7.9%	
Accumulated depreciation as a % of gross block	21.4%	23.6%	

During the year, the Company has invested Rs.2,447.54 million (net) towards the addition to fixed assets as compared to addition of Rs.1,582.61 million (net) during the previous year. The increase in capital expenditure is mainly to cater the need of fixed assets requirement in roads and buildings sectors.

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.14.32 million during the year. Net deferred tax liability represents timing differences in the financial and tax books arising mainly from depreciation on assets, provision for debtors and advances etc. The net deferred tax liability has increased from Rs.103.09 million as on March 31, 2008 to Rs 117.41 million as on March 31, 2009.

7. INVESTMENTS

The company has created holding companies in specific sectors like Water, Transportation and Urban Infrastructures which in turn invests in Special Purpose Vehicles created in those specific sectors to undertake BOO/BOT/BOOT projects. Total investment in subsidiaries as at March 31, 2009 stood at Rs.3,867.46 million as against investments as at March 31, 2008 Rs.3,382.60 million.

The details of investments in subsidiary companies as on March 31, 2009 and the movements in the investment account during the year is given below:

Company	March, 31 2008	Additions	Deletions	March, 31 2009	% of Holding
Hindustan Dorr-Oliver Ltd.	614.50	27.65	-	642.15	55.00
IVR Prime Urban Developers Ltd.	400.22	-	-	400.22	62.35
IVRCL Water Infrastructures Ltd.	619.40	234.15	-	853.55	100.00
IVR Strategic Resources & Services Ltd.	1,666.97	201.05	-	1,868.02	100.00
Alkor Petroo Ltd.	70.10	-	-	70.10	84.91
IVR Enviro Projects Pvt. Ltd.	6.75	22.50	-	29.25	97.49
Other Subsidiaries	4.66	-	0.49	4.17	

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

	Revenue			Profit after Tax			Net Worth
	March 31, 2009	March 31, 2008	Growth %	March 31, 2009	March 31, 2008	Growth %	March 31, 2009
Hindustan Dorr-Oliver Ltd.	5,202.86	3,086.39	68.6%	301.60	226.36	33.2%	1,753.49
IVR Prime Urban Developers Ltd.	810.65	6,143.32	(86.8%)	85.86	1,757.94	(95.1%)	9,836.53
IVRCL Water Infrastructures Ltd.	-	-	-	(0.42)	(0.04)	-	851.73
IVR Strategic Resources & Services Ltd.	-	-	-	(3.22)	(1.22)	-	1,860.69
Alkor Petroo Ltd.	3.94	0.27	-	1.78	(23.75)	-	28.66
IVRCL PSC Pipes Pvt. Ltd.	1.34	2.10	(36.2%)	(0.11)	0.40	-	3.57
IVR Enviro Projects Pvt. Ltd.	0.16	0.90	(82.2%)	(1.48)	(1.49)	-	22.08
IVRCL Steel Construction & Services Ltd.	0.03	0.03	-	-	-	-	0.48

IVR Prime Urban Developers Ltd.

The subsidiary has developed premier deluxe apartments and villas in a prime location in Hyderabad. It is also developing megamalls, hotels etc in cities like Chennai, Bangalore, Pune, Hyderabad, Visakhapatnam and NCR.

IVRCL Water Infrastructures Limited.

The subsidiary is formed with the main object to invest in water related BOT/BOOT projects. Chennai Water Desalination Limited is the majority owned subsidiary of the subsidiary which in technical collaboration with Befasa, an entity from Spain has undertaken desalination of sea water project in Chennai. The contract is on BOOT basis with the Govt. of Tamil Nadu.

The subsidiary has also invested in the equity of First STP Private Limited which has set up a sewerage treatment plant in Alandur, Chennai for treating 24 MLD of urban liquid effluent from residential units of the Municipality.

IVR Strategic Resources & Services Limited (Formerly IVRCL Road Toll Holdings Limited)

The subsidiary has been formed with the main object to invest in BOT/BOOT projects relating to the roads and transportation sector. The Company has invested in three Special Purpose Vehicles (SPV) to Build Operate and Transfer Roads projects through a concession agreement with National Highways Authorities of India (NHAI).

1. Jalandhar Amritsar Tollways Limited - To undertake the work of Improvement, Operation and Maintenance including strengthening and widening of existing 2-lane road to 4-lane dual carriageway from KM 407.1 to KM 456.1 of NH-1 (Jalandhar-Amritsar Section) in the state of Punjab on BOT basis.

2. Salem Tollways Limited – To undertake the work of Designing, Construction, Development, Finance, Operation and Maintenance of KM 0.00 (Salem) to KM 53.00 (Kumarapalayam) on NH-47, in the state of Tamilnadu on BOT basis.
3. Kumarapalayam Tollways Limited- To undertake the work of Designing, Construction, Development, Finance, Operation and Maintenance of KM 53.00 (Kumarapalayam) to KM 100.00 (After Chengapalli) on NH-47, in the state of Tamilnadu on BOT basis.

The Company has also made investment in IVRCL Building Products Ltd, a subsidiary of the Company, having interest in the field of mining and producing aggregates and other related materials used by the construction industry.

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.

8. SUNDRY DEBTORS

Sundry debtors amount to Rs.11,430.31 million (as reduced by provision for doubtful debts) as at March 31, 2009 as compared with amount of Rs.6,584.88 million as at March 31, 2008. These debtors are considered good and realisable.

Debtors including unbilled revenue amounts to Rs.18,229.29 million as at March 31, 2009 as compared to Rs.12,793.42 million as at March 31, 2008. Debtors and unbilled revenue are at 36.6% of revenues for the year ended March 31, 2008, as compared to 34.6% for the previous year, representing an outstanding of 134 days and 126 days of revenues for the respective years.

9. CASH & CASH EQUIVALENTS

(Rs. in million)

	March 31, 2009	March 31, 2008
Cash/Cheque on hand	80.51	30.05
Bank Balances:		
Current Accounts	664.75	1,035.51
Fixed Deposit - Margin	4.21	35.26
Fixed Deposit - Others	259.21	522.63
Fixed Deposit - Foreign Currency	-	147.92
	1,008.68	1,771.37

Cash/Cheques on hand comprises cheques amounting to Rs 13.67 million collected on the last day of the financial year but could not be deposited in the bank accounts and 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.664.75 million are spread over project sites at various locations to meet day to day requirements of the project management and includes client bill proceeds received and deposited at the year end but realised subsequent to the balance sheet date.

The margin money kept with banks as FDRs relate to guarantees and letters of credit issued by banks on behalf of the Company in favour of various clients and material suppliers.

The entire amount of Fixed Deposit in Foreign currency which was kept as fixed deposit in ICICI Bank, Baharain out of the total Foreign Currency Convertible Bonds of US\$ 65.00 million issued during 2005-06 have been drawn down during the year and utilised for the specified purpose.

10. OTHER CURRENT ASSETS

The amount under this heading mainly consist of:

Unbilled Revenue – Rs.6,798.98 million (Rs.6,208.54 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.4,283.55 million (Rs.2,908.19 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 Rs.4.09 million considered doubtful of recovery.

Other deposits – Rs.2,661.25 (Rs.1,437.43 million)

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

11. LOANS AND ADVANCES

Tax deducted at source and advance tax net of provisions – Rs.1,701.28 million (Rs.1,146.69 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.

Loans to Subsidiaries – Rs.4,499.02 million (Rs.3,924.30 million)

These amounts as loans have been provided to the subsidiaries for their 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, 2009	March 31, 2008
IVR Prime Urban Developers Ltd.	2,791.54	2,850.00
IVR Enviro Projects Pvt. Ltd.	8.21	30.07
FIRST STP Pvt. Ltd.	-	7.61
IVRCL Road Toll Holdings Ltd.	235.29	33.81
IVRCL Water Infrastructures Ltd.	473.57	8.44
Chennai Water Desalination Ltd.	9.55	316.00
Salem Tollways Ltd.	501.85	346.94
IVRCL Building Products Ltd.	183.87	126.51
Alkor Petroo Ltd.	237.75	167.37
Other Subsidiaries	57.39	37.55
	4,499.02	3,924.30

Advances recoverable in cash or in kind or for value to be received (Secured & Unsecured) – Rs.2,544.90 (Rs.2,340.81 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.

12. CURRENT LIABILITIES

(Rs. in million)

	March 31, 2009	March 31, 2008
Advances received from contractee clients	3,986.42	2,696.99
Trade deposits	47.91	51.94
Sundry Creditors	10,405.59	5,892.06
Other Liabilities	346.87	139.13
	14,786.79	8,780.12

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. Through confirmation of account balances and a system of reconciliation of supplies and services to the Company, all known liabilities incurred to earn the gross revenue have been fully captured and accounted for during the year under discussion.

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 2009. The Company has remitted the statutory liabilities on or before the respective due dates.

13. PROVISIONS

Proposed dividend of Rs.186.91 million (Rs.186.89 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.31.76 million (Rs.31.76 million) denotes taxes payable on dividends declared for the year ended March 31, 2009.

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

Results of Operations:

The following table sets forth the income statement for the financial year ended March 31, 2009 and 2008. The components of expenses have been expressed as a percentage of total income for the years indicated.

(Rs. in million)

	March 31, 2009	March 31, 2008
Income from Operations	49,830.92	36,981.14
Other Income	299.13	44.08
Total Income	50,130.05	37,025.22
Less: Indirect Tax	1,012.06	375.19
Net Total Income	49,117.99	36,650.03
Percentage Growth (year to year)	34.02%	58.44%
Construction expenses (incl. indirect tax)	42,784.19	31,340.31
Construction expenses as a percentage to total income	85.35%	84.65%
Administration & other expenses	2,828.91	2,025.21
Administration & other expenses as a percentage to total income	5.64%	5.47%
EBITDA	4,516.95	3,659.70
EBITDA - Percentage to Total Income	9.01%	9.88%

(Rs. in million)

	March 31, 2009	March 31, 2008
Interest & Finance Charges	1,306.14	478.22
Interest & Finance Charges as a percentage to Total Income	2.61%	1.29%
Depreciation	473.05	328.18
Depreciation as a percentage to total income	0.94%	0.89%
Profit before tax (PBT)	2,737.76	2,853.30
PBT - Percentage to total income	5.46%	7.71%
Provision for Taxation	478.07	748.53
Provision for taxation as a percentage to total income	0.95%	2.02%
Profit after Tax (PAT)	2,259.69	2,104.77
PAT - Percentage to total income	4.51%	5.68%

1. Income Recognised

Gross work bills represent revenue earned till end March 2009, 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.211.30 million.

The Company continues to earn its major contract revenue from water and water related projects, which account for 50% of the total revenue. The other projects such as building and industrial structures accounted for 22%, transport infrastructures like roads, rail tracks and bridges 15% and power infrastructures like transmission lines, substations etc. 13%.

2. Construction Expenses

(Rs. in million)

	March 31, 2009	March 31, 2008	% Increase
Construction & Other Materials	16,332.23	12,393.49	
Sub-contractors work bills	13,512.52	10,923.20	
Masonry & Other Works	9,914.87	6,506.49	
Prime Cost	39,759.62	29,823.18	33.3%
Repairs & Maintenance	475.37	344.12	38.1%
Machinery Hire Charges	1,066.52	566.98	88.1%
Other Construction Expenses	224.36	151.05	48.5%
Raw Materials Consumed (TLT Factory)	246.26	79.79	-
Total	41,772.13	30,965.12	34.9%

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. The increase in the machinery hire charges is on account of increase in the operations in projects relating to the buildings and transportation sector where the requirement of use of machineries and equipment are comparatively higher. Increase in other expenses like Repairs & maintenance, Royalty and Lab testing charges are considered normal and are in line with the increase in revenue.

2. Administration and other Expenses

(Rs. in million)

	March 31, 2009	March 31, 2008	% Increase
Payment to employees & employees related payments	1,953.09	1,442.01	35.4%
Travelling & Conveyance	128.80	87.34	47.5%
Printing & Stationery	39.86	38.53	3.5%
Communication Expenses	53.00	45.02	17.7%
Rates & Taxes	48.62	26.34	84.6%
Business Promotion	6.75	5.87	15.0%
Office Maintenance	124.88	79.58	56.9%
Rent	90.14	63.49	42.0%
Advertisement & Publicity	15.96	21.31	(25.1%)
Legal & Professional Charges	188.69	78.00	141.9%
Insurance	43.63	68.75	(36.5%)
Other Expenses / Provisions	135.49	68.97	96.4%
Total	2,828.91	2,025.21	39.7%

Employee cost – The increase in the employee cost by 35.4% is due to increase in the employee strength to around 5800 employees in year 2009 from 5000 employees in 2008 in view of the increased operations and annual incremental salaries.

Increase in other heads of expenditure such as Travelling and conveyance, Legal and Professional charges, Communication, Business promotion, Office maintenance and Rent are because of the increase in the number of project sites and volume of business during the year. The above expenses are also semi-variable in nature and hence the increase is partly proportion to the increase in the turnover.

3. Interest and Finance Charges

(Rs. in million)

	March 31, 2009	March 31, 2008	% Increase
Interest on fixed loans	221.88	207.87	6.7%
Interest on other credit facilities	1,413.94	699.54	102.1%
Bank & Financing charges / other interest	271.55	186.52	45.6%
Foreign exchange loss	72.95	70.84	3.0%
Total	1,980.32	1,164.77	70.0%
Less: Interest received from banks & others	674.18	686.55	(1.8%)
Net Interest & Finance Charges	1,306.14	478.22	173.1%

The increase in the Total Interest & finance cost by 70.0% is due to the overall increase in the rate of interest and higher credit avallment because of increased operations.

Interest income represents interest earned on ICD given to subsidiaries and the deposits kept with banks towards margins against Bank Guarantees and Letters of Credit and on other deposits like EMD etc. This also includes interest earned on fixed deposit in foreign currency made out of the unutilised portion of the FCCB issue, The FDs in foreign currency was fully drawn down during the year.

Depreciation and Amortisation – Rs.473.05 million (Rs.328.18 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.

4. OPERATING PROFIT

The Company earned an operating profit (EBITDA) of Rs.4,516.95 million, representing 9.01% of the total income as compared to Rs.3,659.70 million, representing 9.88% of total income during the previous year.

Profit before tax (PBT) as a percentage to Total Income works out to 5.46% for the year when compared to 7.71% for the previous year. The reduction in the PBT is mainly due to increase in Interest and financial charges.

The Company has made provision for income tax (including deferred tax and fringe benefit tax) for the year Rs.478.07 million as against Rs.748.53 million during the previous year. The Company has continued to claim deduction under Section 80 IA of the Income Tax Act, 1961 on the eligible infrastructure projects this year also in view of the decision of Special bench of ITAT, remanding back the case to the assessing officer and based on professional advice obtained.

Profit for the year after tax (PAT) as a percentage to Total Income works out to 4.51% when compared to 5.68% for the previous year. The disproportionate reduction in PAT is due to increase in claim under section 80 IA as compared to earlier years because the company has executed more number of projects which are eligible for deduction under section 80 IA such as projects in the water and roads sector.

5. LIQUIDITY

Cash Flow Statement:

	Year ended March 31, 2009	Year ended March 31, 2008
Operating adjusted profit before working capital changes	4,364.96	3,736.15
Working capital changes	(2,878.35)	(6,283.18)
Direct Taxes Paid	(1,018.34)	(1,228.59)
Net Cash generated from operations	468.27	(3,775.62)
Net Cash from investing activities	(2,363.71)	(1,323.29)
Net Cash from financing activities	1,132.75	4,633.74
Net Inc/dec in cash & cash equivalents	(762.69)	(466.83)

(Rs. in million)

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 45% over the last three fiscal years. The increase in the current assets are mainly in the categories of sundry debtors and advances. There were corresponding increase in the payables also hence the Company could achieve positive net cash generated from operations during the year.

Net cash used in investing activities mainly comprises of purchase of fixed assets. 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, 2009 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, 2009 consists:

Non – Executive Directors		Executive Directors
Independent	Non-Independent	Mr. E. Sudhir Reddy
Mr. T. N. Chaturvedi	Mr. Ella Reddy	Chairman & Managing Director
Mr. P. R. Tripathi	(Relative of Promoter Directors)	
Mr. T. R. C. Bose	Mr. E. Sunil Reddy	Mr. R. Balarami Reddy
Dr. S. K. Gupta		Executive Director - Finance & Group CFO
Dr. L. Srinivasa Reddy		Mr. K. Ashok Reddy
		Executive Director

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 have been held during the financial year 2008-09 on:

28th May, 2008, 30th July, 2008, 31st October, 2008 and 30th January, 2009

The last Annual General Meeting was held on Monday, the 15th September, 2008.

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

*Resigned w.e.f. 07.06.2008. ** Appointed w.e.f. 05.12.2008. # Other Directorships includes public & private Limited Companies ## Membership / Chairmanship in Audit Committee / Investor Grievance Committee

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 2008-09. 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 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 have been held on 28th May, 2008, 30th July, 2008, 31st October, 2008 and 30th January, 2009.

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

Mr. T. N. Chaturvedi - Chairman	3
---------------------------------	---

Mr. T. R. C. Bose	3
-------------------	---

Mr. P. R. Tripathi	3
--------------------	---

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

The Statutory Auditors and Internal Auditors of the Company have been 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:

Two meetings of the Compensation Committee have been held on 28th May, 2008 and 30th July, 2008.

