



**ivREL**™  
*Engi-visioning a new world*



*26th Annual Report 2012-2013*

## BOARD OF DIRECTORS

**E. SUDHIR REDDY**

Chairman & Managing Director

**E. SUNIL REDDY**

Vice Chairman

**R. BALARAMI REDDY**

Executive Director - Finance & Group CFO

**K. ASHOK REDDY**

Executive Director

**E. ELLA REDDY**

Director

**T.R.C. BOSE**

Director

**P.R. TRIPATHI**

Director

**Dr. L. SRINIVASA REDDY**

Director

**V. MURAHARI REDDY**

Director

**B. SUBRAHMANYAM**

Company Secretary

### Internal Auditors

**T. Vijay Kumar**

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

### Statutory Auditors

**M/s. Chaturvedi & Partners**

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

**VCG & Co.**

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

**M/s. Deloitte Haskins & Sells**

Chartered Accountants  
1-8-384 & 385, 3rd Floor,  
Gowra Grand, Sardar Patel Road,  
Begumpet, Secunderabad – 500 003

### Bankers / Institutions

- Andhra Bank
- Bank of Nova Scotia
- Canara Bank
- DBS Bank Ltd
- HDFC Bank Ltd
- ING Vysya Bank Ltd
- Indian Overseas Bank
- Karur Vysya Bank Ltd
- Punjab & Sind Bank
- Standard Chartered Bank
- Union Bank of India
- TATA Capital Ltd
- Shriram Equipment Finance
- Axis Bank Ltd
- Barclays Bank plc
- Corporation Bank
- EXIM Bank Ltd
- ICICI Bank Ltd
- IDBI Bank
- IndusInd Bank Ltd
- LIC of India
- State Bank of India
- The Lakshmi Vilas bank
- Tamilnad Mercantile Bank Ltd
- SREI Equipment Finance Pvt Ltd

### Registrars & Transfer Agents

**M/s. KARVY Computershare Private Limited**

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

#### Registered Office

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

#### Corporate Office

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

## CONTENTS

Board of Directors	1
Notice	3
Directors' Report	14
Report on Corporate Governance	17
Management Discussion and Analysis	28
Auditors' Report	36
Balance Sheet	42
Profit and Loss Account	43
Cash Flow Statement	44
Notes forming part of Financial Statements	46
Consolidated Financial Statements	82
Proxy Form & Attendance Slip	131

## FORWARD LOOKING STATEMENT

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

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

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

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

## NOTICE TO SHAREHOLDERS



Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of IVRCL Limited will be held on Thursday, 26th September, 2013 at 3.30 p.m. at K.L.N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation house, 11-6-841, Red Hills, Hyderabad-500 004, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for 9 months period ended March 31, 2013, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint a Director in place of Mr. R. Balarami Reddy, Director, who retires by rotation under Article 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. K. Ashok Reddy, a Director who retires by rotation under Article 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants bearing Registration No. 008072S, and M/s Chaturvedi & Partners, Chartered Accountants bearing Registration No. 307068E, the retiring Joint Statutory Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this 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:

#### 5. Making Mr. R. Balarami Reddy and Mr. K. Ashok Reddy as Non- Rotational Directors

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

“RESOLVED THAT subject to the provisions of Sections 255 & 256 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and further

subject to any statutory or other approvals as may be required, Mr. R. Balarami Reddy, Executive Director - Finance & Group CFO and Mr. K. Ashok Reddy, Executive Director of the Company, shall not be liable to retire by rotation at any Annual General Meeting of the Company and their period of office shall not be liable to determination by retirement of directors by rotation.

#### 6. To Re-appoint Mr.R.Balarami Reddy as Executive Director – Finance & Group CFO.

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

RESOLVED THAT Mr.R.Balarami Reddy be and is hereby appointed/reappointed as Executive Director-Finance & Group CFO for a period of five years w.e.f. 26.09.2013 .

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required, the Company hereby accords its approval for the payment of the following remuneration to Mr.R.Balarami Reddy, Executive Director – Finance & Group CFO, during his tenure.

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

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of tenure of Mr.R.Balarami Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, enhance, or widen the scope of remuneration and perquisites payable to Mr.R.Balarami Reddy during his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

#### **7. To Re-appoint Mr.K.Ashok Reddy as Executive Director.**

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

RESOLVED THAT Mr. K.Ashok Reddy be and is hereby appointed/reappointed as Executive Director for a period of five years w.e.f. 26.09.2013 .

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required, the Company hereby accords its approval for the payment of the following remuneration to Mr.K.Ashok Reddy, Executive Director, during his tenure.

- i) Salary – ₹ 3,45,700/- p.m (Basic Salary – ₹ 2,16,063/- p.m and Allowances - ₹ 1,29,637/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.

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

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, during the currency of tenure of Mr.K.Ashok Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, enhance, or widen the scope of remuneration and perquisites payable to Mr.K.Ashok Reddy during his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

#### **8. To appoint Auditors to the Branch Offices of the Company.**

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

RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions if any, of the

Companies Act, 1956, the Board of Directors be and is hereby authorized to appoint any person(s) qualified to act as Auditor/Auditors for the Branch Office(s) of the Company, including those which may be opened/acquired hereafter, in India or abroad, in consultation with the Company's Auditor(s) and to fix their remuneration.

**9. To consider the Employees Stock Option Scheme (IVRCL ESOP- 2013).**

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and directions issued by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall also include any committee constituted/to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot upto 1,00,00,000 (One Crore) options convertible into 1,00,00,000 (One Crore) equity shares of nominal value of ₹ 2/- each at one option liable to be converted into one share of ₹ 2/- each at a price which shall be 50% of the closing price recorded on National Stock Exchange of India Limited (NSE) on the date of such grant and on such terms and conditions as may be specified and determined by the Board.

RESOLVED FURTHER THAT the shares allotted on exercise of the options shall rank paripassu with the shares outstanding on the date of allotment in all respect including dividend.

RESOLVED FURTHER THAT the Company may formulate IVRCL-ESOP:2013 Scheme for the benefit of

the employees of the Company, inter alia, on the broad terms and conditions as given in the explanatory statement annexed to this notice and to make any modifications, changes, variations, revisions in the terms and conditions of the scheme.

RESOLVED FURTHER THAT in accordance to the aforesaid resolutions and provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the consent of the company be and is hereby granted to the Board to issue, offer, allot and grant such options to permanent employees of the Company whether in India or Overseas including executive, non-executive and Independent Directors but excepting promoter directors and directors who hold directly or indirectly more than 10% of the outstanding equity shares of the Company and on such terms and conditions as may be specified and determined by the Board.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to determine and frame all other terms and conditions of the issue of the said options convertible into equity shares of ₹ 2/- each as the Board may in its discretion deem fit and proper.

RESOLVED FURTHER THAT the grant of options and issue and allotment of such equity shares thereof to the employees who are non-residents will be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, or any other applicable enactment introduced by Government of India from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek listing of such equity shares of face value of ₹ 2/- each at all such Stock Exchanges where the equity shares of the company are listed for the time being.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of fresh shares, to effect any modification to the foregoing resolutions in the best interests of the Company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary or desirable including of the readjustment of shares to be allotted in case of sub division or consolidation of share capital.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the aforesaid resolutions.”

**10. To consider Grant of options to the employees of subsidiaries of IVRCL Limited under Employees Stock Option Scheme (IVRCL ESOP- 2013).**

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and directions issued by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred

to as the “Board”, which term shall also include any committee constituted/to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to extend the benefits of Employees Stock Option Scheme (IVRCL ESOP- 2013) proposed in Resolution No.9 in this notice to all employees being permanent employees a Director whether whole-time Director or not, of any subsidiary of the Company in India or outside India

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of fresh shares, to effect any modification to the foregoing resolution in the best interests of the Company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary or desirable including of the readjustment of shares to be allotted in case of sub division or consolidation of share capital.

By order of the Board of Directors

**Regd. Office :**  
M-22/3RT,  
Vijayanagar Colony,  
Hyderabad - 500 057  
Date: 30-05-2013

**B. Subrahmanyam**  
Company Secretary

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy forms to be valid should be deposited at the Registered office of the Company at least 48 hours before the commencement of the meeting.
2. A Member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query in writing to the Company Secretary at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of Item 5, 6, 7, 8, 9 and 10 is provided beneath.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of the Directors seeking appointment/re-appointment at this meeting are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company shall be closed from September 20, 2013 to September 26, 2013 inclusive of both days.
6. Members are requested,
  - i) To Bring the duly filled in Attendance slip and deliver the same at the entrance of the meeting hall
  - ii) To notify the changes, if any, in their addresses and/or bank particulars, in respect of the physical shares held by them to the Karvy Computershare Private Limited, RTA and their Depository Participants (DP) in respect of shares held in dematerialized form.
  - iii) Quote Folio/ Client Id and DP ID no.s in all their correspondence.
- iv) To note that the copies of Annual Reports will not be distributed at the Annual General Meeting.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. Non Resident Indian Members are requested to inform RTA or DP, as the case may be, immediately of:
  - i) Change in their residential status on return to India for permanent settlement.
  - ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
9. A Corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e only if the corporate member sends certified true copy of the Board and/or Committee resolution or Power of Attorney authorizing the Representative to attend and vote at the meeting on its behalf.
10. i) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956 the Company had transferred the dividend amount that was remaining unpaid or unclaimed for the Financial year 2004-05 to the Investors Education and Protection Fund on 05.12.2012. The Company will transfer the dividend amount that remains unpaid or unclaimed for the Financial year 2005-06 to the Investors Education and Protection Fund on 04.12.2013. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio no. / Client ID and DP ID to the Karvy Computershare Private Limited, RTA.
  - ii) The details of unclaimed dividend are as follows,

Financial Year	Particulars	Date of Declaration/received	Due date of transfer to IEPF
2005-06	Dividend	29.09.2006	04.12.2013
2006-07	Dividend	07.09.2007	10.11.2014
2007-08	Dividend	15.09.2008	20.11.2015
2007-08	Dividend of IVRCL A&H*	15.09.2008	22.11.2015
2008-09	Dividend	09.09.2009	14.11.2016
2009-10	Dividend	18.09.2010	02.11.2017
2010-11	Dividend	26.09.2011	02.12.2018

\* IVRCL A&H means IVRCL Assets & Holdings Limited, which has been merged with the Company.



**11. Ministry of Corporate Affairs (MCA), vide its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.**

**Recognizing the spirit of the circular issued by the MCA, we are sending documents like the notice convening the general meetings, Financial Statements, Director's Report and Auditor's Report etc., to the email address provided by you with your Depository Participants.**

**We request you to update your email address with your Depository Participant to ensure that the annual report and other documents reach you on your preferred email Id.**

12. The Securities and Exchange Board of India (SEBI) has notified that the holders of the shares in physical form are required to furnish certified copy of their PAN card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the shareholders are required to furnish their certified true copy of PAN card.