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi - Chairman	2
Mr. T. R. C. Bose	2
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 Chairman & 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 2008-09 are as follows:

I) Non Executive Directors (sitting fee only)

(in Rupees)

Mr. E. Ella Reddy	80,000
Mr. T. N. Chaturvedi	1,60,000
Mr. T. R. C. Bose	1,60,000
Mr. P. R. Tripathi	1,60,000
Mr. S. K. Gupta	40,000
Mr. Mahesh Madduri	20,000
Dr. L. Srinivasa Reddy	20,000
TOTAL	6,40,000

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

Rs. in million

Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	15.15	132.72	147.87
Mr. R. Balarami Reddy Executive Director - Finance & Group CFO	4.09	-	4.09
Mr. K. Ashok Reddy Executive Director	4.05	-	4.05
Total	23.29	132.72	156.01

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

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

The Committee met during the year one time on 30.01.2009.

During the year, the Company received 52 complaints and all the complaints have been resolved to the satisfaction of the Investors.

6. EXECUTIVE COMMITTEE

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

Members:

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

Powers:

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

The Executive Committee met 144 times during the year.

7. GENERAL BODY MEETINGS

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

Year	Location	Date & Time
19th AGM - 2006	Hotel Fortune Katriya, Somajiguda, Hyderabad	Sept. 29, 2006. 4.00 pm
20th AGM - 2007	Hotel Fortune Katriya, Somajiguda, Hyderabad	Sept. 7, 2007. 4.00 pm
21st AGM - 2008	Prime Club House, Hill Ridge Springs, Gachibowli, Hyderabad	Sept. 15, 2008. 4.00 pm

The following special resolutions were passed at the 19th Annual General Meeting of the Members of the Company held on 29th September, 2006:

- a) To confirm the remuneration paid to Mr. R. Balarami Reddy, Director - Finance & Group CFO.
- b) To confirm the remuneration paid to Mr. K. Ashok Reddy as Director - Resources.
- c) To amend Clause V of the Memorandum of Association of the Company.

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 million 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.

No Extraordinary General Meeting was conducted during the year.

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.

8. 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 interest 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 control risk as detailed in the Management Discussion and Analysis which forms part of this Annual Report.

(vii) The Company has no written whistle blower policy

9. 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.

10. GENERAL SHAREHOLDER INFORMATION

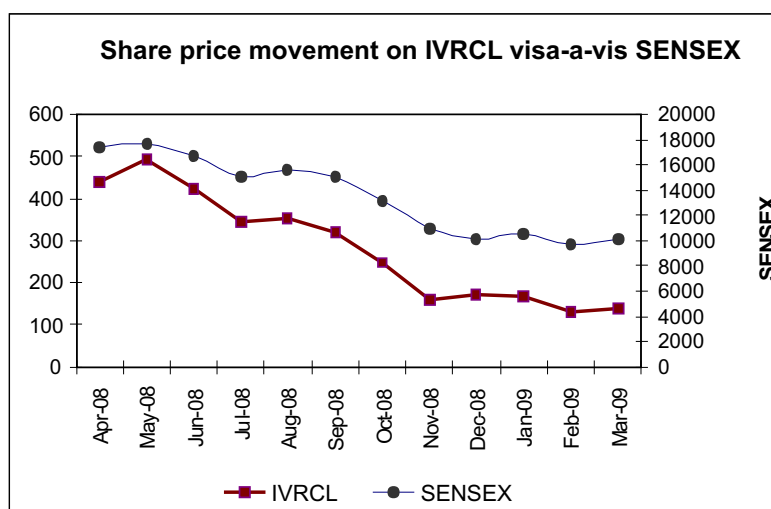
a.	22nd Annual General Meeting	
	• Date and Time	9th September, 2009 at 11.30 A.M.
	• Venue	Hotel Fortune Katriya, Somajiguda, Hyderabad
b.	Financial Calendar	
	Year ending	March 31
	Un-audited financial results for the quarter ending June 30, 2009	Will be published in July 2009
	Un-audited/audited results for the quarter / half-year ending September 30, 2009	Will be published in October, 2009
	Un-audited results for the quarter ending December 31, 2009	Will be published in January 2010
	Audited results for the year ending March 31, 2010	Will be published in June 2010
c.	Book Closure	From 03-09-09 to 09-09-09 (Both days inclusive)
d.	Dividend payment date	Will commence from 25th September, 2009
e.	The equity shares of the Company are listed on	i) Bombay Stock Exchange (BSE) Limited ii) National Stock Exchange of India Limited (NSE)
	NCDs of the Companies listed as	National Stock Exchange of India Limited (NSE)
f.	Stock code	
	i) Trading Symbol at	The Stock Exchange, Mumbai (BSE) Scrip Code: 530773 National Stock Exchange (NSE) IVRCLINFRA EQ Reuters IVRC.NS
	ii) Demat ISIN Numbers in NSDL & CDSL	Equity Shares INE875A01025 Debentures INE875A07014

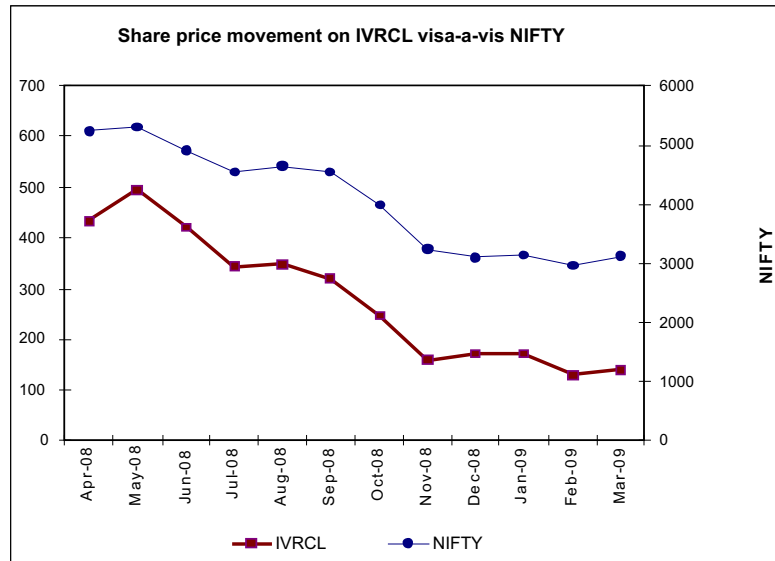
Listing fees as prescribed has been paid fully to all the stock exchanges where the shares / debentures of the company are listed.

g) Market Price Date:

The monthly high and low stock quotations during the last financial year and performance in comparison to BSE and NSE are given below:

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 - 08	438.80	353.05	17480.74	15297.96	435.00	352.50	5230.75	4628.75
May - 08	493.70	371.50	17735.70	16196.02	494.40	372.00	5298.85	4801.90
June - 08	423.00	291.60	16632.72	13405.54	421.25	292.20	4908.80	4021.70
July - 08	343.00	250.00	15130.09	12514.02	344.40	250.70	4539.45	3790.20
Aug - 08	351.00	292.00	15579.78	14002.43	350.00	292.10	4649.85	4201.85
Sept - 08	321.00	209.05	15107.01	12153.55	320.70	210.00	4558.00	3715.05
Oct - 08	246.50	56.50	13203.86	7697.39	246.50	57.00	4000.50	2252.75
Nov - 08	159.90	89.45	10945.41	8316.39	159.95	90.55	3240.55	2502.90
Dec - 08	172.40	117.55	10188.54	8467.43	172.40	117.50	3110.45	2570.70
Jan - 09	170.00	82.25	10469.72	8631.60	170.50	82.65	3147.20	2661.65
Feb - 09	130.40	96.20	9724.87	8619.22	130.35	96.10	2969.75	2677.55
Mar - 09	141.00	99.20	10127.09	8047.17	140.80	99.50	3123.35	2539.45
Source: BSE Website					Source: NSE Website			





h. Registrar and Transfer Agents :
M/s. Karvy Computershare Private Limited
 Karvy House, 46, Avenue 4,
 Street No.1, Banjara Hills, HYDERABAD- 500 034.

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 transfers of shares and share certificates duly endorsed are dispatched within the time prescribed under the Listing Agreement / SEBI Guidelines.

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

j. i. Distribution of Shareholding as on 31.03.2009

Category (Amount)	Share/Debenture Holders		Equity	
	Number	% to Total	No. of Shares	% to Total
Upto - 5000	75300	98.90	8676638	6.50
5001 - 10000	323	0.42	1213142	0.91
10001 - 20000	157	0.21	1176377	0.88
20001 - 30000	54	0.07	673369	0.50
30001 - 40000	34	0.04	617869	0.46
40001 - 50000	30	0.04	688563	0.52
50001 - 100000	66	0.09	2402441	1.80
100001 and above	174	0.23	118056530	88.43
TOTAL	76138	100.00	133504929	100.00

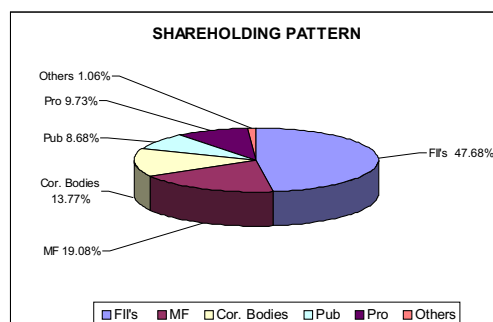
ii. Capital Build-up during the financial year

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		133,489,929	266,979,858	N/A
Allotment during the year:				
14.07.2008	Conversion of ESOPs*	15000	30000	NSE : 29.07.2008 BSE : 06.08.2008
Capital at the end of the year		133,504,929	267,009,858	

*ESOPs : Employee Stock Option Plans

iii. Shareholding pattern as on 31.03.2009

Category	Total No. of Shares	Percentage of Shareholding
Promoter' Holding		
Indian Promoters	12,994,092	9.73
Foreign Promoters	0	0
Sub Total	12,994,092	9.73
Non Promoter' Holding		
Institutional Investors		
Mutual Funds	25,466,673	19.08
Financial Institutions / Banks / Insurance Companies	212,427	0.16
Foreign Institutional Investors	63,652,162	47.68
Sub Total	89,331,262	66.91
Others		
Private Corporate Bodies	18,384,373	13.77
Indian Public	11,589,835	8.68
Foreign Public	705,979	0.53
Non Resident Indian	499,388	0.37
Sub Total	31,179,575	23.35
Grand Total (A + B + C)	133,504,929	100.00



iv. Instruments outstanding as on 31 March, 2009 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. 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 2008-09.

IVRCL ESOP 2000 :

Against 3,00,000 options as approved by the shareholders on 17th March, 2000, 2,97,000 options were converted into shares of Rs.10/- each. The remaining 15000 options of Rs.2/- each (due to sub-division of one share of Rs.10/- each into five shares of Rs.2/- each at the Extraordinary General Meeting of the Members of the Company held on March 4, 2006) were granted to the Sr. Managerial Personnel of the company being the permanent employees of the company on June 1, 2007 at an exercise price of Rs.2 /- each of face value of Rs.2/- each were converted into equity shares on 14th July 2008.

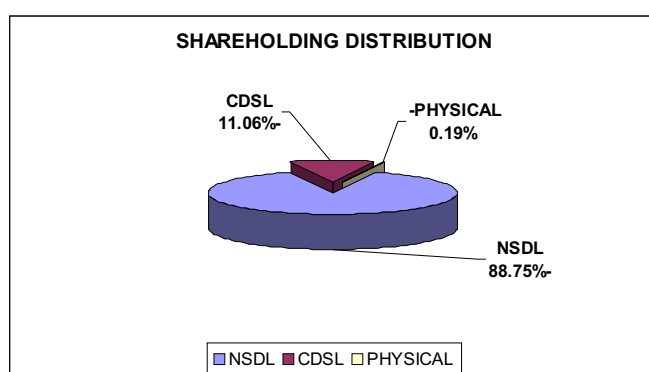
IVRCL ESOP 2007

The shareholders of the company, in the 20th Annual General Meeting held on 7th September 2007 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 of Rs.225/- per share on such term 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.

99.81 percent of the shareholdings have been dematerialized as on 31.03.2009. 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 52 complaints and all the complaints were resolved to the satisfaction of the Investors.

I. Code of Conduct for Directors and Senior Management:

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

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

DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2008-09.

E. Sudhir Reddy
Chairman & Managing Director

m. Investor's Correspondence

Physical / Electronic Mode:
M/s. Karvy Computershare (P) Ltd.
Karvy House, 46, Avenue 4,
Street No.1, Banjara Hills,
Hyderabad - 500 034.

Shareholders General Correspondence

Secretarial Department
IVRCL Infrastructure & Projects Limited
"MIHIR", 8-2-350/5/A/24/1-B & 2
Road No.2, Panchavati Colony,
Banjara Hills, Hyderabad - 500 034.

n. 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, Vijaynagar Colony, Hyderabad - 500 057 and through various Regional Offices at:

i) Ahmedabad

314 & 315, 3rd Floor, Campus Corner - 2,
Opp: Prahlad Nagar Garden, 100 Feet Road,
Prahlad Nagar, Ahmedabad - 380 015.

ii) Bangalore

'Prosperity', No.438, 1st Floor,
18th Main, 6th Block,
Koramangala, Bangalore - 560 095.

iii) Bilaspur

R. N. Patil House, Sparsh Beauty Parlour,
Rajiv Vihar, Raj Kishore Nagar,
Bilaspur (C.G.) - 495 006.

iv) Chennai

No.30A, South Phase, 6th Cross Road,
Thiruvika, Industrial Estate, Guindy,
Chennai - 600 097.

v) Cochin

No.VII/719D, Plot # 180, Mavelipuram Colony,
Kakkanadu, Cochin - 682 030.

vi) Delhi

COREANTHUM, A-41, Tower-B, 1st Floor,
LOBE - 4, Sector 62, Noida - 201 307.

vii) Jaipur

#708, Maruthi Marg, Hanuman Nagar Extn.,
Sirsi Road, Jaipur - 302 012.

viii) Kadapa

D. No. 1/922, Dwaraka Nagar,
Kadapa - 516 004.

ix) Kolkata

3A, Hindustan Road, 2nd Floor, Garia Hat,
Opp. Murlidar Girls School, Kolkata - 700 029.

x) Lucknow

2/310, Vishal Khand, Gomti Nagar,
Lucknow - 226 010.

xi) Patna

H.No.14, Flat # A1, Kamta Sadan Apartment,
Kamta Singh Kam Lane, East Boring Canal Road,
Patna - 800 001.

xii) Pune

"IVRCL" House", 35, Suyojana CHS,
Koregaon Park, Pune - 411 001.

xiii) Ranchi

Vidyalaya Marg, Ashok Nagar, Ranchi,
Jharkhand - 834 002.

xiv) Visakhapatnam

D.No.50-01-41/B, 2nd Floor,
ASR Nagar, Seethammadhara,
Visakhapatnam - 530 013.

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, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliances 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 above mentioned Listing Agreement.

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

For CHATURVEDI & PARTNERS

Chartered Accountants

Hyderabad
May 29, 2009

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 as at March 31, 2009, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Attention is invited to Note B-7.2 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 has been made for reasons explained therein. In the event the matter is decided against the Company, the Reserves and Surplus and net current assets as at March 31, 2009 would be lower by Rs.1,409.03 million
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - 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, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
6. On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **Chaturvedi & Partners**
Chartered Accountants

R. N. Chaturvedi
Partner
Membership No. 092087

Place : Hyderabad
Date : May 29, 2009

For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner
Membership No.23341

ANNEXURE TO THE AUDITORS' REPORT

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

The nature of the Company's business/activities during the year was such that clauses (viii), (xii), (xiii) and (xiv) of paragraph 4 of CARO are not applicable to the Company.

- (I) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) A major portion of the fixed assets has been physically verified during the year by the management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations 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 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.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories of project stores and spares and construction materials were physically verified during the year by the Management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or from other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has granted inter corporate loan to three parties. At the year-end, the outstanding balance of such loan was Rs.3,213.16 million and the maximum amount involved during the year was Rs.3,569.43 million.
 - (b) In our opinion, the rate of interest and other terms and conditions of the loan are not, prima facie, prejudicial to the interest of the Company.
 - (c) In accordance with the terms of the loan, the principal, along with interest thereon is receivable in half yearly installments after a moratorium of two 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.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal control systems.
- (v) 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 into the register, maintained under the said section have been so entered.
- (b) Where each of such transactions is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has generally complied with the provisions of Section 58 and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) 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.
- (viii) In respect of Statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and any other material statutory dues applicable to it with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax, custom duty, excise duty, cess and any other material statutory dues applicable to it were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there were no dues of custom duty, wealth tax, service tax, excise duty and cess which have not been deposited as on March 31, 2009 on account of any dispute. The details of disputed income tax, sales tax and entry tax which have not been deposited as on March 31, 2009 are given below:

Name of the statute	Nature of Dues	Amount (Rs. Million)	Financial Years to which the matter pertains	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	0.51	1997-98	Sales Tax Appellate Tribunal
		1.52	1998-99	
		1.95	2003-04	
		2.51	2004-05	
Kerala General Sales Tax Act	Sales Tax	2.07	1999-00	Sales Tax Appellate Tribunal
		0.35	2000-01	Deputy Commissioner, Appeals
		0.34	2001-02	
Central Sales Tax Act, 1956	Sales Tax	9.34	2005-06 & 2006-07 & 2007-08	The Appellate Deputy Commissioner (CT)
A. P. Tax on Entry of Motor Vehicles Act, 1996	Entry Tax	0.83	2001-02	Appellate Tribunal of Commercial Tax
		1.15	2002-03	The Appellate Deputy Commissioner (CT)
Value Added Tax	Value Added Tax	1.22	2005-06	Deputy Commissioner, Appeals
		2.13	2005-06	The Joint Commissioner, Appeals
		28.24	2004-05	The Joint Excise & Taxation Commissioner, Appeals
Finance Act, 1994	Service Tax	5.74	2005-06 & 2006-07	Commissioner, Appeals
		82.43	2004-05 & 2005-06	CESTAT
		12.23	2006-07 & 2007-08	

- (ix) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (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) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xiii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used for long-term investment.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares on exercise of options granted in earlier years under ESOP schemes to parties covered in the register maintained under Section 301 of the Companies Act, 1956. The prices at which such shares are allotted are not prima facie prejudicial to the interests of the Company.
- (xv) According to the information and explanations given to us and the records examined by us, securities/charges have been created in respect of the debentures issued.
- (xvi) We have verified the end use of funds raised by public issue with the prospectus filed with SEBI and as disclosed in Note B-20 of Schedule 19 to the financial statements.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Chaturvedi & Partners**
Chartered Accountants

R. N. Chaturvedi
Partner
Membership No. 092087

Place : Hyderabad
Date : May 29, 2009

For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner
Membership No. 23341

Balance Sheet as at March 31, 2009
(Rs. in million)

	Schedules/ Notes		As at 31-03-2009		As at 31-03-2008
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	267.01		266.98	
Stock Options	Note-B-18 of Sch-19	-		4.19	
Reserves and Surplus	2	17,838.76	18,105.77	15,788.61	16,059.78
Loan Funds					
Secured Loans	3	10,184.82		5,787.86	
Unsecured Loans	4	3,795.43		4,890.55	
			13,980.25		10,678.41
Deferred Tax Liability (Net)	Note-B-4 of Sch-19		117.41		103.09
			32,203.43		26,841.28
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	6,623.50		4,175.96	
Less : Depreciation		1,416.53		984.02	
Net Block		5,206.97		3,191.94	
Capital work-in-progress (including Capital Advances aggregating to Rs.189.24 million (Rs.516.50 million))		195.51		540.86	
			5,402.48		3,732.80
Investments	6		3,892.03		3,409.07
Current Assets, Loans and Advances					
Inventories	7	2,093.49		1,943.39	
Sundry Debtors	8	11,430.31		6,584.88	
Cash and Bank Balances	9	1,008.68		1,771.37	
Other Current Assets	10	14,284.06		10,746.75	
Loans and Advances	11	9,318.73		7,780.51	
		38,135.27		28,826.90	
Less : Current Liabilities and Provisions					
Current Liabilities	12	14,786.79		8,780.12	
Provisions	13	439.56		347.37	
		15,226.35		9,127.49	
Net Current Assets			22,908.92		19,699.41
			32,203.43		26,841.28
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		
		B. SUBRAHMANYAM Company Secretary			
Place : Hyderabad					
Date : May 29, 2009					

Profit and Loss Account for the Year ended March 31, 2009
(Rs. in million)

	Schedules Notes		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Income					
Income from Operations	14		49,830.92		36,981.14
Less : Indirect Taxes			1,012.06		375.19
Net Income from Operations			48,818.86		36,605.95
Other Income	15		299.13		44.08
			49,117.99		36,650.03
Expenditure					
Construction Expenses	16		41,772.13		30,965.12
Administration and other Expenses	17		2,828.91		2,025.21
Interest and Financial Charges	18		1,306.14		478.22
Depreciation / Amortisation		473.09		328.22	
Less : Transferred to Revaluation Reserve		0.04	473.05	0.04	328.18
			46,380.23		33,796.73
Profit Before Tax					
			2,737.76		2,853.30
Provision for Taxation:					
Current Tax					
(Includes Rs.19.39 million (Rs.82.43 million) for earlier year's)			445.80		682.29
Deferred Tax			14.32		50.95
Fringe Benefit Tax			17.95		15.29
Profit After Tax					
			2,259.69		2,104.77
Balance brought forward from previous year			2,086.88		970.76
Available for appropriation					
			4,346.57		3,075.53
Appropriations					
Proposed Dividend					
Corporate Dividend Tax			186.91		186.89
Current Year					
Earlier year's provision no longer required			31.76		31.76
Transfer to General Reserve			(29.13)		-
Transfer to Special Reserve			600.00		500.00
Transfer to Debenture Redemption Reserve			375.00		270.00
			100.00		-
Balance Carried to Balance Sheet					
			3,082.03		2,086.88
Earnings per share of face value Rs.2 each					
- Basic (Rs.)	Note-B-6 of		16.93		16.08
- Diluted (Rs.)	Sch-19		16.93		15.77
Significant Accounting Policies and Notes on Accounts					
19					
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	
				B. SUBRAHMANYAM Company Secretary	
Place : Hyderabad					
Date : May 29, 2009					

Cashflow Statement for the Year ended March 31, 2009
(Rs. in million)

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
A. CASHFLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		2,737.76		2,853.30
Adjustment for:				
Depreciation	473.05		328.18	
Dividend received on investments	(171.46)		(9.51)	
(Profit) / Loss on sale of fixed assets	10.53		0.95	
(Profit) / Loss on sale of investments	0.07		(0.37)	
Employees Compensation under ESOP	1.11		85.37	
(Gain) / Loss on Foreign exchange translation	80.72		70.84	
Interest received	(674.18)		(686.55)	
Interest and Finance Charges Paid	1,907.37	1,627.20	1,093.93	882.85
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,364.96		3,736.15
(Increase) / Decrease in Inventories	(150.10)		(1,118.03)	
(Increase) / Decrease in Debtors	(4,845.43)		(252.78)	
(Increase) / Decrease in Other Current Assets	(3,539.02)		(4,363.86)	
(Increase) / Decrease in Loans and Advances	(408.91)		(385.30)	
Increase / (Decrease) in Current Liabilities	6,065.11	(2,878.35)	(163.21)	(6,283.18)
CASH GENERATED FROM / (USED IN) OPERATIONS		1,486.61		(2,547.03)
Direct Taxes paid		(1,018.34)		(1,228.59)
NET CASH GENERATED FROM / (USED IN) OPERATIONS		468.27		(3,775.62)
B. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2,187.63)		(1,638.22)	
Sale of Fixed Assets	34.34		11.30	
Sale of Investments	0.49		1.09	
Purchase of investments in Subsidiaries	(483.52)		(580.86)	
Loans to Subsidiaries	(574.73)		181.49	
Interest Received	675.88		692.40	
Dividend received on long term Investments	171.46		9.51	
NET CASH USED IN INVESTING ACTIVITIES		(2,363.71)		(1,323.29)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital	0.03		0.56	
Proceeds from share premium	-		5.08	
Qualified Institutional Placement issue expenses	-		(5.10)	
Proceeds from Long Term Borrowing (net of repayments)	1,966.66		(457.83)	
Proceeds from Short Term Borrowing (net of repayments)	1,254.46		6,387.44	
Unrealized Foreign Exchange	-		(51.76)	
Interest and Finance Charges Paid	(1,899.45)		(1,093.42)	
Dividends Paid (including dividend distribution tax)	(188.95)		(151.23)	
NET CASH GENERATED FROM FINANCING ACTIVITIES		1,132.75		4,633.74
Effects of exchange differences on translation of foreign currency cash and cash equivalents		-		(1.66)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(762.69)		(466.83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,771.37		2,238.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,008.68		1,771.37

Notes:

1. Cash and Cash equivalents includes :
 - a) Rs.Nil (Rs.147.92 million) being fixed deposit in foreign currency made out of proceeds received from the issue of Foreign Currency Convertible Bonds.
 - b) Rs.4.21 million (Rs.35.26 million) margin money and Rs.56.99 million Earnest Money Deposit in fixed deposit account - (Refer schedule 9).
 - c) Bank balance includes restricted amount of Rs.2.21 million (Rs. 1.64 million) towards unclaimed dividend.
2. The Cash flow statement is prepared under 'Indirect method' as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211 (3C) of the Companies Act, 1956.
3. Previous year's figures have been regrouped, wherever necessary.

As per our report of even date attached

For **CHATURVEDI & PARTNERS**
Chartered Accountants

R. N. CHATURVEDI
Partner

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

K. RAJASEKHAR
Partner

FOR AND ON BEHALF OF THE BOARD

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director
Finance & Group CFO

B. SUBRAHMANYAM
Company Secretary

Place : Hyderabad
Date : May 29, 2009

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

		As at 31-03-2009		As at 31-03-2008
Schedule - 1				
Share Capital				
Authorised				
175,000,000 (175,000,000) Equity Shares of Rs.2 each		350.00		350.00
25,000,000 (25,000,000) Preference Shares of Rs.2 each		50.00		50.00
		400.00		400.00
Issued, Subscribed and Paid up				
133,504,929 (133,489,929) Equity Shares of Rs.2 each fully paid-up (Of the above 18,660,500 Equity Shares of Rs.2 each represents after sub-division of Rs.3,732,100 shares of the face value of Rs.10 each which were issued as fully paid bonus shares by utilisation of Rs.37.32 million from General Reserve)		267.01		266.98
		267.01		266.98
Schedule - 2				
Reserves & Surplus				
Capital Reserve		0.09		0.09
Securities Premium Account - At the Commencement of the year	10,622.79		9,630.53	
Add : Additions during the year on account of exercise of options and conservation of FCCB into equity shares	5.30		949.22	
(Add) / Less : Provision towards redemption premium on FCCB of US \$ 7.60 million (US \$ 7.60 million) and expenses relating to issue of Qualified Institutional Placement.	(25.26)	10,602.83	(43.04)	10,622.79
Revaluation Reserve - At the Commencement of the year	28.49		28.53	
Less : Depreciation on revalued portion of assets	0.04	28.45	0.04	28.49
General Reserve - At the Commencement of the year	2,014.36		1,521.63	
Less : Adjustment towards employee benefits (net of deferred tax of Rs. 3.75 million) in accordance with the transitional provisions of AS - 15 notified under Section 211 (3C) of the Companies Act, 1956			7.27	
Add : Transfer from Profit and Loss Account	600.00	2,614.36	500.00	2,014.36
Special Reserve - At the Commencement of the year	1,036.00		766.00	
Add : Transfer from Profit and Loss Account	375.00	1,411.00	270.00	1,036.00
Debenture Redemption Reserve				
Add : Transfer from Profit and Loss Account	100.00		-	
Profit and Loss Account		100.00		
		3,082.03		2,086.88
		17,838.76		16,788.61
Schedule - 3				
Secured Loans				
Debentures				
12.15% Non-Convertible Debentures (privately placed with Life Insurance Corporation of India) (Refer Note B-2 of Sch-19)		2,000.00		
Term Loans				
From Banks	486.64		472.21	
Earth Moving Equipment and Vehicle Loans				
From Banks	34.28		54.71	
From Others	18.48		45.83	
		539.40		572.75

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

		As at 31-03-2009		As at 31-03-2008
Working Capital Loans				
Working Capital Demand Loans from consortium of Banks	5,718.57		4,392.83	
Project - Specific Working Capital Loans from Banks	1,926.85		822.28	
		7,645.42		5,215.11
		10,184.82		5,787.86

Notes:
1) Term Loans

Secured by way of first charge and hypothecation of specific machinery and equipment purchased. Repayable within twelve months Rs.212.14 million (Rs.332.21 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. 25.80 million (Rs.94.05 million).

3) Working capital Demand Loan from Consortium of Banks

a) Secured by hypothecation of book debts, inventions 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 49.4 million respectively not charged to other lenders and Mortgage of Land & Flats owned by the Company Ranking pari-passu among the consortium banks valuing Rs.126.50 million and further secured by a second charge on Machinery and equipment hypothecated to L&T Finance.

b) During the year the Company has raised Rs.1,000 million by issue of Commercial Papers and the entire amount is repayable within one year.

4) Project Specific Working Capital Loan from Banks

a) Secured by hypothecation of book debts, inventory and other current assets relating to H2-Bhank Project financed by State Bank of Hyderabad for a sum of Rs.Nil (Rs.95.89 million).

b) Secured by hypothecation of book debts, inventory and other current assets relating to DLIS- Yavatmal Project financed by Bank of India for a sum of Rs.Nil (Rs.249.60 million).

c) Secured by hypothecation of book debts, inventory and other current assets relating to BITS project financed by HDFC Bank Ltd for a sum of Rs.Nil (Rs.90.94 million).

d) Secured by hypothecation of book debts, inventory and other current assets relating to BRANDIX project financed by HDFC Bank Ltd for a sum of Rs.Nil (Rs.49.55 million).

e) Secured by hypothecation of book debts, inventory and other current assets relating to DLF AKRUTHI project financed by HDFC Bank Ltd for a sum of Rs.Nil (Rs.335.69 million).

f) Secured by hypothecation of book debts, inventory and other current assets relating to NHAI-NS-40 project financed by Standard Chartered Bank for a sum of Rs. Nil (Rs.0.61 million).

g) 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.198.08 million (Rs. Nil).

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

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

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

k) Secured by the hypothecation of the book debts and inventory relating to BMTC Yeshwanthpura Project for a sum of Rs.155.00 Millions (Rs. Nil) financed by the Karur Vysya Bank Ltd.

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

m) Secured by hypothecation of book debts and inventory relating to CIDCO Exhibition Project for a sum of Rs.210.00 million (Rs. Nil) financed by The Karur Vysya Bank Ltd.

Schedules forming part of the Balance Sheet

(Rs. in million)

	As at 31-03-2009	As at 31-03-2008
Schedule - 4		
Unsecured Loans		
Short Term Loans		
- From Banks	3,409.94	4,508.28
- From Subsidiary	-	77.50
Foreign Currency Convertible Bonds (Refer Note B-3 of Sch-19)	385.49	304.77
	3,795.43	4,890.55

Note : Amounts repayable within one year Rs.3,409.94 million (Rs.4,585.78 million)

Schedule - 5
Fixed Assets

(Rs. in million)

Particulars	Gross Block at Cost / Revaluation			Depreciation			Net Block		
	As at 01-04-2008	Additions	Upto 31-03-2009	Deletions	For the Year	Deletions	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
Land - Freehold	90.77	253.94	343.54	1.17	-	-	-	343.54	90.77
Land - Leasehold	18.34	-	17.76	0.58	0.18	0.58	0.66	17.10	17.28
Buildings	398.03	331.65	726.09	3.59	76.13	2.41	195.35	530.74	276.40
Plant & Machinery	2,822.83	1,563.54	4,334.47	51.90	287.10	18.12	852.40	3,482.07	2,239.41
Motor Vehicles	597.57	260.59	830.74	27.42	72.92	19.28	224.61	606.13	426.60
Furniture	51.90	60.19	112.08	0.01	11.48	0.01	42.57	69.51	20.08
Office Equipment	76.79	34.49	110.54	0.74	7.54	0.18	28.82	81.72	55.33
Computers	119.73	28.58	148.28	0.03	17.74	-	72.12	76.16	65.35
Total	4,175.96	2,532.98	6,623.50	85.44	473.09	40.58	1,416.53	5,206.97	3,191.94
	(2,593.35)	(1,603.28)	(4,175.96)	(20.67)	(328.22)	(8.42)	(984.02)	(3,191.94)	(1,929.13)

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 Deed infavour 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. Buildings includes Rs.55.20 million capitalised in the previous year towards purchase of office premises at Chennai, the conveyance deed for which is yet to be registered infavour of the Company.