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

**Item 5**

Mr. R. Balarami Reddy, Executive Director - Finance & Group CFO and Mr. K. Ashok Reddy, Executive Director have been associated with the Company since 1997. Their term of office is liable to determination by retirement of directors by rotation under Sections 255 & 256 of the Companies Act, 1956.

Considering their competence and invigorating leadership, which has resulted in sustained growth for the Company, it is proposed by the Board to make Mr. R. Balarami Reddy and Mr. K. Ashok Reddy as permanent members on the board not liable to retire by rotation and their period of office shall not be liable to determination by retirement of directors by rotation. Such appointment if approved by the shareholders through the resolution contained in item 5 of the accompanying notice, will be within the provisions of Section 255 of the Companies Act, which allows the Company to appoint one-third of the total number of directors as non-rotational directors.

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

None of the directors of the Company except Mr. R. Balarami Reddy and Mr. K. Ashok Reddy is interested in the above resolution.

**Item 6 & 7.**

Mr.R.Balarami Reddy is retiring at the ensuing Annual General Meeting being longest in the Office. It is proposed that Mr.R.Balarami Reddy be reappointed for a further tenure and the Compensation Committee and the Board

approved the said proposal of reappointing Mr.R.Balarami Reddy as Executive Director-Finance & Group CFO for a period of five years w.e.f. 26.09.2013. Mr.K.Ashok Reddy is retiring at the ensuing Annual General Meeting being longest in the Office. It is proposed that Mr.K.Ashok Reddy be reappointed for a further tenure and the Compensation Committee and the Board approved the said proposal of reappointing Mr.K.Ashok Reddy as Executive Director for a period of five years w.e.f. 26.09.2013 .

The Compensation Committee considering the rich experience and contribution of Mr.R.Balarami Reddy and Mr.K.Ashok Reddy, approved to pay the remuneration as specified in the respective resolutions during their tenure, not exceeding three years, subject to required compliances of the Act.

Approval of the members by way of Special resolution is sought for the said proposals.

The Compensation Committee and Board recommends the above resolutions for adoption by the members.

In respect of item 6, except Mr.R.Balarami Reddy, none of the directors is interested in the aforesaid resolutions.

In respect of item 7, except Mr.K.Ashok Reddy, none of the directors is interested in the aforesaid resolutions.

**Item 8.**

The Company has Branch Offices in Dubai, Kingdom of Saudi Arabia and Kenya. In respect of the existing branch offices and other branch offices of the Company if any, which may be opened during the year in India as well as abroad, the shareholders are requested to authorize the Board to appoint Branch Auditors in accordance with the provisions of the Companies Act, 1956, in consultation with the Company's Statutory Auditors and to fix their remuneration.

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

None of the Directors is concerned or interested in the above resolution.

**Item 9 & 10**

In order to attract and retain qualified, talented and competent personnel in the Company, your Company has instituted a "IVRCL ESOP 2013" (hereinafter called as ESOPs) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications therein from time to time (hereinafter known as SEBI Guidelines). The salient features of the proposed "IVRCL ESOP 2013" are as follows.

**a) The total Number of Options to be granted**

The total number of options to be granted under this scheme are 1,00,00,000 (One Crore only). Each option granted, shall entitle the employee to apply for and be allotted one equity share of the Company subject to the fulfilment of vesting requirements.

**b) Identification of classes of employees entitled to participate in the ESOS**

All Permanent employees of the Company and its subsidiaries whether in India or Overseas including the Executive, Non- executive and Independent Directors of the Company and its subsidiaries as may be eligible in accordance with the SEBI Guidelines are entitled to participate in the Scheme.

Such other persons, as may from time to time be allowed under applicable laws and regulations prevailing from time to time and as may be approved by the Board of Directors / Compensation Committee.

**c) Requirements of Vesting and period of vesting**

The vesting requirements shall, inter alia consist of satisfactory performance of the employees, their continued employment in the Company and its subsidiaries and such other reasonable requirements as may be specified by the Compensation Committee. There shall be minimum period of one year between the grant of options and vesting of options.

**d) Maximum period within which the option shall be vested**

The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

**e) Exercise price or pricing formula**

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

**f) Exercise period and process of exercise**

The exercise period shall be as decided by the Compensation Committee of the Board of Directors. The options will be exercisable by the employees by written application to the Company to exercise the options in such manner and on execution of such documents as may be prescribed by Compensation Committee / Board of Directors from time to time. During the exercise period, the option holders shall exercise the options and pay the exercise price of the options for conversion into Equity Shares of the Company.

**g) The appraisal process for determining the eligibility of employees to the ESOS**

Board/Compensation Committee shall decide on the selection of employees and grant of options, the basis of which shall include but shall not be limited to:

1. Performance of the employee
2. Position and responsibility of the employee
3. Nature of employee's services to the Company

4. The period for which the employee has rendered his services to the Company

5. Potential of the employee to contribute to the Company's performance

6. The extent of contribution made by the employee towards business results, achievement of medium to long term plans of the Company, processes, customers satisfaction etc,

Any other criteria as may be decided by the Board / Compensation Committee from time to time.

The Board/Compensation Committee may also decide to offer a fixed number of options to new eligible employees based on the grade and/or criticality of the position.

**h) Maximum number of options to be issued per employee and in aggregate.**

The Maximum number of options to be granted per employee including Directors during any one year, shall not be equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of the option. The aggregate of all such grants under the scheme shall not exceed such number of Equity shares per employee of the Company as may be decided by the Compensation Committee.

**i) A statement to the effect that the company shall conform to the accounting policies specified in Clause 13.1**

It is hereby stated that the Company shall conform to the accounting policies specified in Clause 13.1 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or such other guidelines as may be applicable, from time to time.

**j) The Company intends to use the Intrinsic value Method to calculate the employees' compensation cost in respect of the shares allotted by the Company to the Employees under the Employee stock Option Scheme**

**k) In case the Company calculates the employee compensation cost using the intrinsic value of the Share, the difference between the employee compensation cost so computed and the employee Compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed in the Directors' report and also impact of this difference on profits and on EPS of the Company, if applicable shall also be disclosed in the Directors' report.**

The Board recommends the above resolutions for adoption by the members.

None of the Directors is concerned or interested in the above resolutions.

By order of the Board of Directors

**Regd. Office :**  
M-22/3RT,  
Vijayanagar Colony,  
Hyderabad - 500 057  
Date: 30-05-2013

**B. Subrahmanyam**  
Company Secretary

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

<b>Name of the Director</b>	<b>Mr.R. Balarami Reddy</b>	<b>Mr.K. Ashok Reddy</b>
Date of Birth	01.07.1954	09.12.1955
Date of Appointment	25.11.1997	25.11.1987
Qualification	FCA, ACS and ACMA	B.SC, PGDBA (XLRI)
Expertise in specific functional areas	Mr. R. Balarami Reddy is a fellow member of the Institute of Chartered Accountants of India (“ICAI”), and Associate member of the Institute of Cost Accountants of India (“ICMAI”), and the Institute of Company Secretaries of India (“ICSI”) and aged about 59 years. He has over 26 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a Practicing Chartered Accountant for a period of seven years before joining IVRCL Limited.	Mr. K. Ashok Reddy is a Science Graduate with PGDBA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 58 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining IVRCL Limited
List of other Companies in which Directorship held as on March 31.2013.	<ul style="list-style-type: none"> <li>· Hindustan Dorr-Oliver Limited</li> <li>· IVRCL PSC Pipes Private Limited</li> <li>· First STP Private Ltd</li> <li>· IVR Enviro Projects Private Limited</li> <li>· IVRCL Building Products Limited</li> <li>· IVR Hotels and Resorts Limited</li> <li>· A.P.Enercon Engineers Private Limited</li> <li>· IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>· IVRCL PSC Pipes Private Limited</li> <li>· IVR Enviro Projects Private Limited</li> <li>· IVRCL Building Products Limited</li> <li>· Alkor Petroo Limited</li> <li>· Geo IVRCL Engineering Ltd</li> <li>· Ilavampedu Developers Private Ltd</li> <li>· Mummidi Developers Private Ltd</li> <li>· Tirumani Developers Private Ltd</li> <li>· Annupampattu Developers Private Ltd</li> </ul>
Chairman / Member of the Mandatory Committees of the Board of the Companies on which he is a Director as on March 31, 2013	<ul style="list-style-type: none"> <li>· IVRCL Limited</li> <li>– Member, Investor Grievance Committee</li> <li>· Hindustan Dorr-Oliver Limited</li> <li>– Member, Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>· Alkor Petroo Limited</li> <li>– Member, Audit Committee</li> </ul>
Number of shares held	234,301	102,500

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

**I. GENERAL INFORMATION.**

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

(₹ in millions)

Sr. No.	Particulars	Year				
		2008-09	2009-10	2010-11	2011-12 (15 months)	2012-13 (9 months)
1	Paid-up Capital	267.01	534.02	534.02	613.77*	613.77
2	Reserves and Surplus	17838.76	17998.57	19339.65	22091.03	21077.97
3	Turnover	49830.92	54950.50	56592.40	61779.60	37590.88
4	Net Profit after Tax	2259.69	2113.13	1578.99	180.81	(1016.61)
5	Rate of Dividend Declared	70%	40%	30%	Nil	Nil

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

- (5) Export Performance and net foreign exchange collaborations : FOB value of Export is ₹ 6.61 million. Overseas Contract revenue is ₹ 40.34 million.
- (6) Foreign investments or collaborations, if any : The total equity shares held by Foreign Institutional Investors (FIIs) is 65,838,735 of ₹ 2/- each as on March 31, 2013, which constitutes 21.45% of the Paid-up Equity Share Capital of the Company. There is no Foreign collaboration for any investment.

**II. INFORMATION ABOUT THE APPOINTEES.**

**(1) Background Details**

**(a) Mr. R. Balarami Reddy**

Mr. R. Balarami Reddy is a fellow member of the Institute of Chartered Accountants of India ("ICAI"), and Associate member of the Institute of Cost Accountants of India ("ICMAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 59 years. He has over 26 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a Practicing Chartered Accountant for a period of seven years before joining IVRCL Limited. He has been on the board of IVRCL from November 1997. Since then, he has been re-appointed from time to time.

**(b) Mr. K. Ashok Reddy**

Mr. K. Ashok Reddy is a Science Graduate with PGDBA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 57 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director from September 2005. Since then, he has been re-appointed from time to time.