Schedules forming part of the Balance Sheet

(Rs. in million)

		As at 31-03-2009	As at 31-03-2008
Schedule - 6	No. of Equity Shares of Face Value		
Investments	of Rs.10 each fully paid-up unless		
Longterm Investments	otherwise specified		
<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)	19,801,597	642.15	614.50
(720,599 shares purchased during the year)			
IVR-Prime Urban Developers Limited	40,000,005	400.22	400.22
Unquoted			
IVRCL PSC Pipes Private Limited	167,000	1.67	1.67
IVR Enviro Projects Private Limited	2,924,550	29.25	6.75
(2,250,000 shares subscribed during the year)			
GEO IVRCI Engineering Limited	49,400	-	0.49
(Sold During the year)			
Chennai Water Desalination Limited	50,000	0.50	0.50
IVRCL Water Infrastructure Limited	19,281,465	853.55	619.40
(2,341,465 shares subscribed during the year)			
Salem Tollways Limited	50,000	0.50	0.50
Kumarpalyam Tollways Limited	50,000	0.50	0.50
IVRCL Steel Constructions & Services Limited	50,000	0.50	0.50
IVR Strategic Resources & Services Limited	42,718,600	1,868.02	1,666.97
<i>(formerly IVRCL Road Toll Holdings Limited)</i>			
(3,655,600 shares subscribed during the year)			
Jalandar Amritsar Tollways Limited	50,000	0.50	0.50
Alkor Petroo Limited	5,625,000	70.10	70.10
In Partnership Firms			
Bhanu IVRCL Associates		0.01	0.01
(50:50 Share between the Company and			
Bhanu Construction Co. Limited)			
IVRCL - Tantia Joint Venture (AOP)		0.20	0.20
(50:50 Shares between the Company and Tantia			
Construction Co. Limited)			
In Associate Bodies Corporate			
Viva Infrastructure Private Limited	50,000	0.50	0.50
Paresh Infrastructure Private Limited	4,900	0.05	0.05
IVR Prime IT SEZ Private Limited	10,000	0.10	-
(Purchased during the year)			
B) Other Investments			
Unquoted			
Telcon Ecoroad Resurfaces Private Limited	240,000	24.00	24.00
(Face value of Rs.100 each fully Paid-up)			
Flexi Bonds of Industrial Development Bank of India	400	-	2.00
(Face value of Rs.5,000 each)			
(redeemed during the year)			
Tamilnad Mercantile Bank Limited	25	0.21	0.21
Less : Provision for dimunition in value of investment		(0.50)	(0.50)
		3,892.03	3,409.07
Aggregate amount of quoted investment		1,042.37	1,014.72
Aggregate market value thereof		1,936.40	8,820.38
Aggregate amount of unquoted investment		2,849.66	2,394.35

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

	As at 31-03-2009	As at 31-03-2008
Schedule - 7		
Inventories		
At Project sites - <i>(at cost)</i>		
Stores and Spares	1,931.51	1,850.34
At Factory - (at lower of cost and net realisable value)		
Stores and Spares	69.63	60.46
Finished Goods	63.63	14.68
Work-in-Progress	28.72	17.91
	2,093.49	1,943.39
Schedule - 8		
Sundry Debtors (unsecured)		
Debts outstanding for a period exceeding six months	3,098.10	1,524.16
Other Debts	8,413.30	5,082.20
	11,511.40	6,606.36
Less : Provision for Doubtful Debts	81.09	21.48
	11,430.31	6,584.88
Of the above		
Considered Good	11,430.31	6,584.88
Considered Doubtful	81.09	21.48
	11,511.40	6,606.36
Schedule - 9		
Cash and Bank Balances		
a) Cash and Cheques on Hand	80.51	30.05
b) Balances with Scheduled Banks		
1) Current Accounts	664.75	1,035.51
2) In Fixed Deposit Accounts		
- Margin Money	4.21	35.26
- Fixed Deposit in Foreign Currency	-	147.92
- Others	259.21	522.63
	1,008.68	1,771.37
Schedule - 10		
Other Current Assets (Unsecured)		
Interest accrued other than on investments	9.67	11.36
Retention Money	4,283.55	2,908.19
Other Deposits	2,661.25	1,437.43
Unbilled Revenue	6,798.98	6,208.54
Other Receivables	534.70	185.32
	14,288.15	10,750.84
Less : provision for Doubtful Deposits	4.09	4.09
	14,284.06	10,746.75
Of the above		
Considered good	14,284.06	10,746.75
Considered doubtful	4.09	4.09
	14,288.15	10,750.84

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

	As at 31-03-2009	As at 31-03-2008
Schedule - 11		
Loans and Advances (Unsecured unless otherwise stated)		
Loans to Subsidiaries	4,499.02	3,924.30
Advance to Joint Venture partnership firms in which the company is a partner	659.14	454.34
Advance receivable in cash or in kind or for value to be received		
- Secured	8.67	8.67
- Unsecured	2,536.23	2,332.14
Tax deducted at Source and Advance Tax (net of provisions Rs.1,781.52 million (Rs.1,335.43 million))	1,701.28	1,146.69
Advance Fringe Benefit Tax (Net of Provision Rs.17.90 million)	1.60	-
Balance with Post Office (held in the names of employees)	0.61	0.36
	9,406.55	7,866.50
Less : Provision for Doubtful Advances	87.82	85.99
	9,318.73	7,780.51
Of the above		
- Considered Good	9,318.73	7,780.51
- Considered Doubtful	87.82	85.99
	9,406.55	7,866.50
Schedule - 12		
Current Liabilities		
Advances received from Contractee Clients	3,986.42	2,696.99
Retention Money	47.91	51.94
Sundry Creditors		
Dues to Micro enterprise and Small enterprise (Refer to Note No. B of Schedule-19)	4.88	12.90
Subsidiaries	75.90	3.62
Joint Ventures	40.12	47.93
Others	10,284.69	5,827.61
Other Liabilities	252.29	78.29
Interest accrued but not due on loans	92.05	58.88
Liabilities towards Investors Education Fund under Section 205C of the Companies Act,1956		
- Not Due - Unclaimed Public Deposit and Interest on it	0.32	0.32
- Not Due - Unclaimed Dividends	2.21	1.54
	14,786.79	8,780.12
Schedule - 13		
Provisions		
Provision for Fringe Benefits Tax {Net of Advance Fringe Benefit Tax (Rs.54.62 million)}	-	0.07
Proposed Dividend	186.91	186.89
Tax on Proposed Dividend	31.76	31.76
Gratuity	28.62	19.72
Leave Encashment	192.27	108.93
	439.56	347.37

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

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Schedule - 14				
Income from Operations				
Gross Work Bills / Other Operational Income		49,518.56		36,718.26
Share of Profit from Joint Ventures		101.06		120.80
Sale of Products		211.30		142.08
		49,830.92		36,981.14
Schedule - 15				
Other Income				
Miscellaneous Income		102.17		23.23
Dividend Income form Subsidiaries		171.45		9.50
Dividend Income on Long Term Investments		0.01		0.01
Profit on sale of Long Term Investments		-		0.37
Liabilities no longer required written back		25.50		10.97
		299.13		44.08
Schedule - 16				
Construction and Manufacturing Expenses				
Opening Stock of Project Stores	1,850.34		824.04	
Add : Purchase of construction and other materials	16,413.40		13,419.79	
Less : Closing Stock of project stores	1,931.51		1,850.34	
Construction and other materials		16,332.23		12,393.49
Sub Contractors' works bills		13,512.52		10,923.20
Masonry and other works		9,914.87		6,506.49
Repairs and Maintenance				
- Construction Machinery	355.31		110.37	
- Others	120.06	475.37	233.75	344.12
Electricity and Water Charges		80.58		59.38
Machinery hire charges		1,066.52		566.98
Royalty		111.59		67.32
Laboratory testing charges		32.19		24.35
At Factory				
Raw Materials Consumed	306.02		112.38	
(Increase) / Decrease in Finished Goods and WIP	(59.76)	246.26	(32.59)	79.79
		41,772.13		30,965.12
Schedule - 17				
Administrative and Other Expenditure				
Salaries, Wages and Bonus		1,218.55		841.00
Contribution to Provident, Superannuation and Other Funds		109.11		69.48
Staff Welfare Expenses including Gratuity accruals		468.31		289.55
Employee Compensation expense under ESOP		1.11		85.37
Managerial Remuneration		156.01		156.61
Traveling and Conveyance		128.80		87.34
Printing and Stationery		39.86		38.53
Communication Expenses		53.00		45.02
Rates and Taxes		48.62		26.34
Tender Expenses		17.12		15.12
Business Promotion		6.75		5.87

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

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Office Maintenance		124.88		79.58
Rent		90.14		63.49
Advertisement and Publicity		15.96		21.31
Auditor's Remuneration				
Audit Fees	7.00		7.00	
Tax Audit Fee	0.35		0.35	
Other Service	0.78		0.80	
Reimbursement of expenses	0.62		0.33	
		8.75		7.48
Director's sitting fees		0.64		0.86
Legal and Professional Charges		188.69		78.00
Insurance		43.63		68.75
Miscellaneous Expenses		34.58		29.47
Loss on Assets sold / discarded (net)		10.53		0.95
Loss on sale of Investments		0.07		-
Provision for Doubtful Debts, advances and deposits		61.44		14.09
Loss on Derivatives		2.36		-
		2,828.91		2,025.21
Schedule - 18				
Financial Charges				
Interest on Fixed Loans	221.88		207.87	
Foreign Exchange Loss (net)	72.95		70.84	
Other Interest				
Interest on other Credit Facilities	1,413.94		699.54	
Bank and Financing Charges	271.55		186.52	
Less : Interest received from Banks and Others - Gross*		1,980.32		1,164.77
(Tax Deducted at Source Rs.114.01 million (Rs.125.34 million)		674.18		686.55
*(including interest on Long Term Investments Rs.0.18 million (Rs.0.20 million))				
		1,306.14		478.22

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 based on historical cost convention (except for revaluation of certain Fixed Assets) and prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) and in compliance with the Accounting Standards notified in Section 211 (3C) of the Companies Act, 1956, and the 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 (AS) 15 (Revised) "Employee Benefits" notified in Section 211 (3C) of the Companies Act, 1956.

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 Liability for Leave

Liability for leave is treated as a short term liability and is accounted for as and when earned by the employee.

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 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, 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. 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.

10. 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.

11. 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 realizable value. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

12. 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 as period costs.

13. 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 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.

14. 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 other wise 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. a) During the year, the Company has issued 2,000, 12.15% Secured Non Convertible Redeemable Debentures @ Rs.10,00,000 each to Life Insurance Corporation of India. 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.
- The debentures are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange (NSE).
- b) Rs.100 million has been set aside towards redemption of these debentures and is carried as part of Reserves & Surplus.
3. No option for conversion of bonds into equity shares has been exercised by any Foreign Currency Convertible Bond holders during the year. Rs.80.72 million has been debited to the Profit and Loss account during the year towards foreign exchange translation difference on Foreign Currency Convertible Bonds.

4. Components of Deferred Tax Assets and Liabilities :

(Rs. in million)

	As at March 31, 2009	As at March 31, 2008
Deferred Tax Liability:		
Difference between book and tax depreciation	237.37	177.79
Total Deferred Tax Liability	237.37	177.79
Deferred Tax Asset:		
Provision for Gratuity	9.73	6.50
Provision for Leave encashment	50.87	19.32
Provision for doubtful debts, advances, deposits and bonus	58.80	37.92
Public Issue Expenses	-	6.17
Others	0.56	1.04
Total Deferred Tax Asset	119.96	70.95
Deferred Tax Liability	117.41	106.84
Less: Deferred Tax Asset on transitional provision as per AS - 15	-	(3.75)
Net Deferred Tax Liability	117.41	103.09

5. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 for 'Construction Contracts' as notified in Section 211 (3C) of the Companies Act, 1956, the amounts considered in the financial statements up to the Balance Sheet date are as follows:

(Rs. in million)

	As at March 31, 2009	As at March 31, 2008
Contract Revenue recognised as revenue during the year	49,358.13	36,718.26
Contract costs incurred and recognized profits, less losses	48,129.29	36,342.54
Advances received, net of recoveries from progressive bills	5,986.32	4,451.89
Gross amount due from customers for contract works	13,467.17	8,330.08
Retention Money	4,283.55	2,908.19

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

	As at March 31, 2009	As at March 31, 2008
Profit After Tax for calculation of Basic EPS (Rs. in million)	2,259.69	2,104.77
Profit After Tax for calculation of Diluted EPS (Rs. in million)	2,259.69	2,087.89
Number of shares considered as weighted average shares for calculation of Basic Earnings Per Share (EPS)	133,500,655	130,859,471
Add: Dilutive effect of potential shares out of stock Options / FCCB etc., outstanding	4,274	1,502,833
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	133,504,929	132,362,304
Basic EPS (Rs.)	16.93	16.08
Diluted EPS* (Rs.)	16.93	15.77

**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.*

7. Contingent Liabilities:

(Rs. in million)

	As at March 31, 2009	As at March 31, 2008
7.1 Bank Guarantees / Letters of Credit issued by the banks on behalf of the company	23,159.17	16,999.23
Corporate Guarantees issued by the Company on behalf of its subsidiaries and others	2,055.00	2,087.44
Claims against the Company not acknowledged as debts	73.46	18.50
Income Tax demand contested in appeal	14.13	14.13
Disputed Sales Tax / Service Tax (on appeal) Gross	152.58	8.30

7.2 The Company has claimed deduction under Section 80 IA of the Income Tax Act, 1961 in respect of profits and gains derived from the development of infrastructure facilities. The claims of the Company have been disputed by the Tax Authorities and the matters are pending before different forums including Income Tax Appellate Tribunal (ITAT). Further, the Honorable Special Bench of ITAT vide its order dated 25.04.2008 had remanded back the case for the AY 2001-02 to the Assessing Officer with a direction to consider the allowability of the deduction under section 80 IA of the Act on the basis of material information already on record and additional evidences submitted/to be submitted by the Company. The matter is pending before the Assessing Officer. The Company, being a developer of infrastructure facilities, has been advised that its claims are tenable. Accordingly the tax provision for the year has been determined on the basis that the claim under Section 80 IA of the Act is available to the Company and the tax effect amounting to Rs.1,409.03 million (Rs.1,035.52 million up to 31.03.2008) in respect of claim of the Company (including disallowances) up to March 31, 2009 has not been provided. However, the Company, as a measure of abundant precaution has appropriated and set aside an amount of Rs.1,411 million (Rs.1,036 million) including Rs.375 million for the year to a Special Reserve.

7.3 Estimated amount of contracts to be executed on capital account Rs.65.70 million (Rs.352.63 million).

8. Computation of Net Profits in accordance with Section 309(5) of the Companies Act, 1956

8.1 Managerial Remuneration

(Rs. in million)

	2008-09	2007-08
Salary and allowances	21.59	10.42
Commission	132.72	145.30
Contribution to Provident and other Funds*	1.70	0.89
Total	156.01	156.61

*Excluding contribution to Gratuity Fund as separate figures cannot be quantified.

8.2 Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956

(Rs. in million)

	2008-09	2007-08
Profit Before Tax	2,737.76	2,853.30
Add: 1. Commission to Managing Director	132.72	145.30
2. Sitting Fees	0.64	0.86
3. Salary and allowances to Directors	21.59	10.42
4. Contribution to Provident and other Fund to Directors	1.70	0.89
5. Loss on sale of Investments	0.07	-
6. Provision for Doubtful Debts, Advances & Other Deposits	35.94	3.12
7. Loss on Sale of Assets / discarded	16.81	2.16
8. Donations	11.74	-
Sub Total	2,958.97	3,016.05
Less: 1. Profit on sale of Investment	-	0.37
2. Capital Profit on sale of assets	1.56	1.21
Sub Total	1.56	1.58
Net Profit as per Sec. 309(5) for the year	2,957.41	3,014.47
Maximum Commission/Remuneration payable to Managing Director	147.87	150.72
Less: Remuneration charged to Profit and Loss Account	15.15	5.42
Commission payable to Managing Director	132.72	145.30

9. CIF Value of Imports:

(Rs. in million)

	As at 31.03.2009	As at 31.03.2008
Capital Goods	173.82	104.63
Construction Materials	115.68	8.56

10. Expenditure / (Earnings) in Foreign Currency:*(Rs. in million)*

	As at 31.03.2009	As at 31.03.2008
Travelling Expenses	1.10	1.45
Professional / Consultancy Charges	65.47	3.05
Interest Earned	(1.07)	(23.91)

11. Construction Material and Stores Consumed:*(Rs. in million)*

	2008-2009		2008-2009	
	Value	%	Value	%
Indigenous	16,216.55	99.29	12,384.93	99.93
Imported	115.68	0.71	8.56	0.07
Total	16,332.23	100.00	12,393.49	100.00

12. Dues to Micro and Small Enterprises:

Information relating to Micro, Small and Medium 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)

	2008-09	2007-08
Principal amount remaining unpaid as on March, 31	4.88	12.90
Interest due thereon as on March, 31	-	-
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	-	-
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.	-	-

13. The Company has the following Joint Ventures as on 31st March, 2009 and its proportionate share is given below:

Sl. No.	Names of the Joint Ventures	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 Consortitium	70.00%
18	MEIL IVRCL HCC & WPIL	23.00%

14. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard 18 notified in Section 211(3C) of the Companies Act, 1956 is given below:

14.1 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 Private Ltd.	21	Mummidi Developers Private Ltd.
2	IVR Enviro Projects Private Ltd.	22	Samatteri Developers Private Ltd.
3	IVR Prime Urban Developers Ltd.	23	Velusantha Developers Private Ltd.
4	Hindusthan Dorr-Oliver Ltd.	24	Annupampattu Developers Private Ltd.
5	IVR Strategic Resources & Services Ltd. (formerly IVRCL Road Toll Holdings Ltd.)	25	Kunnam Developers Private Ltd.
6	IVRCL Water Infrastructures Ltd.	26	Tirumani Developers Private Ltd.
7	Alkor Petroo Ltd.	27	M.M. Kuppam Developers Private Ltd.
8	IVRCL Steel Constructions & Services Ltd.	28	Ilavampedu Developers Private Ltd.
9	Jalandhar Amritsar Tollways Ltd.	29	Haripuram Developers Private Ltd.
10	Salem Tollways Ltd.	30	Chodavaram Developers Private Ltd.
11	Kumarapalyam Tollways Ltd.	31	Vedurwada Developers Private Ltd.
12	Chennai Water Desalination Ltd.	32	Lamda Developers Private Ltd.
13	First STP Private Ltd.	33	Rudravaram Developers Private Ltd.
14	IVRCL Building Products Ltd.	34	Kappa Developers Private Ltd.
15	IVR Hotels & Resorts Ltd.	35	Eta Developers Private Ltd.
16	Geo IVRCL Engineering Ltd.	36	Iota Developers Private Ltd.
17	IVR Mega Malls Ltd.	37	Annavaram Developers Private Ltd.
18	HDO Technologies Ltd.	38	Gajuwaka Developers Private Ltd.
19	Agaram Developers Private Ltd.	39	Geo Prime Developers Private Ltd.
20	Papankuzhi Developers Private Ltd.	40	Theata Developers Private Ltd.
		41	Duvvda Developers Private Ltd.

Sl.No.	Name	Sl.No.	Name
42	Gamaa Developers Private Ltd.	65	Bibinagar Developers Private Ltd.
43	Simhachalam Prime Developers Private Ltd.	66	IVR Prime Developers (Anakapalle) Pvt. Ltd.
44	Siripuram Developers Private Ltd.	67	IVR Prime Developers (Rajampeta) Pvt. Ltd.
45	Kasibugga Developers Private Ltd.	68	IVR Prime Developers (Tanuku) Pvt. Ltd.
46	Vijayawada Developers Private Ltd.	69	IVR Prime Developers (Red Hills) Pvt. Ltd.
47	Eluru Developers Private Ltd.	70	IVR Prime Developers (Rajahmundry) Pvt. Ltd.
48	IVR Prime Developers (Nellore) Private Ltd.	71	IVR Prime Developers (Tuni) Pvt. Ltd.
49	IVR Prime Developers (Amalapuram) Private Ltd.	72	IVR Prime Developers (Bobbilli) Pvt. Ltd.
50	IVR Prime Developers (Erode) Private Ltd.	73	IVR Prime Developers (Bhimavaram) Pvt. Ltd.
51	IVR Prime Developers (Guntur) Private Ltd.	74	IVR Prime Developers (Valsaravakkam) Pvt. Ltd.
52	IVR Prime Developers (Kakinada) Private Ltd.	75	IVR Prime Developers (Adayar) Pvt. Ltd.
53	IVR Prime Developers (Araku) Private Ltd.	76	IVR Prime Developers (Ananthapuram) Pvt. Ltd.
54	IVR Prime Developers (Pudukkottai) Private Ltd.	77	IVR Prime Developers (Perumbadur) Pvt. Ltd.
55	Absorption Aircon Engineer Private Ltd.	78	IVR Prime Developers (Egmore) Pvt. Ltd.
56	IVR Prime Developers (Vanaprastha) Private Ltd.	79	IVR Prime Developers (Tambaram) Pvt. Ltd.
57	IVR PUDL Resorts & Clubs Private Ltd.	80	IVR Prime Developers (Ashram) Pvt. Ltd.
58	IVR Prime Developers (Thandiarpet) Private Ltd.	81	IVR Prime Developers (Retiral Homes) Pvt. Ltd.
59	IVR Prime Developers (Gummidipundy) Private Ltd.	82	IVR Prime Developers (Avadi) Pvt. Ltd.
60	IVR Prime Developers (Kodambakkam) Private Ltd.	83	IVR Prime Developers (Alwarpet) Pvt. Ltd.
61	IVR Prime Developers (Arumbakkam) Private Ltd.	84	IVR Prime Developers (Mylapore) Pvt. Ltd.
62	IVR Prime Developers (Anna Nagar) Private Ltd.	85	IVR Prime Developers (Godavari) Pvt. Ltd.
63	IVR Prime Developers (Pallavaram) Private Ltd.	86	IVR Prime Developers (Palakkad) Pvt. Ltd.
64	IVR Prime Developers (West Mambalam) Private Ltd.	87	IVR Prime Developers (Guindy) Pvt. Ltd.
B. Associate (Where the Company Exercises Significant influence)			
1	VIVA Infrastructure Private Limited	3.	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructure Private Limited		
C. Joint Ventures			
1	Bhanu - IVRCL Associates	10	IVRCL KBL
2	IVRCL - TANTIA	11	IVRCL KBL MEIL
3	IVRCL, SEW & Prasad	12	IVRCL CR18G
4	IVRCL, Navayuga & SEW	13	IVRCL SEW & WPIL
5	Navayuga, IVRCL & SEW	14	IVRCL MBL
6	IVRCL Harsha	15	IVRCL BATPSACO WPIL & MHI
7	SPCL - IVRCL	16	IVRCL BATPASCO ABB & AAG
8	IVRCL JL	17	IVRCL CR18G Consortium
9	UAN Raju IVRCL Construction	18	MEIL IVRCL HCC & WPIL
D. Entities where control exists			
1	S. V. Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A. P. Enercon Engineers Private Limited
4	Eragam Holdings Limited		
E. Key Management Personnel			
1	Mr. E. Sudhir Reddy	Chairman & Managing Director	
2	Mr. K. Ashok Reddy	Executive Director	
3	Mr. R. Balarami Reddy	Executive Director - Finance & Group CFO	

Sl.No.	Name	
F.	Relatives of Key Management Personnel (Disclosures will be given only if there have been transactions)	
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

14.2 Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2009

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

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
Contract Revenue			
IVR Prime Urban Developers Limited	111.85 (213.41)		
Salem Tollways Limited	1,239.66 (989.75)		
Kumarapalyam Tollways Limited	2,224.06 (908.36)		
Jalandar Amritsar Tollways Limited	1,202.24 (1,051.72)		
IVRCL SEW & Prasad		2,769.91 (3,080.93)	
IVRCL Navayuga & SEW		285.47 (1,713.47)	
IVRCL JL		1,719.87 (1,504.97)	
IVRCL KBL		2,006.04 (1,371.28)	
IVRCL KBL MEIL		1,790.66 (2,088.54)	
IVRCL CR18G		1,352.60 (411.61)	
Others	8.67 (-)	1,183.70 (480.81)	
Total	4,786.48 (3,163.24)	11,108.25 (10,651.61)	- (-)

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
Dividend Income			
IVR Prime Urban Developers Limited	160.00 (-)		
Hindustan Dorr Oliver Limited	11.45 (9.50)		
Total	171.45 (9.50)		
Interest Received			
IVR Prime Urban Developers Limited	333.76 (482.18)		
Chennai Water Desalination Limited	0.08 (26.53)		
First STP Private Limited	0.62 (1.43)		
Sales Tollways Limited	50.22 (18.86)		
UAN Raju - IVRCL Construction		11.05 (8.33)	
Others	51.88 (9.20)		
Total	436.56 (538.20)	11.05 (8.33)	- (-)
Rent Received			
Hindustan Dorr Oliver Limited	1.50 (2.13)		
IVR Prime Urban Developers Limited	0.90 (0.90)		
Total	2.40 (3.03)	- (-)	- (-)
Interest Paid			
Hindustan Dorr Oliver Limited	7.71 (14.95)		
Total	7.71 (14.95)	- (-)	- (-)
Rent Paid			
A. P. Enercon Engineers Private Limited			12.21 (2.90)
Palladium Infrastructure & Projects Limited			1.11 (1.96)
Indus Palms Hotels & Resorts Limited			3.30 (5.86)
Total	- (-)	- (-)	16.62 (10.72)
Sub Contractors Expenses			
Hindustan Dorr Oliver Limited	454.20 (380.32)		
UAN Raju - IVRCL Construction		81.30 (123.91)	

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
IVRCL SEW & Prasad		628.53 (1,106.13)	
IVRCL Harsha		20.22 (51.46)	
Navayuga IVRCL SEW		306.14 (268.58)	
IVRCL KBL MEIL		1,651.25 (1,984.11)	
IVRCL CR18G		1,251.15 (380.87)	
Palladium Infrastructure & Projects Limited			727.62 (282.90)
Others		110.32 (-)	
Total	454.20 (380.32)	4,048.91 (3,915.06)	727.62 (282.90)
Purchase of Construction Material			
IVRCL Building Products Limited	0.99 (-)		
Total	0.99 (-)	- (-)	- (-)
Expenses Paid			
Salem Tollways Limited	- (20.26)		
Kumarapalayam Tollways Limited	- (7.10)		
Jalandhar Amritsar Tollways Limited	- (3.98)		
Total	- (31.34)	- (-)	- (-)
Advances			
IVRCL Prime Urban Developers Limited	191.54 (-)		
IVR Strategic Resources & Services Limited (formerly IVRCL Road Toll Holdings Limited)	235.29 (33.81)		
IVRCL Water Infrastructures Limited	473.57 (8.44)		
Bhanu IVRCL Associates		36.07 (36.06)	
SPCL - IVRCL		18.48 (18.54)	

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
UAN Raju - IVRCL Construction		159.55 (100.49)	
IVRCL SEW & Prasad		175.34 (151.66)	
IVRCL Navayuga & SEW		63.16 (46.32)	
IVRCL Harsha		62.56 (68.74)	
IVRCL CR18G		109.25 (6.73)	
Palladium Infrastructure & Projects Limited			- (36.24)
Others	77.00 (102.17)	34.73 (25.80)	
Total	977.40 (144.42)	659.14 (454.34)	189.42 (36.24)
Advance Received			
Chennai Water Desalination Limited	- (2.84)		
First STP Private Limited	0.72 (-)		
Kumarapalyam Tollways Limited	0.43 (-)		
IVRCL JL			
IVRCL KBL		27.82 (23.75)	
IVRCL KBL MEIL		12.30 (24.18)	
Hindustan Dorr Oliver Limited	- (0.78)		
Total	1.15 (3.62)	40.12 (47.93)	- (-)
Capital Advance			
IVR Prime Urban Developers Limited	187.75 (236.33)		
Total	187.75 (236.33)	- (-)	- (-)
Creditors for Construction Expenses			
IVRCL Building Products Limited	3.12 (-)		
IVRCL SEW & Prasad		201.76 (130.01)	

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
IVRCL Harsha		18.11 (-)	
Navayuga IVRCL & SEW		76.71 (25.28)	
IVRCL KBL MEIL		399.33 (-)	
MEIL IVRCL HCC & WPIL		97.07 (-)	
Palladium Infrastructure & Projects Limited			480.09 (-)
Others			1.50 (-)
Total	3.12 (-)	792.98 (155.29)	671.01 (-)
Purchase of Assets			
IVRCL Building Products Limited	102.79 (-)		
Total	102.79 (-)		
Provision for Advance			
Bhanu IVRCL Associates	- (-)	36.07 (36.06)	- (-)
Total	- (-)	36.07 (36.06)	- (-)
Debtors			
IVR Prime Urban Developers Limited	16.10 (8.81)		
Jalandhar Amritsar Tollways Limited	51.72 (-)		
Kumarapalyam Tollways Limited	73.94 (-)		
Chennai Water Desalination Limited	6.73 (6.73)		
UAN Raju - IVRCL Construction		- (21.40)	
IVRCL SEW & Prasad		914.46 (86.07)	
IVRCL Navayuga & SEW		471.92 (326.49)	
IVRCL Harsha		- (16.43)	
IVRCL JL		217.09 (108.44)	

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
IVRCL KBL MEIL		478.84 (62.37)	
IVRCL KBL		286.35 (54.02)	
Others	4.28 (-)	302.53 (-)	
Total	152.77 (15.54)	2,671.19 (675.22)	- (-)
Mobilisation Advance			
Jalandhar Amritsar Tollways Limited	- (91.82)		
Salem Tollways Limited	433.06 (353.66)		
Kumarapalyam Tollways Limited	- (312.57)		
IVRCL SEW & Prasad		41.26 (221.53)	
IVRCL MBL		325.01 (-)	
IVRCL BATPASCO ABB & AAG		199.44 (-)	
Others	- (46.01)	138.92 (-)	
Total	433.06 (804.06)	704.63 (221.53)	- (-)
Retention Money			
IVR Prime Urban Developers Limited	27.09 (34.79)		
IVRCL SEW & Prasad		172.69 (103.70)	
IVRCL Navayuga & SEW		96.00 (84.25)	
IVRCL JL		222.90 (116.87)	
IVRCL KBL		153.14 (63.69)	
IVRCL KBL MEIL		214.52 (86.70)	
Others		61.34 (0.86)	
Total	27.09 (34.79)	920.59 (456.07)	- (-)
Retention Money Payable			
Hindustan Dorr Oliver Limited	71.63 (-)		

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
IVRCL SEW & Prasad		73.76 (64.01)	
IVRCL KBL MEIL		214.52 (83.04)	
Palladium Infrastructure & Projects Limited			54.99 (18.61)
Others		15.75 (4.44)	
Total	71.63 (-)	304.03 (151.49)	54.99 (18.61)
Corporate Guarantee			
Kumarapalyam Tollways Limited	- (17.90)		
Salem Tollways Limited	55.00 (55.00)		
Alkor Petroo Limited	2,000.00 (2,000.00)		
Total	2,055.00 (2,072.90)	- (-)	- (-)
Interest Paid on Mobilisation Advance			
IVRCL SEW & Prasad		12.09 (13.75)	
IVRCL Navayuga & SEW		5.86 (11.95)	
IVRCL JL		1.13 (22.51)	
IVRCL KBL		- (8.63)	
IVRCL BATPASCO WPIL & MHI		3.91 (-)	
IVRCL BATPASCO ABB & AAG		6.30 (-)	
Total	- (-)	29.29 (56.84)	- (-)
Loan taken			
Hindustan Dorr Oliver Limited	- (77.50)		
Total	- (77.50)	- (-)	- (-)
Loan given			
IVR Prime Urban Developers Limited	2,600.00 (2,850.00)		
Chennai Water Desalination Limited	- (316.00)		
Salem Tollways Limited	500.00 (320.00)		

(Rs. in million)

	Subsidiary Companies	Joint Venture	Associate Companies & Others
Others	421.62 (293.88)		
Total	3,521.62 (3,779.88)	- (-)	- (-)
Bank Guarantee Given			
Jalandhar Amritsar Tollways Limited	78.90 (78.90)		
Total	78.90 (78.90)	- -	- -
Investment in Equity Shares			
IVRCL Water Infrastructure Limited	234.15 (500.00)		
IVR Strategic Resources & Services Limited (formerly IVRCL Road Toll Holdings Limited)	201.06 (-)		
Alkor Petroo Limited	- (70.10)		
Hindustan Dorr Oliver Limited	27.65 (10.54)		
IVR Prime IT SEZ Private Limited			0.10 (-)
Others	22.50 (0.22)		
Total	485.36 (580.86)	- (-)	- (-)

14.3

(Rs. in million)

Key Management Personal / Relatives	Designation	Remuneration	Dividend	Office Rent
i) Mr. E. Sudhir Reddy	Chairman & Managing Director	147.87 (150.72)	6.96 (4.03)	0.51 (0.30)
ii) Mr. E. Sunil Reddy	Director	- (-)	1.76 (1.26)	0.51 (0.30)
iii) Mr. K. Ashok Reddy	Executive Director	4.05 (2.93)	0.03 (0.02)	- (-)
iv) Mr. R. Balarami Reddy	Executive Director Finance & Group CFO	4.09 (2.96)	0.03 (0.03)	- (-)
v) Mr. E. Ella Reddy	Director	- (-)	- (-)	1.29 (1.24)
vi) Relatives		- (-)	3.24 (2.75)	1.29 (1.24)
Total		156.01 (156.61)	12.02 (8.09)	3.60 (3.08)

14.4 Shares granted to Key Management Personnel under Employee Stock Option Scheme

(Rs. in million)

	No. of Options Granted	
	As at 31.03.2009	As at 31.03.2008
1. Mr. K. Ashok Reddy	-	5000
2. Mr. R. Balarami Reddy	-	5000

15. 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	Relationship	Amount Outstanding as on 31.03.2009	Maximum Balance Outstanding during the Year
IVRCL PSC Pipes Private Limited	Subsidiary	8.35	8.59
IVR Enviro Projects Private Limited	Subsidiary	8.21	30.63
IVR Prime Urban Developers Limited	Subsidiary	2,791.54	3,041.54
Hindustan Dorr Oliver Limited	Subsidiary	47.79	71.37
IVRCL Strategic Resources & Services Ltd. (formerly IVRCL Road Toll Holdings Limited)	Subsidiary	235.29	436.35
IVRCL Water Infrastructures Limited	Subsidiary	473.57	707.72
IVRCL Steel Construction & Services Ltd.	Subsidiary	0.09	0.09
Alkor Petroo Limited	Subsidiary	237.75	237.75
Jalandhar Amritsar Tollways Limited	Subsidiary of Subsidiary	0.91	5.72
Salem Tollways Limited	Subsidiary of Subsidiary	501.85	535.34
Chennai Water Desalination Limited	Subsidiary of Subsidiary	9.55	18.52
IVRCL Building Products Limited	Subsidiary of Subsidiary	183.87	290.14
Geo IVRCL Engineering Limited	Subsidiary of Subsidiary	0.25	0.25
Bhanu IVRCL Associates	Joint Venture	36.07	36.07
SPCL - IVRCL	Joint Venture	18.48	18.54
IVRCL - Tantia	Joint Venture	0.62	0.62
UAN Raju - IVRCL Construction	Joint Venture	159.56	159.56
IVRCL, SEW & Prasad	Joint Venture	175.34	180.78
IVRCL Navayuga & SEW	Joint Venture	63.17	71.13
IVRCL Harsha	Joint Venture	62.56	69.03
Navayuga IVRCL & SEW	Joint Venture	20.60	20.60
IVRCL JL	Joint Venture	10.92	12.94
IVRCL CR18G	Joint Venture	109.25	109.25
IVRCL SEW & WPIL	Joint Venture	1.34	1.62
IVRCL MBL	Joint Venture	1.22	1.22
IVRCL BATPASCO WPIL & MHI	Joint Venture	0.01	0.01
IVRCL BATPASCO ABB & AAG	Joint Venture	0.01	0.01
IVRCL CR18G Consortium	Joint Venture	0.01	0.01

16. Employee Benefit Plan:

(a) Gratuity Plan

(Rs. in million)

Particulars	As at 31.03.2009	As at 31.03.2008
16.1 Components of Employer Expenses		
Current Service Cost	13.85	8.89
Interest Cost	4.55	2.00
Expected return on plan assets	(3.30)	(0.37)
Net Actuarial (gain)/loss to be recognised	16.91	10.76
Total expense recognised in the Statement of Profit & Loss Account	32.01	21.28
16.2 Actual Contribution & Benefit Payments		
Actual Benefit Payments	(4.46)	(1.41)
Actual Contribution	19.21	8.89
16.3 Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	75.02	45.21
Fair Value of plan assets at the end of the year	41.34	24.33
(Net Asset) / Liability recognized in the Balance Sheet	33.68	20.88
16.4 Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at Beginning of Year	45.21	24.97
Interest Cost	4.55	2.00
Current Service Cost	13.85	8.89
Benefits Paid	(4.46)	(1.41)
Actuarial (Gain)/Losses on obligations	15.87	10.76
Present Value of DBO at the End of Year	75.02	45.21
16.5 Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	24.34	4.62
Expected return on planned assets	3.30	0.37
Contributions	19.21	20.75
Benefit Paid	(4.46)	(1.41)
Actuarial Gain/(Loss) on plan assets	(1.04)	0.01
Fair Value of plan assets at the end of the year	41.35	24.34
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 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.