**(2) Past Remuneration:**

**(a) Mr. R. Balarami Reddy**

- i) Salary – ₹ 3,49,250/- p.m  
(Basic Salary – ₹ 2,18,281/- p.m and Allowances - ₹ 1,30,969/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.

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

**(b) Mr. K. Ashok Reddy**

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

**(4) Recognition/Awards**

- (a) Mr.R.Balarami Reddy : NIL
- (b) Mr.K.Ashok Reddy : NIL

**(5) Job Profile and suitability**

**(a) Mr. R. Balarami Reddy**

In his rich and diverse experience of over 26 years Mr. R. Balarami Reddy has a career span of around 19 years with the Company. As Executive

Director- Finance & Group CFO, he is responsible for Accounts, Finance and Taxation matters.

In the present economic scenario, raising funds for the infrastructure projects has become a challenge and Mr.R.Balarami Reddy has been shouldered with increased responsibilities of financing the ongoing and upcoming projects.

**(b) Mr. K. Ashok Reddy**

In his rich and diverse experience of over 27 years Mr.K.Ashok Reddy has a career span of around 16 years with the Company. As Executive Director, he is responsible for all resource matters such as Human Resources, purchasing and equipment.

As Executive Director he has a holistic involvement in the entire administration of the Company. In his present role, he has to discharge multi-faceted responsibilities and with his rich talent and dynamic experience it is firmly believed that he will continue to provide able guidance and contribution as ever.

**(6) Remuneration proposed**

**(a) Mr. R. Balarami Reddy**

Details of total remuneration proposed to be paid to Mr.R.Balarami Reddy during his tenure has been mentioned at item no. 6.

**(b) Mr. K. Ashok Reddy**

Details of total remuneration proposed to be paid to Mr.K.Ashok Reddy during his tenure has been mentioned at item no. 7.

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

The Compensation Committee of the Board and the Board of Directors considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the respective roles and also considering the competence and invigorating leadership of Mr.R.Balarami Reddy and Mr.K.Ashok Reddy, which has resulted in sustained growth for the Company, had approved that the payment of remuneration stated at item No. 6 & 7 commensurate to prevailing levels in the industry and therefore it is fit and more than justified for payment of the said remuneration to them.

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

(a) **Mr. R. Balarami Reddy**

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

(b) **Mr. K. Ashok Reddy**

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

**III. OTHER INFORMATION,**

(1) **Reasons for loss or inadequate profits.**

**Overview of the Company**

IVRCL is one of the leading engineering, construction and infrastructure development companies in India. The Company has executed many India's landmark infrastructure projects and had laid over 25,000 kms of water pipelines, 2300 kms of canals, irrigated 150 million hectares land through our engineering expertise, laid 3400 kms of roads, 100 kms of tunnels, constructed 28 million sft of buildings and owns India's largest desalination plant. A testimonial to our globetrotting spree comes in the form of construction, completion and maintenance of irrigation water tanks in Kuwait; hydro-electric station in Nepal; irrigation projects in Kenya; and 4100 apartments for a mass housing project in Sri Lanka.

**Key Concerns for the Construction Sector**

Currently the construction industry is witnessing sluggish growth due to economic and policy concerns. At the same time, the economy has been witnessing high inflation cycle resulting into high interest costs and commodity prices. The key economic and policy concerns being faced by the Industry include Delays in land acquisition, significant rise in commodity prices, low realization of revenues and execution delays.

**Financial Performance of the Company:**

The Company has shown steady progress over the last few years and has performed in line with industry standards.

The various factors that have affected the cash flows for the Company are:

- Execution delays and delays in payment from clients
- Sharp increase in commodity prices
- Increase in interest rates

- Increased Working Capital requirements due to delays and slower decision making on claims raised by IVRCL

The cumulative impact of the above factors coupled with an industry and economic downturn with a combination of tightened liquidity conditions and an inflationary environment has caused a liquidity stress on IVRCL.

(2) **Steps taken or proposed to be taken.**

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

- Claims Realisation: Persistent efforts are being made by IVRCL to collect claims
- Cost optimisation: IVRCL has implemented cost optimisation measures such as cutting overheads and rationalisation of human resources. These internal cost cutting measures are expected to improve profitability going forward.
- Reduction in Working Capital: Better credit terms with suppliers have been negotiated.
- Monetisation of assets: IVRCL is proactively exploring the possibilities of monetising its assets and step down subsidiaries.

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

The situation is expected to improve from FY 2014 onwards with expectations that the steps taken by the Company for improving the operational parameters wherever feasible would show signs of improvement. Consequently, the Company expects to see an improvement in cash flows due to tighter working capital cycle and realization of claims from FY 2014 onwards and expects to maintain healthy margins thereafter.

As mentioned above, the management is taking special efforts to make the Company turnaround. It is expected that the results of the renewed vigour and efforts are likely to be seen in the near future

**IV. DISCLOSURES.**

- (1) The Shareholders of the Company have been informed of the remuneration package of the above two managerial persons in the respective resolutions at Item No.s 6 & 7.

# DIRECTORS' REPORT



To  
The Members  
Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Balance sheet and Profit & Loss for the 9 months period ended March 31, 2013.

## 1. FINANCIAL RESULTS

(₹ in millions)

Particulars	9 months period ended 31.03.2013	15 months period ended 30.06.2012
Gross Turnover	37590.89	61779.6
Profit before Interest, Depreciation, Extraordinary items & Tax	3427.34	6702.21
Less : Interest & Finance Charges	3478.88	5050.92
Less : Depreciation	639.67	1189.41
Profit before tax (PBT)	(691.21)	462.38
Provision for tax	325.40	281.57
Profit after tax (PAT)	(1016.61)	180.81
Balance brought forward from previous year/ Adjustment	5109.72	4978.91
Profit available for appropriation	4093.11	5159.72
Appropriations :Transfer to Debenture Redemption Reserve	0	50.00
Balance carried to Balance Sheet	4093.11	5109.72
Paid-up Capital	613.77	534.02
Reserves and Surplus	21077.97	22091.03

The Financial year 2012-13 is for 9 months period ended March 31, 2013 and hence the figures are not comparable with the previous financial year ended June 30, 2012, which is a period of 15 months.

## 2. DIVIDEND

Your directors regret their inability to recommend dividend for the 9 months period ended March 31, 2013.

## 3. REVIEW OF PERFORMANCE

Your Company achieved a gross turnover of ₹ 37590.89 million for the 9 months period ended March 31, 2013 as against ₹ 61779.60 million for the previous financial year (15 months period). On annualized basis, turnover for the current period ended

March 31, 2013 increased by 0.55% as compared to statement of previous period.

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA) at ₹ 3,427.34 million are 9.12 % of the turnover for the period under review as against 10.85% for the previous financial year.

## 4. CHANGE IN CAPITAL STRUCTURE

During the period under review, the Company allotted 3,98,76,790 equity shares of face value of ₹ 2/- each to the shareholders of IVRCL Assets & Holdings Limited as per the approved Composite Scheme of Arrangement amongst the Company, IVRCL Assets & Holdings Limited, RIHIM Developers Private Limited and IVRCL TLT Pvt. Limited. Consequent to the aforesaid allotment the paid up capital of the Company has been increased to ₹ 613.77 million.

## 5. SUBSIDIARIES

The Company has 88 subsidiaries (including step down subsidiary companies) as on date and the details of investment made by the company in its various subsidiaries during the year and the value of the investment as on March 31, 2013 have been furnished vide Note 11 of Notes to Accounts.

Pursuant to section 212(8) of the Companies Act, 1956 the balance sheet, Profit and loss account and other documents of the said subsidiary companies are required to be annexed to the accounts of the holding Company. Ministry of Corporate Affairs vide its General Circular dated February 8, 2011 had granted general exemption for companies from complying with the provisions of section 212(8) of the Companies Act, 1956 subject to certain conditions being fulfilled by the Company. Accordingly, the Balance sheet, profit and loss account and other documents of the subsidiary companies are not being attached with the Balance sheet of the Company. A statement containing the brief details of financials of Subsidiary companies for the financial year ended March 31, 2013 is enclosed in the Annual Report. The annual accounts of the said subsidiary companies and relevant information shall be made available to the shareholders who seek such information and are also available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours. Copy of the said details will be provided upon receipt of written request from the shareholders

## HINDUSTAN DORR-OLIVER LIMITED (HDO)

For the financial year ended March 31, 2013, the company achieved a turnover of ₹ 2,402.47 million, for the 9 months periods as against ₹ 7,187.53 million for

the previous period of 15 months. The loss after tax for the period is ₹ 1,209.45 million as against loss of ₹ 303.32 million for the previous period of 15 months. The EPS is ₹ ( 16.80) on ₹ 2/- share.

#### **6. CONSOLIDATION OF ACCOUNTS**

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

#### **7. ISSUE AND REDEMPTION OF NON-CONVERTIBLE DEBENTURES**

During the year under review, the Company redeemed 750 Non Convertible Debentures of face value of ₹ 10/- lakhs each, aggregating to ₹ 75 Cr. on March 13, 2013 as per the terms of the Issue, which were issued by IVRCL Assets & Holdings Ltd which was merged with the Company.

#### **8. EMPLOYEE STOCK OPTION SCHEMES**

The earlier two ESOP Plans viz., IVRCL ESOP 2000 and IVRCL ESOP 2004 have been fully utilized.

##### **IVRCL ESOP 2007 Scheme:**

The members at the Annual General Meeting held on 7th September 2007 had approved the granting of 4,200,000 options, underlying 4,200,000 shares of ₹ 2/- each to the employees. The Scheme will lapse on 6th September, 2013.

The Company places "IVRCL ESOP 2013 Scheme" before the members of the Company for their approval.

#### **9. PUBLIC DEPOSITS**

During the year under review, your Company has neither invited nor accepted any public deposits from the public.

The Board at its meeting held on May 30, 2013 approved to accept the Fixed Deposits from the public and members.

#### **10. DIRECTORS**

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

The term of office of Mr. R. Balarami Reddy as Executive Director-Finance and Group CFO and Mr. K. Ashok

Reddy as Executive director will expire at the forthcoming Annual General meeting. The Board recommends to reappoint them for a period of five years w.e.f 26.09.2013. Further they are here after proposed to be made as directors not subject to retirement by rotation.

#### **11. CORPORATE GOVERNANCE**

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

#### **12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT.**

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

#### **13. DIRECTORS RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 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.