17. Segment Reporting :

Business Segment: The Company has considered "Engineering & Construction" as one business segment for disclosure in the context of Accounting Standard 17 notified in Section 211 (3C) of the Companies Act, 1956. The Company is engaged in the business of Engineering & Construction segment only for the year under report.

Geographical Segment:

During the year under report, the Company has engaged in its business only within India and not in any other Country. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

18. Employee Share based Plan

1. 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.

2. ESOP 2000 Scheme

During the previous year, 15,000 option relating to ESOP 2000 Scheme were granted to certain executives of the company at a single exercise price of Rs.2 per stock option with a vesting period of one year. The said option holders exercised their options during the year and consequently 15,000 equity shares were allotted to them.

An amount of Rs.1.11 million (Rs.85.37 million) is charged as Employee compensation expense.

3. Movement in the options during the year;

ESOP 2000 Scheme

Particulars	ESOP: 2000 Scheme	Weighted average exercise price per stock option (Rs.)
Options outstanding at the beginning of the year	15,000	2.00
Granted during the year	-	-
Exercised during the year	15,000	2.00
Lapsed during the year	-	-
Options outstanding during the year	-	-
Options exercisable at the end of the year	-	-

**Note: As the amount charged to profit and loss account is negligible and no impact on EPS (Basic and Diluted) fair value disclosure is not given.*

19. 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)
	2008-09	2008-09	2007-08	2007-08
Amount receivable in foreign currency Deposits with Bank	-	-	3.69	147.92
Amount payable in foreign currency : Foreign Currency Convertible Bonds	7.60	385.49	7.60	304.77

20. The utilization of fund raised through QIP issue is as under:

(Rs. in million)

Particulars	Actual utilisation upto March 31, 2009	Actual utilisation upto March 31, 2008
Repayment of Debt / Loan	-	550.50
Issue Expenses	-	1.45
Balance - in Bank	0.05	0.05
Total	0.05	552.00

21. During the year, the Company entered into certain derivative transaction in steel and crude oil. The net loss from the transactions of Rs.2.36 million have been charged to the Profit and Loss account under the head Administrative and Other Expenses.
22. Sundry Debtors includes claims to the tune of 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 subsequent favorable developments arising out of continuous contract management steps taken by the Company.
23. Sundry Debtors are stated net of mobilisation advance amounting to Rs.1,999.90 million (Rs.1,754.90 million).

24. 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	
				2008-09	2007-08
Galvanised steel structures	MT	24,000	24,000	6,303.25	2,784.92

Sales

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Galvanised steel structures (including captive consumption)	MT	5,464.62	365.77	2,482.02	137.94
Other Services			10.11		4.14
Total			375.88		142.08

Raw Materials Consumed

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Steel	MT	6,863.43	256.79	2,938.23	80.75
Zinc	MT	324.04	26.78	188.78	24.99
Chemicals/Consumable Stores			22.45	-	6.64
Total			306.02		112.38

Break-up of Imported and Indigeneous Raw Materials

Particulars	2008-09		2007-08	
	(Rs. in million)	%	(Rs. in million)	%
Imported	-	-	-	-
Indigeneous	306.02	100	112.38	100
Total	306.02	100	112.38	100

Inventories

Class of Goods	Unit	Quantity	Value (in million)	Quantity	Value (in million)
Galvanised Steel Structures					
Opening Stock	MT	303.13	14.68	-	-
Closing Stock	MT	1141.76	63.63	303.13	14.68

Signatures to Schedule '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, 2009

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS

IVRCL INFRASTRUCTURES & PROJECTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of IVRCL Infrastructures & Projects Limited (the Company, its subsidiaries, its associates and joint ventures constitute 'the Group') as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement 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 by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets (net) of Rs.16,444.27 million as at March 31, 2009, total revenue of Rs.54.69 million, Group's share of loss of Rs.1.59 million and net cash flows amounting to Rs.790.38 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.
4. (a) As stated in Note B-3.4 of Schedule 20, in case of certain associates, the financial statements as at March 31, 2009 are not available. The investment in these associates valued at Rs.0.65 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, 2009.

(b) As stated in Note B-3.4 of Schedule 20, in case of certain Joint Venture Entities, the financial statements as at March 31, 2009 are not available. The investment in these 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, 2009.
5. Attention is invited to Note B-7.2 of Schedule 20 forming part of the Financial Statements regarding the Company's claim of Rs.1,409.03 million which are in appeal and for which no provision is made for reasons explained in the note. In the event the matter is decided against the Company, the Reserves and Surplus and Net current assets would be lower by Rs.1,409.03 million.
6. Subject to the matters referred to in paragraph 4 above:
 - (a) we report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard – 21, Consolidated Financial Statements, Accounting Standard – 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard-27, Financial Reporting of Interest in Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006;

(b) based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
- (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 consolidated cash flows of the Group for the year ended on that date.

For **Chaturvedi & Partners**
Chartered Accountants

R. N. Chaturvedi
Partner
Membership No. 092087

For **Deloitte Haskins & Sells**
Chartered Accountants

K. RAJASEKHAR
Partner
Membership No. 23341

Place : Hyderabad
Date : July 29, 2009

Consolidated Balance Sheet as at March 31, 2009
(Rs. in million)

	Schedules/ Notes		As at 31-03-2009		As at 31-03-2008
SOURCES OF FUNDS					
Shareholders Funds					
Share Capital	1	267.01		266.98	
Stock Options	Note-B-11 of Sch-20	-		9.90	
Reserves and Surplus	2	24,721.00	24,988.01	24,525.84	24,802.72
Minority Interest			5,963.61		5,733.77
Loan Funds					
Secured Loans	3	21,200.34		12,435.62	
Unsecured Loans	4	3,795.42		4,813.05	
			24,995.76		17,248.67
Deferred Tax Liability (Net)	Note-B-8 of Sch-20		28.75		-
			55,976.13		47,785.16
APPLICATION OF FUNDS					
Goodwill on Consolidation	5		926.89		3,510.81
Fixed Assets					
Gross Block	6	8,231.89		5,282.31	
Less : Depreciation		1,773.61		1,272.54	
Net Block		6,458.28		4,009.77	
Capital work-in-progress (including Capital Advances aggregating to Rs.189.24 million (Rs.516.50 million)		14,530.49	20,988.77	7,930.59	11,940.36
Investments	7		41.09		60.88
Deferred Tax Asset (Net)	Note-B-8 of Sch-20		-		32.79
Current Assets, Loans and Advances					
Inventories	8	16,297.12		14,852.89	
Sundry Debtors	9	13,686.98		7,907.40	
Cash and Bank Balances	10	3,401.19		6,590.85	
Other Current Assets	11	16,168.73		12,071.67	
Loans and Advances	12	7,594.21		6,439.01	
				57,148.23	47,861.82
Less : Current Liabilities and Provisions					
Current Liabilities	13	22,656.94		15,245.10	
Provisions	14	471.91		376.40	
				23,128.85	15,621.50
Net Current Assets			34,019.38		32,240.32
			55,976.13		47,785.16
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				B. SUBRAHMANYAM Company Secretary	
Date : July 29, 2009					

Consolidated Profit and Loss Account for the Year ended March 31, 2009
(Rs. in million)

	Schedules/ Notes		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Income					
Income from Operations	15		50,740.71		38,925.29
Less : Indirect Taxes			1,102.59		429.11
Net Income from Operations			49,638.12		38,496.18
Other Income	16		215.69		176.34
			49,853.81		38,672.52
Expenditure					
Construction Expenses	17		41,346.64		30,430.63
Administration and Other Expenses	18		3,499.58		2,524.67
Interest and Financial Charges	19		1,351.42		480.51
Depreciation / Amortisation		537.89		374.77	
Less : Transferred to Revaluation Reserve		0.67	537.22	3.55	371.22
Prior Period Adjustments			-		0.48
			46,734.86		33,807.51
Profit Before Tax			3,118.95		4,865.01
Add : (Less) Unrealised Profit / (Loss) from intra group transactions			(11.10)		(16.09)
Provision for Taxation:					
Current Tax			617.89		1,424.73
Deferred Tax			61.54		78.09
Fringe Benefit Tax			23.40		19.32
Income tax Provision of earlier years written back			2.05		1.65
Profit After Tax Before Minority Interest			2,402.97		3,325.13
Add / (Less): Minority Interest			(153.13)		(490.73)
Profit after Tax and Minority Interest			2,249.84		2,834.40
Balance brought forward from previous year			2,881.32		1,208.78
Available for appropriation			5,131.16		4,043.18
Appropriations					
Proposed Dividend			186.91		186.89
Corporate Dividend Tax					
Current Year			31.76		31.76
Earlier year's provision no longer required			(29.13)		-
Transfer to General Reserve			699.00		673.21
Transfer to Special Reserve			375.00		270.00
Transfer to Debenture Redemption Reserve			100.00		-
Balance Carried to Balance Sheet			3,767.62		2,881.32
Earnings per share of face value Rs.2/- each					
Basic (Rs.)			16.85		21.66
Diluted (Rs.)			16.85		21.29
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		B. SUBRAHMANYAM Company Secretary			
Date : July 29, 2009					

Consolidated Cashflow Statement for the Year ended March 31, 2009
(Rs. in million)

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
A. CASHFLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND AFTER MINORITY INTEREST		2,954.72		4,358.19
Adjustment for:				
Depreciation	537.22		371.22	
(Profit) / Loss on sale of fixed assets	10.53		0.83	
(Profit) / Loss on sale of investments	0.84		0.37	
Employees Compensation under ESOP	1.11		91.08	
Dividend received on investments	(20.49)		(100.95)	
Provision for diminution in value of investment	-		1.04	
(Gain) / Loss on Foreign exchange translation	80.72		70.84	
Interest paid (net)	1,278.47	1,888.40	409.67	844.10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,843.12		5,202.29
(Increase) / Decrease in Inventories	(1,443.55)		(5,093.12)	
(Increase) / Decrease in Debtors	(5,776.23)		(289.05)	
(Increase) / Decrease in Other Current Assets	(4,102.03)		(5,056.84)	
(Increase) / Decrease in Loans and Advances	(445.52)		(1,543.08)	
Increase / (Decrease) in Current Liabilities	7,458.70	(4,308.63)	1,980.56	(10,001.53)
CASH GENERATED FROM OPERATIONS		534.49		(4,799.24)
Direct Taxes paid		(1,351.05)		(1,904.79)
NET CASH GENERATED FROM / (USED IN) OPERATIONS		(816.56)		(6,704.03)
B. CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(9,634.75)		(9,281.55)	
Sale of Fixed Assets	39.52		20.30	
Purchase of investments	(0.10)		(19.61)	
Sale of Investments	19.06		1.19	
Dividend received on long term Investments	20.49		100.95	
Interest Received	355.53		253.41	
NET CASH USED IN INVESTING ACTIVITIES		(9,200.25)		(8,925.31)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital	0.03		0.56	
Capital Grant Received	729.96		-	
Proceeds from Minority Interest	229.84		4,824.18	
Proceeds from share premium	0.12		5,158.44	
Proceeds from Long Term Borrowings (net of repayments)	6,585.90		6,625.20	
Proceeds from Short Term Borrowing (net of repayments)	1,080.47		3,530.35	
Unrealized Foreign Exchange	-		(51.76)	

Consolidated Cashflow Statement for the Year ended March 31, 2009 (Contd.) (Rs. in million)

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Interest and Finance Charges Paid	(1,610.83)		(690.53)	
Dividends Paid (including dividend distribution tax)	(188.34)		(151.55)	
NET CASH GENERATED FROM FINANCING ACTIVITIES		6,827.15		19,244.89
Effects of exchange differences on translation of foreign currency cash and cash equivalents		-		(1.66)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(3,189.66)		3,613.89
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,590.85		2,976.96
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,401.19		6,590.85

Notes:

1. Cash and Cash equivalents includes :

- a) Rs.Nil (Rs.147.92 million) being fixed deposit in foreign currency made out of proceeds received from the issue of Foreign Currency Convertible Bonds.
- b) Rs.13.34 million (Rs.39.81 million) margin money and Rs.56.99 million Earnest Money Deposit in fixed deposit account - (Refer schedule 10).
- c) Bank balance includes restricted amount of Rs.3.40 million (Rs.2.23 million) towards unclaimed dividend.

2. The Cash flow statement is prepared under 'Indirect method' as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211 (3C) of the Companies Act, 1956.

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

As per our report of even date attached

For **CHATURVEDI & PARTNERS**
Chartered Accountants

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

R. N. CHATURVEDI
Partner

K. RAJASEKHAR
Partner

E. SUDHIR REDDY
Chairman &
Managing Director

R. BALARAMI REDDY
Executive Director
Finance & Group CFO

Place : Hyderabad
Date : July 29, 2009

B. SUBRAHMANYAM
Company Secretary

Schedules forming part of the Consolidated Balance Sheet

(Rs. in million)

		As at 31-03-2009		As at 31-03-2008
Schedule - 1				
Share Capital				
Authorised				
175,000,000 (175,000,000) Equity Shares of Rs.2 each		350.00		350.00
25,000,000 (25,000,000) Preference Shares of Rs.2 each		50.00		50.00
		400.00		400.00
Issued, Subscribed and Paid up				
133,504,929 (133,489,929) Equity Shares of Rs.2 each		267.01		266.98
		267.01		266.98
Schedule - 2				
Reserves & Surplus				
Capital Reserve - At the Commencement of the year	1.22		1.80	
Add : Subsidy received during the year	729.96	731.18	(0.58)	1.22
Securities Premium Account - At the Commencement of the year	18,303.37		12,028.03	
Add : Additions during the year on account of exercise of options and conservation of FCCB into equity shares	5.30		6,232.30	
Less: Adjustment against Goodwill	2,580.30		-	
(Add) / Less : Provision towards redemption premium on FCCB of US \$ 7.60 million (US \$ 7.60 million) and expenses relating to issue of Qualified Institutional Placement	25.26	15,703.11	(43.04)	18,303.37
Revaluation Reserve - At the Commencement of the year	137.60		140.68	
Add : Additions during the year	5.83		0.47	
Less : Depreciation on revalued portion of assets	0.67	142.76	3.55	137.60
General Reserve - At the commencement of the year	2,166.33		1,532.51	
Less : Adjustment on account of Consolidation during the year	-		32.12	
Add : Transfer from Profit and Loss Account	699.00		673.21	
Less : Adjustment towards employee benefits (net of deferred tax of Rs. 3.75 million) in accordance with the transitional provisions of As - 15 notified under Section 211 (3C) of the Companies Act, 1956.	-	2,865.33	7.27	2,166.33
Special Reserve - At the commencement of the year	1,036.00		766.00	
Add : Transfer from Profit and Loss Account	375.00	1,411.00	270.00	1,036.00
Debenture Redemption Reserve	-			
Transfer from Profit and Loss Account	100.00	100.00	-	-
Profit and Loss Account		3,767.62		2,881.32
		24,721.00		24,525.84

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

		As at 31-03-2009		As at 31-03-2008
Schedule - 3				
Secured Loans				
Debentures				
12.15% Non-Convertible Debentures (Privately placed with Life Insurance Corporation of India) (Refer Note B - 5 of Schedule 20)		2,000.00		-
Term Loans				
From Banks	9,023.73		6,090.71	
From Others	2,317.34	11,341.07	581.02	6,671.73
Earth Moving Equipment and Vehicle Loans				
From Banks	39.67		95.76	
From Others	18.48	58.15	45.83	141.59
Working Capital Loans				
Working Capital Demand Loans from consortium of Banks	5,874.27		4,800.02	
Project-Specific Working Capital Loans from Banks	1,926.85		822.28	
		7,801.12		5,622.30
		21,200.34		12,435.62
Schedule - 4				
Unsecured Loans				
Short Term Loans				
- From Banks		3,409.94		4,508.28
Foreign Currency Convertible Bonds		385.48		304.77
		3,795.42		4,813.05
Note : Amounts repayable within one year Rs.3,409.94 million (Rs.4,508.28 million)				
Schedule - 5				
Goodwill on Consolidation				
At the commencement of the year	3,510.81		2,453.92	
Add: Additions / (Adjustments) during the year	(3.62)		1,056.89	
Less: Adjustment against Securities Premium	2,580.30	926.89	-	3,510.81
		926.89		3,510.81

Schedule - 6
Fixed Assets (Consolidated)

(Rs. in million)