#### 14. 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. The Board of Directors recommends the re-appointment of M/s. Chaturvedi & Partners and M/s. Deloitte Haskins & Sells, as Joint Statutory Auditors

#### 15. AUDITOR'S REPORT

With regard to Note 26 of the financial statements (Trade receivables amounting to ₹ 2,157.42 million has been considered as good and fully recoverable), the Statutory Auditors have qualified their report with a remark that "In the absence of external balance confirmation from the customers, from whom the Trade receivables amounting to ₹ 2,157.42 million are due and other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, Auditors are unable to comment the extent to which these balances are recoverable." The opinion of the Directors on the aforesaid observation of Auditors is furnished below:

The amounts are considered realisable based on favorable developments arising out of continuous contract management steps taken and continuous engagement with the customers for realisation of dues by the Company.

The Board of Directors is of the view that the receivables amount covered in auditors report are good and fully recoverable

#### 16. PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended the details of directors who were in receipt of remuneration of ₹ 60,00,000/- or more per annum or ₹ 5,00,000/- or more per month, if any, during the year under review is enclosed as an Annexure to this Report. In terms of Section 219(1)(b)(iv) of the 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.

#### 17. 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 Note No. 34 to Notes to Accounts.

#### 18. 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.

#### 19. VOLUNTARY GUIDELINES ON CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY.

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

#### ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place: Hyderabad  
Date: 30.05.2013

**E. Sudhir Reddy**  
Chairman & Managing Director

## 1. IVRCL PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

## 2. BOARD OF DIRECTORS

- i) The 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, 2013 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 for the Nine Months period ended on March 31, 2013 consists:

#### Non – Executive Directors

##### A. Independent

Mr. T.N. Chaturvedi (Resigned on 30th April, 2013)

Mr. P.R. Tripathi

Mr. T.R.C. Bose

Dr. L. Srinivas Reddy

Mr. V. Murahari Reddy

##### B. Non-Independent

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

Mr. E. Sunil Reddy (Promoter)

#### Executive Directors

Chairman & Managing Director

Mr. E. Sudhir Reddy (Promoter)

Whole-time Directors

Mr. R. Balarami Reddy

Mr. K. Ashok Reddy

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

Three meetings of the Board of Directors were held on :

29th August, 2012, 10th November 2012, 14th February, 2013,

The last Annual General Meeting was held on Saturday, the 24th December, 2012.

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	3	NO	1	NIL	NIL
Mr. E. Sudhir Reddy	CMD	3	YES	7	NIL	1
Mr. E. Sunil Reddy	NED	2	YES	10	NIL	NIL
Mr. T. N. Chaturvedi*	I & NED	NIL	NO	5	2	3
Mr. R. Balarami Reddy	ED	3	YES	9	NIL	1
Mr. K. Ashok Reddy	ED	3	YES	9	1	NIL
Mr. T. R. C. Bose	I & NED	2	NO	7	NIL	NIL
Mr. P. R. Tripathi	I & NED	3	NO	5	1	1
Dr. L. Srinivas Reddy	I & NED	NIL	NO	3	NIL	NIL
Mr. V. Murahari Reddy	I & NED	2	NO	1	NIL	NIL

\* Mr. T.N. Chaturvedi resigned on April 30, 2013: He has not attended the last AGM on Health grounds

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 three meetings of the committee were held during the Nine Months period. The role of the Committee is as conceived under Clause 49 of the Listing Agreement as amended from time to time.

**B. Composition, names of members and Chairperson:**

The composition of the Audit Committee is as follows:

Chairman Mr. T.N. Chaturvedi\*

Members Mr. P.R. Tripathi \*

Mr. T.R.C. Bose

Mr. V. Murahari Reddy (Appointed on 14th February 2013)

\* Mr. T.N. Chaturvedi resigned as Director of the Company on April 30, 2013 and Mr. P.R. Tripathi has been appointed Chairman of the Audit committee w.e.f. May 30, 2013.

**C. Meetings and Attendance:**

Three meetings of the Audit Committee were held on 29th August, 2012, 10th November, 2012, 14th February, 2013.

Name of the Director	No. of meetings attended
Mr. P.R. Tripathi	3
Mr. T.R.C. Bose	2
Mr. V. Murahari Reddy	1
Mr. T. N. Chaturvedi	NIL

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

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

#### 4. COMPENSATION COMMITTEE:

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

Chairman	Mr. T.N. Chaturvedi*
Members	Mr. P.R. Tripathi *
	Mr. T.R.C. Bose
	Mr. V. Murahari Reddy (Appointed on 14th February 2013)
Secretary to the Committee:	Mr. B. Subrahmanyam, Company Secretary

\* Mr. T.N. Chaturvedi resigned as Director of the Company on April 30, 2013 and Mr. P.R. Tripathi has been appointed Chairman of the Audit committee w.e.f. May 30, 2013.

##### B. Meetings and Attendance:

One meeting of the Compensation Committee meeting was held on 29th August 2012.

Name of the Director	No. of Meetings Attended
Mr. P.R. Tripathi	1
Mr. T. R.C. Bose	1
Mr. V. Murahari Reddy	NIL
Mr. T.N. Chaturvedi	NIL

##### C. Remuneration Policy:

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

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

i) Non Executive Directors (sitting fee only)	(in Rupees)
Mr. E. Ella Reddy	60000
Mr. T. N. Chaturvedi	NIL
Mr. T. R. C. Bose	100000
Mr. P. R. Tripathi	200000
Dr. L. Srinivas Reddy	NIL
Mr. V. Murahari Reddy	60000
<b>TOTAL</b>	<b>420000</b>

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

Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	9000000	NIL	NIL
Mr. R. Balarami Reddy Executive Director-Finance & Group CFO	3143250	NIL	NIL
Mr. K. Ashok Reddy Executive Director	3111300	NIL	NIL
<b>TOTAL</b>	<b>15254550</b>		

## iii) Shares held by Non-Executive Directors as on March 31, 2013

Name of the Director	Numbers of Shares held	% of the Paid-up Capital of the Company
Sri. E. Ella Reddy	3567	0.001
Sri. E. Sunil Reddy	2511010	0.82
Sri. T.N. Chaturvedi	29550	0.01
Sri. P.R. Tripathi	NIL	NIL
Sri. T.R.C. Bose	NIL	NIL
Dr. L. Srinivas Reddy	NIL	NIL

**5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE**

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

**B** Mr. B. Subrahmanyam, Company Secretary is the Compliance Officer nominated for this purpose under Clause No. 47(a) of the Listing Agreement.

**C Meetings & Attendance**

Three meetings of the Investor Grievances Committee were held on 29th August, 2012, 10th November, 2012, 14th February, 2013

Name of the Director	No. of meetings attended
Mr. P.R. Tripathi – Chairman	3
Mr. E. Sudhir Reddy	3
Mr. R. Balarami Reddy	3

During the year, the Company received 29 complaints and all the complaints were resolved to the satisfaction of the Investors.

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

**A** The Committee consists of Mr. P.R. Tripathi, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into all the aspects relating to Code of conduct including enforcement, imposition of penalties for any violation of the provisions of the Code and to amend or modify the provisions of the Code from time to time :

**B** Mr. B. Subrahmanyam, Company Secretary is the Secretary nominated for this purpose under the code of Conduct.

**Meetings & Attendance**

**C.** No meeting of the Regulatory Committee was held during Nine Months period ended on 31st March 2013.

**7 GENERAL BODY MEETINGS**

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

Year	Location	Date & Time
23rd AGM – 2010	Hotel Fortune Katriya, Somajiguda, Hyderabad	At 12.30 pm on September 18 2010
24th AGM – 2011	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 pm on September 26 2011
25th AGM – 2012	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 10.30 AM on December 24 2012

**No special resolution was passed at the 23rd Annual General Meeting of the Members of the Company held on 18th September, 2010:**

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

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

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

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

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

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

## **8 DISCLOSURES:**

- (i) Materially significant related party transaction with the Company Promoters, Directors, the Management, the Subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large have been disclosed in the accounts along with the financial impact of the same elsewhere in the Annual Report.
- (ii) There have been no major instances of non-compliance by the Company on any matters related to the Capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- (iii) The Company has no written whistle blower policy as on date.
- (iv) The Company's financial statements are prepared as per Accounting Standards and the accounting principles generally accepted in India.
- (v) The pecuniary relationship or transaction with the Non-Executive Directors have been disclosed as part of transactions with key Managerial Personnel / relatives with in the annual report.
- (vi) Secretarial Audit:

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

- (vii) Risk Management :

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

## **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](http://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

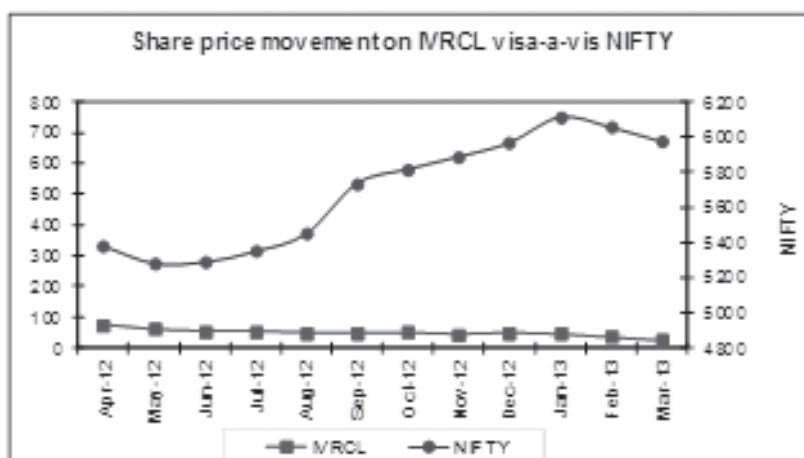
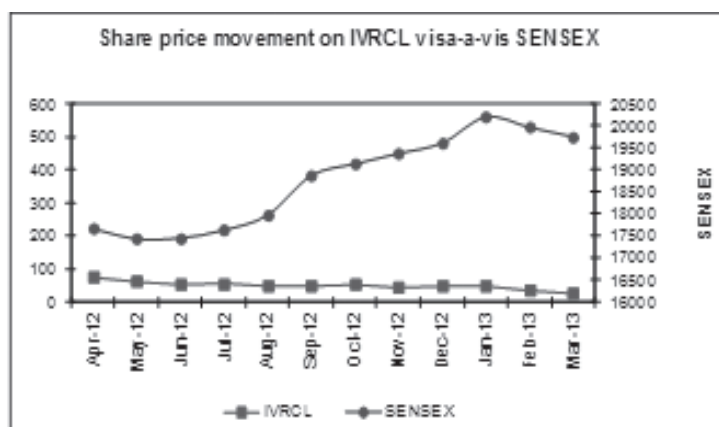
## 10. GENERAL SHAREHOLDER INFORMATION