Particulars	Gross Block at Cost / Revaluation			Depreciation			Net Block			
	As at 01-04-2008	Additions	Deletions	As at 31-03-2009	Up to 01-04-2008	For the Year	Deletions	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
Tangible										
Land - Freehold	415.75	322.03	1.17	736.61	-	-	-	-	736.61	415.75
Land - Leasehold	64.05	38.02	0.58	101.49	8.24	6.68	0.58	14.34	87.15	55.81
Buildings	589.48	536.70	3.59	1,122.59	182.41	83.15	2.41	263.15	859.44	407.07
Roads	0.55	-	-	0.55	0.25	0.08	-	0.33	0.22	0.30
Plant & Machinery	3,138.45	1,634.20	51.90	4,720.75	695.01	306.00	13.17	987.84	3,732.91	2,443.44
Motor Vehicles	642.56	272.64	27.42	887.78	181.34	78.39	19.22	240.51	647.27	461.22
Furniture	101.07	77.32	0.34	178.05	55.02	16.34	0.34	71.02	107.03	46.05
Office Equipment	313.69	155.53	1.86	467.36	137.49	45.29	1.10	181.68	285.68	176.20
Intangible										
Technical know-how	9.81	-	-	9.81	5.88	1.96	-	7.84	1.97	3.93
Goodwill	6.90	-	-	6.90	6.90	-	-	6.90	-	-
TOTAL	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
Previous Year	(3,445.78)	(1,862.85)	(26.32)	(5,282.31)	(902.97)	(374.77)	(5.20)	(1,272.54)	(4,009.77)	(2,542.81)

Schedules forming part of the Consolidated Balance Sheet

(Rs. in million)

		As at 31-03-2009		As at 31-03-2008
Schedule - 7				
Investments				
A. 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		0.65		0.55
Others				
Shares - Quoted	16.52		16.52	
Shares - Unquoted	24.24		26.24	
Less : Provision for diminution in value of Investments	0.53	40.23	0.53	42.23
B. Current Investments				
Investment In Mutual Funds	-		19.02	
Less : Provision for diminution in value of Investments	-	-	1.13	17.89
		41.09		60.88
Schedule - 8				
Inventories				
<i>At Project sites - (at cost)</i>				
Stores and Spares		2,125.73		2,239.03
<i>Manufacturing Activities (at lower of cost and net realisable value)</i>				
Stores and Spares		74.48		65.96
Work in Progress and Finished Goods		99.70		33.23
Work - in - Progress		1,056.32		683.18
Inventories of properties, semi finished materials, etc.		104.67		78.02
Freehold Land		200.56		3,052.05
Property Development Rights		6,979.59		6,709.68
EMD with Group Companies		5,656.07		1,991.74
		16,297.12		14,852.89

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

	As at 31-03-2009	As at 31-03-2008
Schedule - 9		
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months	4,083.36	1,811.16
Other Debts	9,684.71	6,117.72
	13,768.07	7,928.88
Less : Provision for Doubtful Debts	81.09	21.48
Of the above	13,686.98	7,907.40
Considered Good	13,686.98	7,907.40
Considered Doubtful	81.09	21.48
	13,768.07	7,928.88
Schedule - 10		
Cash and Bank Balances		
a) Cash and Cheques on Hand	83.80	62.59
b) Balances with Scheduled Banks		
1) In Current Accounts	737.26	1,361.95
2) In Fixed Deposit Accounts		
- Margin Money	13.34	39.81
- Fixed Deposit in Foreign Currency	-	147.92
- Others	2,566.79	4,978.58
	3,401.19	6,590.85
Schedule - 11		
Other Current Assets (Unsecured)		
Interest accrued other than on investments	39.23	48.45
Retention Money	5,352.84	3,698.60
Other Deposits	2,691.09	1,469.75
Unbilled Revenue	7,554.96	6,673.64
Other Receivables	534.70	185.32
	16,172.82	12,075.76
Less : provision for Doubtful Deposits	4.09	4.09
	16,168.73	12,071.67
Of the above		
Considered good	16,168.73	12,071.67
Considered doubtful	4.09	4.09
	16,172.82	12,075.76

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

	As at 31-03-2009	As at 31-03-2008
Schedule - 12		
Loans and Advances (<i>Unsecured unless otherwise stated</i>)		
Advance to Joint Venture partnership firms in which the company is a partner	659.14	454.34
Advance receivable in cash or in kind or for value to be received		
- Secured	8.67	8.67
- Unsecured	5,113.41	4,954.20
Tax deducted at Source and Advance Tax (net of Provisions)	1,798.42	1,090.72
Balance with Post Office (held in the names of employees)	0.62	0.36
Balances with Central Excise Department	101.77	16.71
	7,682.03	6,525.00
Less : Provision for Doubtful Advances	87.82	85.99
	7,594.21	6,439.01
Of the above		
Considered Good	7,594.21	6,439.01
Considered Doubtful	87.82	85.99
	7,682.03	6,525.00
Schedule - 13		
Current Liabilities		
Advances received from Contractee-Clients	4,909.68	2,105.43
Retention Money	52.61	51.94
Sundry Creditors :		
Dues to Micro enterprises and Small enterprises	4.88	12.90
Joint Ventures	40.12	47.93
Others	16,975.42	12,690.30
Other Liabilities	571.63	273.84
Excess Share Application Money	0.52	0.98
Interest accrued but not due on loans	98.08	58.88
Liability towards Investors Education & Protection Fund under Section 205C of the Companies Act, 1956.		
- Not due - Unclaimed Public Deposit and interest on it	0.60	0.67
- Not due - Unclaimed Dividends	3.40	2.23
	22,656.94	15,245.10
Schedule - 14		
Provisions		
Proposed Dividend	186.91	186.89
Tax on Proposed Dividend	31.76	31.76
Gratuity	38.75	28.42
Leave Encashment	214.49	129.33
	471.91	376.40

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

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Schedule - 15				
Income from Operations				
Gross Work Bills		44,720.36		33,600.41
Sale of Systems, Equipments, Services and Spares		5,224.68		2,733.21
Income from Sale of Vilas & Flats		456.76		2,328.79
Share of profit from Joint Ventures		101.06		120.80
Sales of Products		237.85		142.08
		50,740.71		38,925.29
Schedule - 16				
Other Income				
Miscellaneous Income		163.96		63.73
Dividend Income from Subsidiaries		-		9.50
Dividend Income on Long Term Investments		20.49		91.45
Profit on sale of Long Term Investments		-		0.37
Liabilities no longer required written back		31.24		11.29
		215.69		176.34
Schedule - 17				
Construction and Manufacturing Expenses				
Opening stock of project stores / Residential Properties	2,391.34		1,266.02	
Add : Purchase of construction and other materials	16,292.03		16,285.74	
Less : Closing stock of project Stores/Residential Properties	2,296.89		2,391.34	
Construction and other materials		16,386.48		15,160.42
Sub-contractors' work bills		12,933.99		7,572.90
Masonry and other works		9,922.26		6,506.49
Repairs and Maintenance :				
Construction Machinery	355.46		110.41	
Others	132.08		241.19	
		487.54		351.60
Electricity and water charges		83.51		62.55
Machinery hire charges		1,066.52		566.98
Royalty / Lease paid		111.62		67.34
Laboratory testing charges		32.19		24.35
Manufacturing Expenses		71.14		38.21
Rawmaterial Consumed	317.86		112.38	
(Increase) / Decrease in Finished Goods and WIP	(66.47)		(32.59)	
		251.39		79.79
		41,346.64		30,430.63

Schedules forming part of the Consolidated Profit and Loss Account

(Rs. in million)

		For the Year ended 31-03-2009		For the Year ended 31-03-2008
Schedule - 18				
Administrative and Other Expenditure				
Salaries, wages and bonus		1,506.49		1,029.22
Contribution to Provident, Superannuation and Other Funds		130.83		88.01
Staff Welfare Expenses including Gratuity accruals		498.55		327.95
Employee compensation expense under ESOP		1.11		91.08
Managerial Remuneration		168.69		208.30
Traveling and Conveyance		205.65		141.84
Printing and Stationery		47.35		45.04
Communication Expenses		65.93		52.82
Rates and Taxes		66.47		43.71
Tender expenses		17.99		15.66
Business Promotion		7.14		7.18
Office maintenance		129.40		85.42
Rent		121.46		71.23
Advertisement and Publicity		23.69		26.58
Auditors' remuneration				
Audit Fees	12.78		11.61	
Tax Audit Fee	0.35		0.35	
Other Services	0.78		0.80	
Reimbursement of expenses	0.62		0.34	
		14.53		13.10
Directors' sitting fees		0.85		0.91
Legal and Professional Charges		227.90		131.07
Insurance		49.49		72.93
Miscellaneous expenses		70.38		49.83
Loss on Assets sold / discarded (Net)		10.53		0.83
Provision for doubtful debts, advances and deposits		61.44		14.95
Bad debts Written Off		58.84		-
Provision for diminution in value of Investment		-		1.13
Loss on sale of Investments		0.84		0.38
Loss on Derivatives		2.36		-
Marketing Expenses		9.93		3.96
Preliminary Expenses Written Off		1.74		1.54
		3,499.58		2,524.67
Schedule - 19				
Financial Charges				
Interest on fixed loans	293.75		254.84	
Foreign Exchange Loss (Net)	72.95		70.84	
Other Interest				
Interest on other Credit facilities	1,050.04		235.29	
Bank and Financing Charges	261.07		191.65	
Interest Others	19.92	1,697.73	8.92	761.54
Less : Interest received from Banks and Others - Gross		346.31		281.03
		1,351.42		480.51

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 based on historical cost convention (except for revaluation of certain Fixed assets) and prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) and in compliance with the Accounting Standards specified in Section 211 (3C) of the Companies Act, 1956 and the 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. Fixed Assets

Fixed Assets are stated at cost / valuation less accumulated depreciation and amortisation. Direct costs inclusive of inward freight, 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.

4. 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.

5. Depreciation and amortisation

5.1 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%

5.2 Pucca sheds and land acquired for quarrying are amortized over the period of the Project on project-to-project basis.

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. Recognition of contract revenue and expenses

6.1 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.

- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.
- 6.6 In case of one of the subsidiaries, Revenue on sale of properties is recognized on transferring the significant risk and rewards of ownership and the amount of sale consideration is fixed through agreement for sale or registration of sale deed as per Accounting Standard (AS) 9, Revenue recognition. However, in case where the seller is obliged to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in Accounting Standard AS-7 , Construction Contracts.
- 6.7 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.
- 6.8 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.

7. Revenue receipts on Joint Venture Contracts

- 7.1 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.
- 7.2 In Jointly Controlled Entities, the share of income and expenses is proportionately taken by way of line addition as per mutual arrangements between the joint venturers.

8. 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. Work-in-progress, comprising developing long term properties and assets are valued at direct cost of construction including borrowing and other costs incidental thereto incurred up to the state of keeping those qualifying assets ready for sale in compliance with AS 16.

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.

9. Employee Benefits

9.1 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.

9.2 Leave encashment

Leave encashment liability is provided on the total leave entitlement eligible for encashment, assuming all employees will exercise their right to encash as on the date of Balance Sheet.

9.3 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.

9.4 Provident Fund

Provident fund Contributions are made to the Government administered provident fund. The Company has no further obligations beyond these contributions charged in the financial statements.

10. 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.

11. 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.

12. 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.

13. 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. CRITERIA FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 IVRCL Infrastructures & Projects Limited has presented consolidated Financial Statements by consolidating its own financial statements with those of its Subsidiaries and Joint Ventures in accordance with Accounting Standard- 21(Consolidated Financial Statements), Accounting Standard – 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard-27 (Financial Reporting of Interests in Joint Ventures) notified in Section 211 (3C) of the Companies Act, 1956.

2.2 The Financial statements of each of those Subsidiaries and Joint Ventures are prepared in accordance with the generally accepted accounting principles & accounting policies of the Parent Company. The effects of inter-company transactions between consolidated companies/entities are eliminated in consolidation.

3. Disclosure of Particulars regarding subsidiaries, Joint Ventures and Associates:

3.1 Subsidiaries included in the Consolidated Financial Statements in terms of AS-21 are as follows:-

Sl. No.	Name of Subsidiaries	Controlling Interest with Voting Power	Country of Incorporation
1	IVR Enviro Projects Private Limited	97.49%	India
2	IVRCL PSC Pipes Private Limited	66.43%	India
3	IVR Prime Urban Developers Limited	62.35%	India
4	Hindusthan Dorr-Oliver Limited	55.00%	India
5	Geo-IVRCL Engineering Limited	100.00%	India
6	IVR Strategic Resources & Services Limited (Formerly IVRCL RoadToll Holdings Limited)	100.00%	India
7	IVRCL Water Infrastructures Limited	100.00%	India
8	IVRCL Steel Constructions & Services Limited	100.00%	India
9	Alkor Petroo Limited	84.91%	India
10	Jalandhar Amritsar Tollways Limited	100.00%	India
11	Kumarapalayam Tollways Limited	100.00%	India
12	Salem Tollways Limited	100.00%	India
13	Chennai Water Desalination Limited	75.00%	India
14	First STP Private Limited	95.00%	India
15	IVR Hotels & Resorts Limited	66.88%	India
16	IVR Mega Malls Ltd	100.00%	India
17	HDO Technologies Ltd	55.00%	India
18	IVRCL Building Products Limited	60.00%	India
19	Agaram Developers Private Limited	100.00%	India
20	Papankuzhi Developers Private Limited	100.00%	India
21	Mummidu Developers Private Limited	100.00%	India
22	Samatteri Developers Private Limited	100.00%	India
23	Velursantha Developers Private Limited	100.00%	India
24	Annupampattu Developers Private Limited	100.00%	India
25	Kunnam Developers Private Limited	100.00%	India
26	Tirumani Developers Private Limited	100.00%	India
27	M. M. Kuppam Developers Private Limited	100.00%	India
28	Ilavampedu Developers Private Limited	100.00%	India
29	Haripuram Developers Private Limited	100.00%	India
30	Chodavaram Developers Private Limited	100.00%	India
31	Vedurwada Developers Private Limited	100.00%	India
32	Lamda Developers Private Limited	100.00%	India
33	Rudravaram Developers Private Limited	100.00%	India
34	Kappa Developers Private Limited	100.00%	India
35	Eta Developers Private Limited	100.00%	India
36	Iota Developers Private Limited	100.00%	India

Sl. No.	Name of Subsidiaries	Controlling Interest with Voting Power	Country of Incorporation
37	Annavaram Developers Private Limited	100.00%	India
38	Gajuwaka Developers Private Limited	100.00%	India
39	Geo Prime Developers Private Limited	100.00%	India
40	Theata Developers Private Limited	100.00%	India
41	Duvvda Developers Private Limited	100.00%	India
42	Gamaa Developers Private Limited	100.00%	India
43	Simhachalam Prime Developers Private Limited	100.00%	India
44	Siripuram Developers Private Limited	100.00%	India
45	Kasibugga Developers Private Limited	100.00%	India
46	Vijayawada Developers Private Limited	100.00%	India
47	Eluru Developers Private Limited	100.00%	India
48	IVR Prime Developers (Nellore) Private Limited	100.00%	India
49	IVR Prime Developers (Amalapuram) Private Limited	100.00%	India
50	IVR Prime Developers (Erode) Private Limited	100.00%	India
51	IVR Prime Developers (Guntur) Private Limited	100.00%	India
52	IVR Prime Developers (Kakinada) Private Limited	100.00%	India
53	IVR Prime Developers (Araku) Private Limited	100.00%	India
54	IVR Prime Developers (Pudukkottai) Private Limited	100.00%	India
55	Absorption Aircon Engineer Private Limited	100.00%	India
56	IVR Prime Developers (Vanaprastha) Private Limited	66.67%	India
57	IVR PUDL Resorts & Clubs Private Limited	66.67%	India
58	IVR Prime Developers (Palakkad) Private Limited	100.00%	India
59	IVR Prime Developers (Guindy) Private Limited	100.00%	India
60	IVR Prime Developers (Thandiarpur) Private Limited	100.00%	India
61	IVR Prime Developers (Gummidipundi) Private Limited	100.00%	India
62	IVR Prime Developers (Kodambakkam) Private Limited	100.00%	India
63	IVR Prime Developers (Arumbakkam) Private Limited	100.00%	India
64	IVR Prime Developers (Anna Nagar) Private Limited	100.00%	India
65	IVR Prime Developers (Pallavaram) Private Limited	100.00%	India
66	IVR Prime Developers (West Mambalam) Private Limited	100.00%	India
67	Bibinagar Developers Private Limited	100.00%	India
68	IVR Prime Developers (Anakapalle) Private Limited	100.00%	India
69	IVR Prime Developers (Rajampeta) Private Limited	100.00%	India
70	IVR Prime Developers (Tanuku) Private Limited	100.00%	India
71	IVR Prime Developers (Red Hills) Private Limited	100.00%	India
72	IVR Prime Developers (Rajahmundry) Private Limited	100.00%	India
73	IVR Prime Developers (Tuni) Private Limited	100.00%	India
74	IVR Prime Developers (Bobbilli) Private Limited	100.00%	India
75	IVR Prime Developers (Bhimavaram) Private Limited	100.00%	India
76	IVR Prime Developers (Valasaravakkam) Private Limited	100.00%	India
77	IVR Prime Developers (Adayar) Private Limited	100.00%	India
78	IVR Prime Developers (Ananthapuram) Private Limited	100.00%	India
79	IVR Prime Developers (Perumbalur) Private Limited	100.00%	India
80	IVR Prime Developers (Egmore) Private Limited	100.00%	India
81	IVR Prime Developers (Tambaram) Private Limited	100.00%	India
82	IVR Prime Developers (Ashram) Private Limited	100.00%	India
83	IVR Prime Developers (Retiral Homes) Private Limited	100.00%	India
84	IVR Prime Developers (Avadi) Private Limited	100.00%	India
85	IVR Prime Developers (Alwarpet) Private Limited	100.00%	India
86	IVR Prime Developers (Mylapore) Private Limited	100.00%	India
87	IVR Prime Developers (Godavari) Private Limited	100.00%	India

3.2 Joint Ventures of the Company and the share of interest in Joint Ventures are as follows:

Sl. No.	Names of the Joint Ventures	Share of Interest	Type of JV
1	SPCL - IVRCL	49.00%	Jointly Controlled Operations
2	IVRCL - TANTIA	50.00%	Jointly Controlled Entity
3	Bhanu - IVRCL Associates	50.00%	Jointly Controlled Entity
4	UAN Raju - IVRCL Construction	51.00%	Jointly Controlled Operations
5	IVRCL, SEW & Prasad	50.00%	Jointly Controlled Operations
6	IVRCL - HARSHA	80.00%	Jointly Controlled Operations
7	IVRCL - Navayuga & SEW	35.75%	Jointly Controlled Operations
8	Navayuga - IVRCL & SEW	35.75%	Jointly Controlled Operations
9	IVRCL - JL	90.00%	Jointly Controlled Operations
10	IVRCL - CR18G	90.00%	Jointly Controlled Operations
11	IVRCL - KBL	80.00%	Jointly Controlled Operations
12	IVRCL - KBL - MEIL	65.00%	Jointly Controlled Operations
13	IVRCL - SEW & WPIL	60.00%	Jointly Controlled Operations
14	IVRCL - MBL	90.00%	Jointly Controlled Operations
15	IVRCL - BATPASCO - WPIL & MHI	70.00%	Jointly Controlled Operations
16	IVRCL - BATPASCO - ABB & AAG	85.00%	Jointly Controlled Operations
17	IVRCL - CR18G Consortium	70.00%	Jointly Controlled Operations
18	MEIL IVRCL HCC & WPIL	23.00%	Jointly Controlled Operations

3.3 The Associates of the Company and the ownership interest in Associates are as follows:

Name of the Company	Share of Interest
IVR Prime IT SEZ Private Limited	50%
Paresh Infrastructures Private Limited	49%
VIVA Infrastructures Private Limited	50%

3.4 Associates & Joint Ventures not included in consolidation

Associates: VIVA Infrastructures Private Limited and Paresh Infrastructures Private Limited have not been included for consolidation as the financial statements as at March 31, 2009 are not available. However the investment in VIVA Infrastructures Private Limited has been fully provided for.