- |               |  |  |               |              |            |              |
|---------------|--|--|---------------|--------------|------------|--------------|
| a.            | 26 <sup>th</sup> Annual General Meeting  |  |               |              |            |              |
|               | <ul style="list-style-type: none"> <li>● Date and Time</li> <li>● Venue</li> </ul> | <p>26th September 2013, at 3.30.P.M</p> <p>K.L.N. Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, Hyderabad - 4</p>  |               |              |            |              |
| b.            | Financial Calendar Year ended  | March 31, 2013   |               |              |            |              |
|               | Un-audited financial results for the quarter ending June 30, 2013                  | Will be published in August, 2013  |               |              |            |              |
|               | Un-audited/audited results for the quarter / half-year ending September 30, 2013   | Will be published in November, 2013  |               |              |            |              |
|               | Un-audited results for the quarter ending December 31, 2013                        | Will be published in February, 2014  |               |              |            |              |
|               | Audited results for the year ending March 31, 2014                                 | Will be published in May 2014  |               |              |            |              |
| c.            | Book Closure:  | From 20 <sup>th</sup> September, 2013, to 26 <sup>th</sup> September, 2013 (Both days inclusive)   |               |              |            |              |
| d.            | Dividend payment date  | No Dividend has been recommended   |               |              |            |              |
| e.            | The equity shares of the Company are listed on                                     | (i) Bombay Stock Exchange Limited (BSE)<br>(ii) National Stock Exchange of India Limited (NSE)   |               |              |            |              |
| f.            | Stock Code:  |  |               |              |            |              |
|               | i) Trading Symbol at   | Bombay Stock Exchange,<br>Scrip Code: 530773<br>National Stock Exchange<br>IVRCLINFRA EQ   |               |              |            |              |
|               | ii) Demat ISIN Numbers in NSDL & CDSL  | <table border="0"> <tbody> <tr> <td style="padding-right: 20px;">Equity Shares</td> <td>INE875A01025</td> </tr> <tr> <td>Debentures</td> <td>INE875A07014</td> </tr> </tbody> </table> | Equity Shares | INE875A01025 | Debentures | INE875A07014 |
| Equity Shares | INE875A01025   |  |               |              |            |              |
| Debentures    | INE875A07014   |  |               |              |            |              |

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

g. Stock Market Data :

Month	The Bombay Stock Exchange				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
Apr-2012	75.20	58.60	17664.10	17010.16	75.25	58.60	5378.75	5154.30
May-2012	62.35	39.25	17432.33	15809.71	62.40	39.35	5279.60	4788.95
Jun-2012	53.50	37.20	17448.48	15748.98	53.50	37.00	5286.25	4770.35
July-2012	55.15	40.80	17631.19	16598.48	55.20	40.75	5348.55	5032.40
Aug-2012	48.20	36.75	17972.54	17026.97	48.10	36.65	5448.60	5164.65
Sep-2012	49.85	37.35	18869.94	17250.80	49.80	36.90	5735.15	5215.70
Oct-2012	52.35	38.50	19137.29	18393.42	52.20	38.40	5815.35	4888.20
Nov-2012	43.85	38.10	19372.70	18255.69	43.85	38.05	5886.25	5548.35
Dec-2012	48.20	41.10	19612.18	19149.03	48.25	41.10	5965.15	5823.15
Jan-2013	47.90	30.25	20203.66	19508.93	47.40	30.95	6111.80	5935.20
Feb-2013	35.15	24.90	19966.69	18793.97	35.15	24.80	6052.95	5671.90
Mar-2013	26.55	17.65	19754.66	18568.43	26.60	17.60	5971.20	5604.85





#### h. Registrar and Transfer Agents ;

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

#### i. Share Transfer System

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

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

#### j. i. Distribution of Shareholding as on March 31, 2013

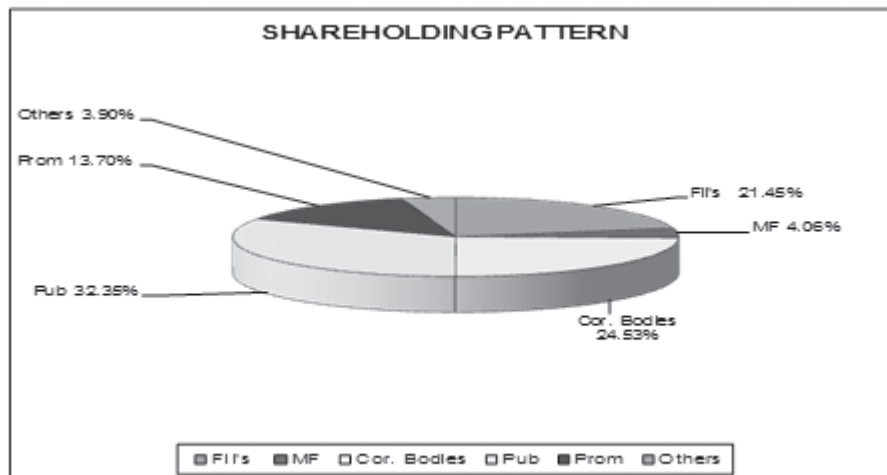
Category (Amount)	Shareholders		Amounts	
	Number	% to Total	Number	% to Total
Upto – 5000	213084	96.87	55632001	18.13
5001 - 10000	3736	1.70	13812004	4.50
10001 – 20000	1689	0.77	12392414	4.04
20001 – 30000	470	0.21	5836519	1.90
30001 – 40000	261	0.12	4645262	1.51
40001 – 50000	129	0.06	2940137	0.96
50001 – 100000	268	0.12	9558019	3.11
100001 and above	326	0.15	202070292	65.85
<b>TOTAL</b>	<b>219963</b>	<b>100.00</b>	<b>306886648</b>	<b>100</b>

#### ii. Capital Build Up during the Nine Months Period.

Particulars	Nature of Allotment	No. of shares of the face value of Rs.2/- each	Aggregating to Rs.	Date of the listing and trading permission
Capital at the beginning of the year		267009858	534019716	N/A
Allotments made during the year:				
22.08.2012	Allotment to Shareholders of IVRCL Assets & Holdings Limited Pursuant to Scheme of Arrangement	39876790	79753580	12.9.2012
Capital at the end of the year		306886648	613773296	

iii. Shareholding pattern as on March 31, 2013

Category	Total No. of Shares	Percentage of shareholding
<b>Promotor's Holding</b>		
India Promoters	42032166	13.70
<b>Non Promoter Holding</b>		
Institutional Investors		
Mutual Funds	12468453	4.06
Financial Institutions / Banks / Insurance Companies	2053110	0.67
Foreign Institutional Investors	65838735	21.45
<b>Others</b>		
Private Corporate Bodies	75279872	24.53
Indian Public	99287426	32.35
Non Resident Indian	4978817	1.62
Others	4948069	1.62
<b>Grand Total</b>	<b>306886648</b>	<b>100.00</b>



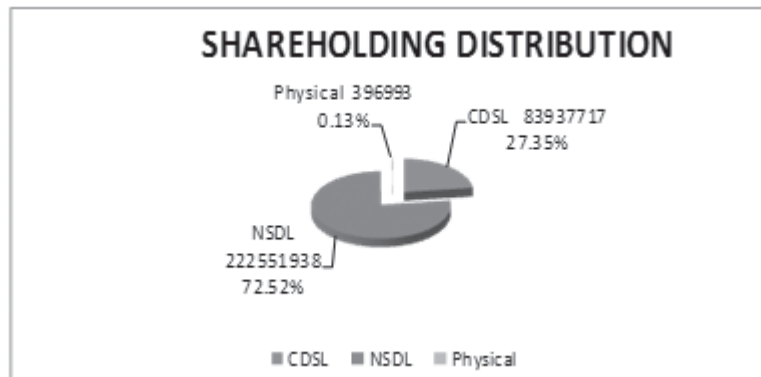
iv. Instruments outstanding as on 31st March, 2013 and are liable for conversion into shares :

IVRCL ESOP 2007

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

**k. Dematerialization of shares and liquidity:**

Shares of the Company can be held and traded only in Electronic form on Stock Exchanges. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialized form only, by all investors from 26th June 2000 99.87 percent of the shareholdings have been dematerialized as on 31.03.2013. Shares of the Company are actively traded in The Bombay Stock Exchange Limited and National Stock Exchange of India Limited, and hence have good liquidity.



**l. Listing of Debt Securities**

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

**m. Debenture Trustee ( For Private Placed Debentures)**

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

**n. Compliance With Clause 49.**

**Mandatory Requirements**

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

**Non-Mandatory Requirements**

The Company did not adopt Non-mandatory requirements.

**o. Code of Conduct for Directors and Senior Management:**

A copy of the Code has been put on the Company’s website [www.ivrcl.com](http://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 Nine Months ended 31st March 13:

**E.Sudhir Reddy**  
Chairman & Managing Director

**p Address for Correspondence:**

Investor's Correspondence :  
Physical / Electronic Mode :  
M/s. Karvy Computershare (P) Ltd.  
H.No. 17-24, Vittalrao Nagar Near Image Hospital, Madhapur,  
Hyderabad - 500081

**Shareholders General Correspondence**

**" IVRCL Limited"**

"MIHIR" 8-2-350/5/A/24/1-B & 2  
Road No.2, Panchavati Colony  
Banjara Hills HYDERABAD – 500 034

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

**(i) Ahmedabad :**

314 & 315, 3<sup>rd</sup> Floor, Campus Corner-II,  
Opp: Prahlad Nagar Garden 100 Feet Road,  
Prahlad Nagar  
AHMEDABAD – 380 015

**(ii) Bangalore**

Prosperity', No. 438, 1st Floor  
18<sup>th</sup> Main, 6th Block, Koramangala,  
BANGALORE – 560 095

**(iii) Chennai :**

No. 30A, South Phase  
6th Cross Road Thiruvika, Industrial Estate  
Guindy CHENNAI – 600032

**(iv) Delhi :**

CORENTHUM  
A-41, Tower – B, 1<sup>st</sup> Floor  
LOBE – 4, Sector - 62  
Noida – 201 307

**(v) Kolkata:**

Akash Towers, Unit 3A, III Floor,  
781, Anandpur  
KOLKATA – 700 107

**(vi) Pune:**

"IVRCL" House", 35  
Suyojana CHS Koregaon Park  
PUNE – 411 001.

**(vii) Visakhapatnam:**

D.No.50-01-41/B, 2<sup>nd</sup> Floor  
ASR Nagar, Seethammadhara  
VISAKHAPATNAM – 530 013

---

## AUDITORS'S CERTIFICATION ON CORPORATE GOVERNANCE

**To the Members of IVRCL Limited**

We have examined the compliance of conditions of Corporate Governance by IVRC Limited for the Nine months ended on March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit not 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 30, 2013

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

## ECONOMY OVERVIEW

India's economic confidence grew by 8 points to 68 percent which makes it the second most economically confident country in the world. India's services sector is also emerging as a major sector in terms of contributing to national and States incomes and standing first in the increase in share of services in the gross domestic product (GDP) with 8.1 per cent, among top 15 countries during 2001-2011. In addition India was among the top 20 real estate investment markets globally with investment volume of Rs 190 billion (US\$ 3.46 billion) recorded in 2012.

The Economic survey pegs the India's economy growth at 6.1-6.7 per cent for the fiscal year FY14. Industry growth is still vulnerable to local, global factors. There might be a possibility of further rate cuts due to lower inflationary scenario. The Survey is optimistic about the economic growth stating that the downturn in economic growth is more or less over and the economy is now looking up. The overall economic environment remains fragile and sluggish industrial growth likely to improve in FY14. The revival of investment will be a serious challenge this year which is responsible for lower industrial growth.

The economic survey, 2013 forecasts that India is likely to hit its fiscal deficit target of 5.3 percent despite a significant shortfall in revenue. Improvement in performance of agriculture and manufacturing sectors is expected to push the economic growth rate to 6.4% in 2013-14 from 5% in the previous fiscal.

April WPI inflation came at 4.89 percent, lower than 5.96 percent in March. The decline in both WPI and CPI inflation in April indicates that inflation is moving towards comfort zone. However, there will be concerns about huge gap between the two.

## INDUSTRY OVERVIEW

Infrastructure is a very important contributing factor to the country's overall development. In present times, Infrastructure sector is facing stress because of various factors. Therefore the government is introducing incentives like promotion of Infrastructure Debt Funds (IDF) and tax free bonds, debt segment on stock exchange in addition to granting support from Financial Institutions like World Bank and ADB and allowing pension funds to invest in asset backed securities. It got a major propel in Budget 2013-14 with the announcements of raising ₹ 50,000 crores through tax-free bonds, setting up of major ports and a road regulator. The budget also recapitulated the government's commitment to press ahead with some of the previously announced measures such as credit enhancement from India Infrastructure Finance Company Limited (IIFCL). Both of these have the potential to energize the bond markets to fund the massive infrastructure investments that India urgently needs.

## VERTICAL WISE PERFORMANCE

### WATER

Can anybody think of life without water? Even after the obvious answer we indulge ourselves in wasting it. Water plays a critical role in all aspects of life and basically three pillars of sustainable development – economic, social and environmental.

The per capita availability of water in the country is continuously declining from about 5,177 in 1951 to 1,545 cubic meters as per the 2011 census due to increase in population. Moreover, water demand in India is expected to grow annually by 2.8 per cent to reach 1,500 Billion Cubic Metres – BCM (by 2030) while the current supply is only about half (viz., 744 BCM).

The Government of India emphasizes the need to focus on integrated water resource management through water conservation, wastewater minimization, etc. This would require various sectors, including industries, to optimize their practices ensuring conservation, recycling, and reuse. Water requirements of various sectors of Indian industries had almost doubled during the last decade and are expected to increase more than threefold by 2050.

In the union budget 2013, ₹ 15,260 crores has been allocated to Ministry of Drinking Water and Sanitation as against Rs. 13,000 crores previous year. Along with this Rs. 1,400 crores towards setting up water purification plants as there are still 2,000 arsenic and 12,000 fluoride-affected rural habitations in the country.

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

- Execution of Balance work of Transmission Main Part of Chambal - Dholpur - Bharatpur Water Supply Project on Single responsibility basis i.e. Design (selected part), Build, Operation & Maintenance.
- JBIC Assisted Kerala Water Supply Project - Contract Package 4 - Service Reservoirs - Thiruvananthapuram Scheme.
- CMWSSB - C&M - Providing Comprehensive Water Supply Scheme to Ambattur Municipality - Providing, Distribution System, Construction of Distribution Station, laying of conveying mains for Zone XIV to Zone XIX - Package-III.
- Reconstruction of under tunnel at Km.66.190 (New location at Km.66.138) of 21st MBC of NSLBC including excavation and formation of canal and vaagu diversions.

### Some other significant on-going projects are:

- Detailed Engineering, Manufacturing, Supply, Erection, Testing & Commissioning of Pump - Turbine, Generator - Motor & Associated Equipments for Koyna

Left Bank Power Station (2x40 MW).

- Construction of Tunnel from Gundovalu to Bhandup Complex in Mumbai.
- Replacement of Two 1800-mm dia riveted Tansa Mains from Tansa to Tarali by one 2750-mm dia M.S. welded Pipeline from Jamboli to Chinchavali for Municipal Corporation of Greater Mumbai (MCGM).
- Hogenakkal Water Supply and Fluorosis Mitigation Project Package I & II for TWAD Board, Tamil Nadu.
- Survey, Investigation, Design, Construction, Testing & Commissioning of Sewerage works in District of Allahabad for U.P. Jal Nigam

## IRRIGATION

In an agrarian economy like India where 70% of the population is dependent on agriculture needs a special care. Agriculture of our country is dependent on monsoons and said to be, "the gambling of the monsoon" as the monsoon rainfalls are uncertain, irregular and unequal. In order to grow food-crops and agricultural products in large quantities to feed the growing millions, extensive irrigation is therefore necessary. It is significant in order to reduce dependence on monsoons, advanced agricultural productivity, reduce instability in output levels and bring more land under cultivation, control of floods and prevention of droughts.

With a severe water scarcity in many parts of the state, government this year decided to make structural changes to the centrally funded Accelerated Irrigation Benefit Programme and a 13% increase in overall irrigation outlay which will increase funding for irrigation projects.

An additional 87 lakh hectares of irrigation potential is planned to be created under Accelerated Irrigation Benefit Programme compared to around 34 lakh hectares of irrigation potential which was created during the 11th Plan. The New National Water Policy adopted recently by the National Water Resources Council emphasizes efficient use of water and the need to align planning for water resources with the challenges of climate change, equity, social justice and sustainability. With the recent monsoon proving quite erratic, focus will remain on expanding investments in irrigation to insulate farm growth from the vagaries of nature.

Irrigation requirement of the agricultural sector owing to unreliability of the monsoons is driving the growth of this market. Erratic monsoon and fluctuations in ground water level have also facilitated further development of the market. Increasing population, urbanization and healthy economic outlook has also stimulated the growth of the pumps market in India. Market players also face various challenges which are hampering their development and growth. Agricultural power subsidy and prevalent consumer outlook presents major setbacks for market growth.

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

### Gravity Canals:

1. **Telugu Ganga Project:** The Project is envisaged for creating irrigation potential to 96,000 acres of land in Kadapa District for Govt. of AP and comprises of Right & Left Canals in addition to Gundamrajupalli & Obulam Branch canals.
2. **Indira Sagar Project - Phase III:** This project is under Narmada valley Development Authority, Madhya Pradesh and aims at creating irrigation potential of 50,904 acres. The alignment of the main canal of this project runs through most vulnerable terrain comprising of deep valleys and tall hills. Hence there are major aqueducts covering the valleys and tunnels for negotiating the hills.

### Lift Irrigation Systems:

1. **Koilsagar Lift Irrigation Scheme:** The scheme is proposed to lift 3.9 TMC of water from fore shore of Priyadarshini Jurala Project in two stages to bolster its performance by filling up the Koilsagar Project thereby stabilizing the ayacut of 12000 Acres (including a gap ayacut of 7500 Acres) and to irrigate an additional ayacut of 38250 Acres totally 50250 Acres upto date under this project. The project in its entirety envisages lifting of water from the fore shore of Jurala Project to a total height of 120 M - 58M in first stage and 62M in second stage and installing 4 Nos. of 7.5 MW heavy duty pumps and motors.
2. **Punasa Lift Irrigation Scheme:** Punasa Lift Irrigation Scheme is located in Khandwa district, 52 KMs away from Khandwa Town near Chandel Village. The Project is envisaged to develop a new command area under Indira Sagar Project, by lifting the water to elevated fields, which are uncommendable reaches under gravity flow.
3. **Pranahita-Chevella Lift Irrigation Package-9:** The objective of the scheme is to divert about 160 TMC of surplus water from River Pranahitha to irrigate an ayacut of 12,20,000 Acres in the draught prone areas of Telangana region. The work under Package-9 involves lifting of 6 TMC of water from fore shore of Mid Manair Reservoir near Sirsilla (V&M) to Upper Manair Reservoir near Nirmal (v) Gambhirao Pet (M) of Karimnagar district consists of two stages of lifts.
4. **Pranahita-Chevella Lift Irrigation Package-20:** The objective of the scheme is to divert about 160 TMC of waters from river Pranahitha to irrigate an ayacut of 12,20,000 Acres in the draught prone areas of Telangana region. The Package- 20, is part of seventh link i.e., from SRSP Reservoir to Balancing Reservoir near Masani (V), Nizamabad Mandal & District.

## Dams & Reservoirs:

### 1. Lower Goi Dam Project:

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

### 2. Mid Manair Project:

The objective of the project is construction of balance work of formation of Mid Manair Reservoir from Km 2.0 to Km 10.4 (across Manair river) including construction of spillway, NOFs, R/s. O. T. Sluice and Infall regulator etc., to facilitate impounding a minimum of 25.873 TMC of water at F.R.L. of + 318.00 M on completion of total head works and to discharge a maximum design flood of river Manair of 14395 Cumecs (5.08 Lakh Cusecs).

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

## BUILDINGS & INDUSTRIAL STRUCTURES

The growth rate of an economy is associated with the investment rate and the infrastructure sector is the one that needs large volumes of investments both from domestic as well as foreign investors to kick start the growth engine. The 12th Plan proposes an investment of ₹ 55, 00,000 crores in infrastructure and envisions the private sector sharing 47 percent of the investment. Infrastructure Debt Funds (IDF) will be encouraged which will raise resources through take-out finance, credit enhancement and other innovative means and provide long-term low-cost debt for infrastructure projects. Also, India Infrastructure Finance Corporation Ltd (IIFCL), in partnership with the Asian Development Bank, will offer credit enhancement to infrastructure companies that wish to access the bond market to tap long term funds.

Major works completed by the Company during the year:

- Construction of State Secretariat Building at Naya Raipur.
- Design and Construction for all Main Civil Works for complete External Coal Handling System and Complete Structural works for Mundra, Gujarat.
- Civil & Structural for Coke Drum Area of Coker Unit of Paradip Refinery Project in Orissa for IOCL
- Providing Compound wall, container yard and internal roads to the Container Freight Station at Vallarpadam, Cochin, Kerala

Among the major residential, institutional and technical

building projects awarded to the company and currently under execution are:

- Complete Coal Handling Plant package for Super Thermal Power Project, Stage- HI (2x500 MW) at NTPC-Rihand
- Construction of CIDCO Exhibition Centre including Civil, Interior & Site Development works at Vashi, Navi Mumbai
- Construction of 285 towers housing 4513 flats with a built up area of about 4,00,000 sft spread in 67 acres in the heart of Hyderabad, Chitrapuri, for A.P. Cine Workers Co-operative Housing Society Limited (APCWCHSL)
- Extension of Bihar Vidhan Sabha building for Bihar state government.
- 120 MLA Quarters in Hyderabad, AP
- Valsad new civil hospital & medical college building.