Joint Ventures: Bhanu IVRCL Associates and IVRCL – TANTIA have not been included for consolidation as the financial statements as at March 31, 2009 are not available.

4. Principles of consolidation:

The Consolidated Financial Statements relate to IVRCL Infrastructures & Projects Ltd, and its majority owned subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis:

- 4.1 The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard 21 – Consolidated Financial Statements as notified in Section 211(3C) of the Companies Act, 1956.
- 4.2 The difference between the cost of investments in the subsidiary companies over the net assets is recognised in the financial statements as Goodwill upon consolidation.
- 4.3 The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn up to the same reporting date as that of the parent company i. e., 31st March, 2009.

- 4.4 Minority interests' share of net profit/losses of subsidiaries consolidated for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.
- 4.5 Minority interests' share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.
- 4.6 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
- 4.7 Investments in Associate are accounted for in consolidated financial statements under equity method as per Accounting Standard 23-Accounting in Investment in Associates in Consolidated Financial Statements.
5. a) During the year, the Company issued 2,000, 12.15% Secured Non Convertible Redeemable Debentures @ Rs 10,00,000 each to Life Insurance Corporation of India. IDBI Trustship 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.
- The debentures are listed on Wholesale Debt Market (WDM) segment of National Stock Exchange (NSE).
- b) Rs.100 million has been set aside towards the redemption of these debentures and is carried as part of Reserves & Surplus.
6. No option for conversion of bonds into equity shares has been exercised by any Foreign Currency Convertible Bond holders during the year. Rs.80.72 million has been debited to the Profit and Loss account during the year towards foreign exchange translation difference on Foreign Currency Convertible Bonds.

7. Contingent Liabilities

(Rs. in million)

Particulars	As at March 31, 2009	As at March 31, 2008
7.1 Bank Guarantees/Letters of Credit issued by the banks on behalf of the company	28,842.84	20,370.35
Claims against the company not acknowledged as debts	100.34	52.46
Disputed Interest on Term Loan	9.74	-
Tax demands contested in appeal filed by the Company in the Tribunal	49.20	25.74
Disputed Sales Tax / Service Tax (on appeal) Gross	178.48	36.36
Disputed Central excise, customs duty & stamp duty	3.93	7.03
Corporate Guarantees issued by the Company	2,055.00	2,087.44

- 7.2 The Company has claimed deduction under Section 80 IA of the Income Tax Act, 1961 in respect of profits and gains derived from the development of infrastructure facilities. The claims of the Company have been disputed by the Tax Authorities and the matters are pending before different forums including Income Tax Appellate Tribunal (ITAT). Further, the Honorable Special Bench of ITAT vide its order dated 25.04.2008 had remanded back the case for the AY 2001-02 to the Assessing Officer with a direction to consider the allowability of the deduction under section 80 IA of the Act on the basis of material information already on record and additional evidences submitted/to be submitted by the Company. The matter is pending before the Assessing Officer. The Company, being a developer of infrastructure facilities, has been advised that its claims are tenable. Accordingly the tax provision for the year has been determined on the basis that the claim under Section 80 IA of the Act is available to the Company and the tax effect amounting to Rs.1,409.03 million (Rs.1,035.52 million up to 31.03.2008) in respect of claim of the Company (including disallowances) up to March 31, 2009 has not been provided. However, the Company, as a measure of abundant precaution has appropriated and set aside an amount of Rs.1,411 million (Rs.1,036 million) including Rs.375 million for the year to a Special Reserve.

- 7.3 In case of Hindustan Dorr-Oliver Ltd, in connection with litigation by a client claiming compensation for alleged deficiency in service the company faced with a Decree for Rs.232.70 million and damages of 5% of the decreed amount with interest on the amount of damages. The Company appealed in the High Court against the Decree and obtained stay of the judgment and decree by furnishing 2 Bank Guarantees for aggregate sum of Rs.232.70 million and further depositing Rs.13.80 million in the Trial Court as ordered .The Company believes that as per the compensation clause in the contract its liability is limited to 5% of the contract price i.e. Rs.11.64 million and confident that the maximum liability of the company will be limited to Rs.11.64 million.
- 7.4 Estimated amount of Contracts to be executed on capital account Rs.2,223.68 million (Rs.7,414.58 million).

8. Components of Deferred Tax Assets and Liabilities:

(Rs. in million)

	As at March 31, 2009	As at March 31, 2008
Deferred Tax Liability		
Difference between book and tax depreciation	(273.37)	(197.64)
Total Deferred Tax Liability	(273.37)	(197.64)
Deferred Tax Asset		
Provision for Gratuity	11.15	9.43
Provision for Leave Encashment	58.64	29.85
Provision for Doubtful Debts, Advances, Deposits and Bonus	59.78	39.46
Public Issue Expenses	84.93	118.02
Carry Forward Losses	29.56	28.92
Others	0.56	4.75
Total Deferred Tax Asset	244.62	230.43
Net Deferred Tax Asset / (Liability)	(28.75)	32.79

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

	As at March 31, 2009	As at March 31, 2008
Profit After Tax for calculation of Basic EPS (Rs. in million)	2,249.84	2,834.40
Profit After Tax for calculation of Diluted EPS (Rs. in million)	2,249.84	2,817.52
Number of shares considered as weighted average shares for calculation of Basic Earnings Per Share (EPS)	133,500,655	130,859,471
Add: Dilutive effect of potential shares out of stock Options / FCCB etc., Outstanding	4274	1,502,833
Number of shares considered as weighted average shares and potential shares outstanding calculation of diluted EPS	133,504,929	132,362,304
Basic EPS (Rs.)	16.85	21.66
Diluted EPS (Rs.)*	16.85	21.29

*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 Disclosures

Information regarding Related Parties and Transactions, if any, with them as per Accounting Standard 18 notified in Section 211(3C) of the Companies Act, 1956.

List of Related Parties

Sl.No. A. Associates Name (Where the Company Exercise significant influence)	
1	Viva Infrastructure Pvt. Limited
2	Paresh Infrastructure Pvt. Limited
3	IVR Prime IT SEZ Private Limited
B. Joint Ventures	
1	SPCL - IVRCL
2	IVRCL - TANTIA
3	Bhanu - IVRCL Associates
4	UAN Raju - IVRCL Construction
5	IVRCL, SEW & Prasad
6	IVRCL - HARSHA
7	IVRCL - NAVAYUGA & SEW
8	NAVAYUGA - IVRCL & SEW
9	IVRCL - JL
10	IVRCL - CR18G
11	IVRCL - KBL
12	IVRCL - KBL - MEIL
13	IVRCL - SEW & WIPL
14	IVRCL - MBL
15	IVRCL - BATPASCO - WIPL & MHI
16	IVRCL - BATPASCO - ABB & AAG
17	IVRCL - CR18G Consortium
18	MEIL IVRCL HCC & WPIL
C. Entities where control exists	
1	S. V. Equities Limited
2	Palladium Infrastructures & Projects Limited
3	Soma Hotels & Resorts Limited
4	Eragam Holdings Limited
5	Eragam Finlease Limited
6	Indus Palms Hotels & Resorts Limited
7	A.P. Enercon Engineer Private Limited
D. Key Management Personnel	
1	Mr. E. Sudhir Reddy
2	Mr. E. Sunil Reddy
3	Mr. R. Balarami Reddy
4	Mr. K. Ashok Reddy
5	Mr. S. C. Sekaran
6	Mr. S. V. Ramkumar
7	Mr. D. P. Mishra
E. Relatives of Key Management Personnel <i>(Disclosure will be given only if there have been transactions)</i>	
1	Mr. E. Ella Reddy
2	Mrs. E. Sujatha Reddy
3	Mr. E. Indira Reddy
4	Mr. E. Sidhanth Reddy
5	Mr. E. Sanjeeth Reddy
6	Ms. E. Suha Reddy
7	Ms. E. Soma Reddy
8	Mrs. R. Vani

Disclosures of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2009 (figures in brackets are for previous year)

(Rs. in million)

	Joint Ventures	Associate Companies & Others
Income	11,108.25	-
	(10,651.61)	(-)
Interest Received	11.05	-
	(8.33)	(-)
Sub Contractor Expenses	4,408.91	727.62
	(3,915.06)	(282.90)
Rent Paid		16.62
		(10.72)
Advances Paid	659.14	189.42
	(454.34)	(36.24)
Advances Received	40.12	-
	(47.93)	(-)
Creditors for Construction Expenses	792.98	671.01
	(155.29)	(-)
Provision for Advance	36.07	-
	(36.06)	(-)
Debtors	2,671.19	-
	(675.22)	(-)
Mobilisation Advance	704.63	-
	(221.53)	(-)
Retention Money Received	920.59	-
	(456.07)	(-)
Retention Money Payable	304.03	54.99
	(151.49)	(18.61)
Interest Paid on Mobilisation Advance	29.29	-
	(56.84)	(-)

(Rs. in million)

Key Management Personal / Relatives	Designation	Remuneration	Dividend	Office Rent
i) Mr. E. Sudhir Reddy	Chairman & Managing Director	147.87 (150.72)	6.96 (4.03)	0.91 (0.90)
ii) Mr. E. Sunil Reddy	Managing Director (Subsidiary)	6.92 (47.54)	1.76 (1.26)	0.91 (0.90)
iii) Mr. K. Ashok Reddy	Executive Director	4.05 (2.93)	0.03 (0.02)	
iv) Mr. R. Balarami Reddy	Executive Director Finance & Group CFO	4.09 (2.96)	0.03 (0.03)	
v) Mr. Ella Reddy	Director	- (-)		3.49 (1.24)
vi) Mr. S. C. Sekaran	Executive Director (Subsidiary)	4.26 (2.99)		
vii) Mr. S. V. Ramkumar	Manager (Subsidiary)	1.38 (1.16)		
viii) Mr. D. P. Mishra	Manager (Subsidiary)	0.12 (-)		
ix) Relatives		- (-)	3.24 (2.75)	3.14 (1.24)
Total		168.69 (208.30)	12.02 (8.09)	8.45 (4.28)

11. Employee Share based Plan

1. 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.

2. ESOP 2000 Scheme

During the previous year, 15,000 option relating to ESOP 2000 Scheme were granted to certain executives of the company at a single exercise price of Rs.2/- per stock option with a vesting period of one year. The said option holders exercised their options during the year and consequently 15,000 equity shares were allotted to them.

An amount of Rs.1.11 million (Rs.85.37 million) is charged as Employee compensation expense.

3. Movement in the options during the year;

ESOP 2000 Scheme

Particulars	ESOP: 2000 Scheme	Weighted average exercise price per stock option (Rs.)
Options outstanding at the beginning of the year	15,000	2.00
Granted during the year	-	-
Exercised during the year	15,000	2.00
Lapsed during the year	-	-
Options outstanding during the year	-	-
Options exercisable at the end of the year	-	-

** As the amount charged to profit and loss account is negligible and no impact on EPS (Basic and Diluted) fair value disclosure is not given.*

During the Previous Year one of Subsidiary (Hindustan Dorr - Oliver Limited), granted options to its employees under the Employees Stock Option Scheme HDO-ESOP-2005. On October 31,2008 the time limit for the Scheme has expired and option holder did not exercised their option. Accordingly, expenses aggregating to Rs.5.71 million under HDO ESOP-2005 recorded earlier have been written back.

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)
	2008-09	2008-09	2007-08	2007-08
Amount receivable in foreign currency Deposits with Bank	-	-	3.69	147.92
Amount payable in foreign currency : Foreign Currency Convertible Bonds	7.60	385.49	7.60	304.77

13. Segmental Reporting:

Primary Segment disclosure:

Business segment:

Information about primary business segments:

(Rs. in million)

Particulars	Engineering & Construction	Real Estate & Others	Eliminations	Total
Revenue:				
Total External Sales	49,140.07	498.05	-	49,638.12
	36,122.00	2,374.18	-	38,496.18
Add: Inter Segment Sales	4,813.94		(4,813.94)	-
	3,543.55		(3,543.55)	-
Total Revenue	53,954.01	498.05	(4,813.94)	49,638.12
	39,665.55	2,374.18	(3,543.55)	38,496.18
Segment result before interest, exceptional items and tax				4,459.27
				5,329.43
Less: Interest				1,351.42
				480.51
Profit before Exceptional items and tax				3,107.85
				4,848.92
Exceptional Items:				-
				-
Profit Before Tax				3,107.85
Tax				4,848.92
				704.88
				1,523.79
Profit After Tax				2,402.97
				3,325.13
Segment Assets	49,778.67	34,352.38	(5,994.06)	78,136.99
	36,644.08	28,155.70	(4,997.60)	59,802.18
Segment Liabilities	19,527.00	7,342.17	(3,740.32)	23,128.85
	11,417.98	8,449.36	(4,245.84)	15,621.50
Segment Depreciation	512.93	24.29	-	537.22
	356.16	15.06	-	371.22
Non - Cash Expenses other than Depreciation				93.20
				164.15

Secondary Segment disclosure:

Geographical Segment:

During the year under report, the Group has engaged in their business only within India and not in any other country. The conditions prevailing in India uniform, no separate geographical disclosure is considered necessary.

14. Managerial Remuneration:*(Rs. in million)*

	2008-09	2007-08
Salary and allowances	32.85	17.61
Commission	132.72	189.50
Contribution to Provident and other Funds	3.12	1.19
Total	168.69	208.30

**Excluding contribution to Gratuity Fund as separate figures cannot be quantified.*

15. During the year, the Company entered into certain derivative transaction in steel and crude oil. The net loss from the transactions of Rs.2.36 million has been charged to the Profit and Loss account under the head Administrative and Other Expenses.
16. The Company had accounted for certain claims to the tune of 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 reliable based on subsequent favourable developments arising out of continuous contract management steps taken by the company.
17. Capital work-in-progress includes capital expenditure incurred upto 31st March, 2009 on the following BOT assets.

(Rs. in million)

Name of the Project	2008-09	2007-08
Chennai Desal Project	5,322.80	3,277.46
Kumarapalyam Road Project	3,821.99	1,396.71
Salem Road Project	2,676.10	1,368.43
Jalandhar Amritsar Road Project	2,270.02	1,161.27

18. 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, 2009.

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 : July 29, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code
 Balance Sheet Date
Date Month Year

II. Capital Raised during the year (Amount Rupees in Millions)

Public Issue Rights Issue
 Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount Rupees 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 Misc. Expenditure

Accumulated Losses

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after tax

Earning per Share (in Rs.)

Dividend Rate %[#]

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code (ITC Code)

Product Description



IVRCL INFRASTRUCTURES & PROJECTS LTD

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

PROXY FORM 22ND ANNUAL GENERAL MEETING

Folio No: DP ID: Client ID:

I/We of in the district of being a member/members of the above named company, hereby appoint Mr / Ms / Kum in the district of failing him/her of in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082, on Wednesday, the 9th Day of September, 2009 at 11.30 A.M. and at any adjournment thereof.

Signed this day of 2009

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 Second Annual General Meeting of the Company to be held at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082, on Wednesday, the 9th Day of September, 2009 at 11.30 A.M.

.....
Full Name of the Shareholder Signature
(in block letters)

.....
Full Name of the Proxy Signature
(in block letters)

(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.