## POWER

Electricity, being the most significant and important scientific discovery of the nineteenth century has become an indispensable part of everyone's life, an integral utility in modern society as well as critical for its continued existence. It has links to everything from a human's subconscious fear of the dark to the practical need for working illumination in an industrialized world. Being the backbone of the civilization, it is paving the way for extended work capabilities, development and comfortable living. Electricity power is the future but it is also the past and present, as without a continuous power supply, many living with assistance would not be able to cope.

The power sector in India is projected to grow rapidly over the next two decades and to be increasingly open to private sector participation, both domestic and foreign. The fifth largest electricity generator in the world and the sixth largest consumer of it, India accounts for 3.4 per cent of the global energy consumption. The country's energy demand is observed has grown at an average of 3.6 per cent per annum. Unlike last year which had the highest ever capacity addition of 20,501 MW (thermal, nuclear and hydro), this year capacity addition of 17,956 MW for the year 2012-13 comprising 15,154 MW of thermal, 802 MW of hydro and 2000 MW of nuclear power was observed.

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

- Design, Supply, Erection, Testing and Commissioning of Traction Overhead Equipment, Switching stations including modification to the existing OHE on the section between Irugur and Coimbatore, Irugur Satellite Goods Terminal, Erode yard and Irugur SSP.
- Civil works for 500 KV, 2500 MW HVDC Terminal

Stations at Mundra and Mohinderbagh for Adani Power Limited.

- 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).

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

- 400 KV Silchar – Imphal Line (A2 Pkg) (Assam) – interconnecting Transmission Line, including river-crossing towers for PGCIL.
- 400 KV Silchar – Merlihat Line (A3 Pkg) (Assam) – interconnecting Transmission Line, including river-crossing towers for PGCIL.
- 400 KV D/C Quad Line for Northern Region Strengthening Scheme (NRSS) Bhiwandi (150 kms)
- 765 KV Angul Pooling Station to Jharsuguda Pooling Station Line 1 (Part 1) in Odhisa.

## TRANSPORTATION

Transport and communication occupy an integral place in the economic and social development of a country. Transport system not only helps to send raw materials and machineries to different industries at right time but also raises production by providing market to it. It rings the underdeveloped are nearer to the developed ones and thus reduces regional industrial disparity. Transport system is also regarded as a strong pillar to protect the people from natural calamities, etc. by sending necessary help to affected people. Above all, it has a social side too that helps establishing relationship among different parts of the people and strengthening the feeling of unity and brotherhood.

The development of transport, especially road transport, is one of the key features of the past 50 years as it has facilitated trade, allowed the improvement of movement of people and goods, has contributed to the removal of barriers and led to a better standard of living. A country's road network should be efficient in order to maximize economic and social benefits. Roads along with enhancing mobility also take people out of isolation and helps in eradicating poverty.

Due to the amplified urbanization, total road length in India has increased eight times over the past four decades. With the highest road density in the world at about 1.29 km of roads per sq. km of area, India's national highways and expressways still constitute only about 1.67 per cent of the road length, with the percentage of paved roads being about 49.3 per cent.

Additionally India's road freight volumes are increasing at a compounded annual growth rate (CAGR) of 9.08 per cent coupled with the growth in the quantity of vehicles (all types) at a CAGR of 10.76 per cent for which road length is increasing at a CAGR of 4.01 per cent.

Some of the remarkable projects undertaken by the company:

- Bhogpur – Mukerian National Highway project – This project entailed 4 – laning and strengthening of existing 2 – lane road on NH – 1 A in Punjab.
- NS – 40 (TN), National Highway Project – The project covers 4 – laning and strengthening the existing 2 – lanes of NH – 7 from Madurai – Kanyakumari.
- Kondalamapatti Interchange – an engineering marvel with 2619m via duct length, 2nd biggest of its kind in Tamil Nadu.

## OVERSEAS FORAYS

IVRCL has left no stone unturned to compete at the global level in EPC segment, for it has spent massive amounts for foraying into international markets, and embracing new verticals that may stand strong as futures of the infrastructure industry. While we seem firm on making a transition into a full-fledged global company across countries, we have the strategy of utilizing our existing clients by providing them with newer variety of services.

A standing testimony to our globetrotting spree comes in the form of expansion of our business to Nepal, Sri Lanka, the Middle East and Africa. IVRCL continues to seek international opportunities and is trying to take maiden steps in emerging overseas markets to mitigate risks and ensure that the contribution in turnover of the company from overseas business is maintained in coming years and eventually reaps profitable growth in the long term.

In Nepal, IVRCL is involved in constructing the 32-MW Rahughat Hydroelectric Station. The site is located along Pokhara Baghlung highway, about 334 km west of Kathmandu.

In Sri Lanka, IVRCL is proud to be a part of their new progress initiatives. The company is constructing 4100 units for relocation of under-served settlements in Colombo. Initiated by the Government of Sri Lanka, through their Urban Development Authority (UDA), this colossal project is presently underway.

In Kuwait, IVRCL is spearheading the construction of water reservoirs and a parking lot for trucks.

In Dubai, the company is constructing an academic institution.

## IVRCL TLT Private Limited

A fabrication and Galvanization Company, Butibori, Nagpur  
The Transmission Tower Manufacturing at MIDC, Butibori,



Nagpur with an installed capacity of 36,000 MT per annum and has been certified by International Standards Certifications Pty. Ltd (ISC) for Integrated Management System (IMS). The unit's phenomenal success over the years is largely due to our strict adherence to International Quality Standards ISO 9001, Environmental Standard ISO 14001 & OHSAS 18001. A rigid and thorough system of IMS is an integral part of the manufacturing process, project management, operations and supply. This manufacturing unit is equipped with world class testing facilities.

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

### **HINDUSTAN DORR – OLIVER LIMITED**

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

### **DAVYMARKHAM LIMITED, U.K.**

DavyMarkham, the engineering design and manufacturing specialist, has its unit in a 20-acre site with 175000 sft of manufacturing space. It's located at the industrial city of Sheffield, a metropolitan borough of South Yorkshire, England, UK. It's a fully owned subsidiary of HDO which in turn is a subsidiary of IVRCL. DavyMarkham has been associated with some of the world's most prestigious engineering companies such as Babcock marine for Test Rigs, Corus for Steel mill components, Rolls Royce for Nuclear Equipments and The Robbins Company for TBM components.

### **RISKS & CONCERNS**

The infrastructure commerce everywhere faces issues and challenges. Although, in developing nations like India, these adversities and challenges are present but there is a general scenario of socio-economic tension, chronic resource shortages and institutional flaws. Contrasted with numerous other industries, the infrastructure business is subject to more dangers attributable to the exclusive features of construction undertakings such as long gestation time span, hold ups due to external factors, complicated acceptance and supervision processes, unsure natural environment, expanded employed capital, conceive variations, need of coordination between task participants, shortage of unskilled/semi-skilled & skilled labor, land acquisition drawback, incident of arguments, localized political agitation and value inflation of building inputs.

IVRCL embarks on a methodical approach to recognize the risks and analyze the probability of incidents and influence of these dangers. These dangers pertain to contractors, purchasers, even government bodies, subcontractors, suppliers and external problems. We endeavor to figure from the practicability phase forwards to handle potential risks in time and co-jointly deploy people with building and management information from the inception to form sound groundwork for completing safe, effective and quality building activities.

At IVRCL, risk avoidance and risk management for projects is handled by the Project Monitoring Cell (PMC) that 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 of projects. It conjointly reports any perceived risk of a 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. To minimize risk, IVRCL chooses its projects discreetly, diversifies in various sectors, expands in geographies and strategically deploys men, machinery and capital. IVRCL is also undertaking fast-track short duration projects to avoid the risk associated with long gestation projects.

Over the years, IVRCL has established its risk management skills. It has also put in place risk management policies, which are periodically reviewed and revamped by the Audit Committees as well as Board of Directors. With its perseverance, IVRCL has been able to shoulder the challenges and emerge as a prospering player in infrastructure business.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

IVRCL maintains a productive system of interior control to:

- Facilitate precise, dependable and speedy compilation of economic information.
- Safeguard the assets and concerns of the business.
- Double-check compliance with all regulations and guidelines.

The company's interior command schemes are corresponding with the character of its business and therefore the size and dimensions with complexity of its procedures, which offer, amidst different things, sensible promise of authorization, notes and description of the transactions of its operations in all material values and of providing protection against important misuse or loss of all the assets of the company.

Some important characteristics of the internal command schemes encompass:

- Well-defined methods for formulating and reconsidering annual and long-term enterprise plans

- Regular audits for all procedures and different systems including projects and international entities
- Productive project administration audits.
- Documentation of major business methods as well as financial dosing.
- Entity-level controls & testing of key controls as a part of compliance to applicable rules & guidelines.
- Firm compliance to all laws and guidelines and company governance issues.
- Safety and security including natural environment related controls for operational effectiveness and potency.

IVRCL sustains a productive scheme of internal command to:

- Safeguard the assets and concerns of the business.
- Facilitate accurate, reliable and speedy compilation of financial data.
- Certify compliance with all laws and regulations.

The company's internal control schemes are commensurate with the environment of its business and the dimensions and complexity of its procedures, which provide, among other things, sensible promise of authorization, recording and describing of the transactions of its operations in all material respects and of providing defense against significant misuse or loss of all the assets of the company.

Some important characteristics of the Internal Control schemes include:

- Productive project administration audits.
- Firm compliance to all regulations and corporate governance issues.
- Documentation of major enterprise methods encompassing economic dosing.
- Well-defined methods for formulating and reconsidering annual and long-term enterprise designs.
- Safety and security encompassing natural environment related controls for operational effectiveness and efficiency.

#### **OPPORTUNITIES & THREATS**

In India, the infrastructure sector could be a major employment driver. It conjointly has in depth backward and forward linkages with different sectors of the economy concerning 250 auxiliary industries like cement, steel, brick, timber and building materials area unit keen about the development trade. Infrastructure growth is critical for the expansion of the general economy that is inter-dependent.

Government policies and budgets have thus been more and more in gear to marketing infrastructure development. The prospects in infrastructure development appear to be smart

with varied opportunities gap up form infrastructure firms like IVRCL in construction of pipelines, transmission lines, roads, railways, buildings & industrial structures. The company's specialized strengths in advanced structures and its skillfulness guarantee a healthy order book.

We have extended our capabilities into new markets of mining and water treatment, among others. We've begun to serve the mining market- serving international mining companies, exploration firms, mining contractors and therefore the world's premier mining consultancies. IVRCL is creating use of all opportunities, domestically as well as globally to diversify business into numerous eligible sectors.

Our control system is managed through continuous internal audit by outside professionals, punctually supported by our in-house internal audit team that is authorized to look at the adequacy and compliance with policies, plans and statutory needs. The internal audit team conjointly conducts regular audits across the company's operations altogether key business areas as per the pre-drawn audit arrange.

All important audit observations and follow up actions are notified to the Audit Committee together with Internal Audit reports and management's responses/replies on that. The minutes of the Audit Committee are reviewed by the Board for its recommendations in order to improve the inner management system. The Audit Committee sporadically reviews audit plans, observations and proposals of internal auditors additionally as external auditors with respect to important risk areas and adequacy of internal controls.

Further, we've got operations in numerous countries viz. Sri Lanka, the center East, UAE, Kenya, Nepal etc. We tend to expect overseas sales to still represent a big portion of our revenue within the predictable future. As a result, we tend to area unit subject to the overall risks of doing business internationally.

#### **BRAND BUILDING**

The Company continued its marketing initiatives to promote the IVRCL brand, and the brand promise of 'envisioning a new world' to its clients. IVRCL participated in leading industry and business events around the country reaffirming its commitment to delivering a complete brand and organizational experience.

Apart from regular channels, IVRCL continues to invest in building the brand in the digital space using premium business and technology channels through focused branded properties and sponsorships.

IVRCL continued to articulate the brand promise internally, using various channels and internal marketing assets and leveraged them to activate the brand amongst employees as well as other important stake holders.

The Corporate Communication department adopted these low cost measures to improve brand visibility.

- Articulated a series of articles (and interviews) on IVRCL in various magazines and select newspapers on IVRCL.
- Increased the brand penetration through various channels.
- PR activity to ensure a perennial flow of news and information about the company.
- Social media presence – Facebook and Twitter.
- Nominated Company and Chairman for various National and International awards.
- Considered expanding the scope and role of MIHIR in-house magazine as an infra magazine (may be for Hyderabad based companies) in the long run.

### **HUMAN RESOURCE STRATEGY**

The Company's innovative human resources management strategies supported its business growth in a challenging environment. The strategic initiative to recruit, integrate and retain a diverse workforce in the IVRCL culture and build a competency-driven organization has helped it retain its leadership position. The focus has been to create an environment where performance is rewarded, individuals are respected and associates get opportunities to realize their potential. The total employee strength is around 4765.

### **Academic Interface Programme**

The Company continues to invest in talent development through a well-established academic interface programme, providing internships, organizing faculty development programmes, conducting student workshops to orient them to the Construction industry and sponsoring technical and research programmes in various institutes.

### **Talent management, leadership development and talent retention**

The Company has been successful in building a performance driven culture. Annual benchmark compensation surveys are used to align our compensation and benefits with market norms. A number of rewards and recognition mechanisms have been institutionalized in the organization to recognize contribution of employees on projects or other key initiatives.

Continuous employee engagement through one-on-one meetings, regular communication and other modes helped the Company foster an open and transparent culture. Towards furthering a healthy work-life balance, the Company also organized fun events, sports, cultural activities and volunteering for social causes.

### **Talent diversity**

The Company's talent acquisition plan includes an optimal mix of fresh and experienced hires with diverse educational, cultural and national backgrounds. The diversity broadens the talent pool available to the Company and at the same time, enriches the quality of workforce coming from different cultures with different outlook, conducive for innovation and improved productivity.

### **FUTURE OUTLOOK**

IVRCL believes the secret of its growth is that it has ridden on the back of great corporate governance practices, with uncompromising leadership. We recognize that people are the real source of competitive advantage. It is through people that we deliver total customer satisfaction. The company has constantly 'reinvented' itself but the core values remained the same: trust, integrity and customer orientation. We believe in sharing, and have shared our success with all the stake holders be it customers, investors and employees.

While IVRCL seems firm on making a transition into a full-fledged global company, it has the strategy of utilizing its existing clients by providing them with a wider variety of services. However, IVRCL has always shown the uncanny knack of showcasing growth, thereby waging battles against the pressure to increase the price of construction material, volatility of currency, inflation of wages, environmental deterrents and competition from other EPC companies.

IVRCL has always made it a point to never take the same flight. That very neatly highlights the 'be sure' model the company has adopted for the last 25 years. However, if the next 25 years are going to see IVRCL in head on collision with other industry heavyweights, and making every effort to try and grab a larger pie of the business, the company might perhaps need a massive metamorphosis and entry into a different terrain. For IVRCL, that marks the beginning of another odyssey that paves the way for the next 25 years.

India is considered to be a vast land of construction opportunities. Deliberate strategy on the part of the Indian government to promote infrastructure spells opportunity for EPC companies. Looking ahead, we believe that it is imperative that infrastructure development occurs in a sustainable manner, in India and around the world. We look forward to continue to grow, to strive and to seek newer horizons. As always, we are in the process of Engi-visioning a new world.

The IVRCL Group's Composite Scheme of Merger was approved by the Hon'ble High Court of Andhra Pradesh vide order dated 2nd July, 2012. The Real Estate wing of the Company's subsidiary IVRCL Assets & Holdings Limited got demerged into a wholly owned subsidiary of the Company, RIHIM Developers Private Limited and the remaining business got merged into IVRCL. Further, the Transmission Tower Manufacturing Division of the Company was demerged into a wholly owned subsidiary, IVRCL TLT Private Limited. The above composite scheme of merger was effective from 1st April, 2011. The current financial year is for a period of 9 months i.e. July 01, 2012 to March 31, 2013.

The following table sets forth the income statement for the financial period (9 months) ended March 31, 2013 and 15 months period ended June 30, 2012. The components of expenses have been expressed as a percentage of total income for the period indicated.

	(₹ in million)	
	March 31, 2013	June 30, 2012
Net Income from operations	37,590.88	61,779.60
Other income	704.13	1,695.58
<b>Total income</b>	<b>38,295.01</b>	<b>63,475.18</b>
Construction expenses	32,065.39	51,450.70
Construction expenses as a percentage to total income	83.73%	81.06%
Employee Benefit expenses	1,774.21	3,232.76
Employee Benefit expenses as a percentage to total income	4.63%	5.09%
Other Expenses	1,028.07	2,089.01
Other expenses as a percentage to total income	2.68%	3.29%
EBITDA	3,427.34	6,702.71
EBITDA- percentage to total income	8.95%	10.56%
Finance cost	3,478.88	5,050.92
Finance cost as a percentage to total income	9.08%	7.96%
Depreciation	639.67	1,189.41
Depreciation as a percentage to total income	1.67%	1.87%
Profit Before Tax(PBT)	(691.21)	462.38
PBT-percentage to total income	(1.80%)	0.73%
Profit After Tax(PAT)	(1,016.61)	180.81
PAT-percentage to total income	(2.65%)	0.28%

The order book position of the Company stood at ₹ 274,440 million as on March 31, 2013 as compared to ₹ 271,310 million as on the previous period ended June 30, 2012. The Company could bag fresh orders amounting to ₹ 40,470 million during the financial period ended March 31, 2013.

### Revenue from operations:

The Company could maintain almost the same turnover of the previous financial period on an annualized basis despite adverse business conditions for the infrastructure industry. There were continual problems such as unavailability of fronts and permissions by various authorities, tightening of bank finance etc.

### Cost:

Construction expenses as a percentage to total income increased by 2.67% during the period as compared to the previous period mainly because of charge of additional cost in some closed projects. There were marginal savings in Employee cost and other administrative expenses due to certain cost control measures initiated during the period. Increase in finance cost is due to higher debt and increase in interest rates.

### Profitability:

EBITDA for the 9 months period ending March 31, 2013 reduced by 1.61% because of increase in prime cost. The negative Profit before Tax (PBT) is mainly due to higher finance cost. The Company has lodged claims to the extent of around ₹ 20,500 million with some of the clients towards deviation in design, idle time charges etc. out of which claim amount of ₹ 8,300 million are under arbitration. The above claims would be accounted for as and when certainty as regards acceptance of the claims are established.

# AUDITORS' REPORT



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

### IVRCL LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **IVRCL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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

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

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

#### Basis for Qualified Opinion

*We refer to Note 26 of the financial statements wherein the Management of the Company has considered Trade Receivables amounting to ₹ 2,157.42 million as good and fully recoverable. In the absence of external balance confirmations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.*

#### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the nine month period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the nine month period ended on that date.

### **Emphasis of Matter**

Attention is invited to Note 43 to the Financial Statements regarding managerial remuneration for which the Central Government's approval is awaited. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) *Except for the matter described in the Basis for Qualified Opinion paragraph*, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion*, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

Hyderabad, May 30, 2013

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

**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

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

- (i) Having regard to the nature of the Company's business / activities during the period, clauses (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the procedures of physical verification by way of physical count are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
  - (a) The Company has granted loans aggregating ₹ 103.19 million to two parties during the period. At the period-end, the outstanding balances of such loans granted aggregated ₹ 1,120.99 million (two parties) and the maximum amount involved during the period was ₹ 1,120.99 million (two parties).
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
  - (c) In accordance with the terms of loan, the principal, along with interest thereon is receivable in five annual installments after a moratorium of five years from the date of disbursement, or earlier. No installments were due during the current period and interest amounts have been received as stipulated.
  - (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii) (e), (f) and (g) of CARO are not applicable.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, and that the invoices issued by the company involve technical estimates and measurements which may not at times be readily accepted by the customer, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956.
- (viii) In our opinion, the internal audit functions carried out during the period by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has not been regular in depositing undisputed statutory dues, in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax and Service Tax with the appropriate authorities. The Company has been regular in depositing undisputed dues relating to Wealth Tax, Customs Duty and Investor Education and Protection Fund.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues, except in respect of Sales Tax, which is in arrears as at March 31, 2013 for a period of more than six months from the date they became payable. The details of such delays are given below:

Name of Statute	Nature of dues	Amount (₹ Million)	Period to which the amount relates to	Due Date	Date of Payment
Sales Tax and VAT Laws	Works Contract Tax	17.03	August 2012	September 2012	Not paid

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ million)
Sales Tax and VAT Laws	Sales Tax and VAT	Appellate Authority -Upto Commissioner's / Revisional Authorities Level	2004-05 to 2011-12	626.68
		Appellate Authority - Tribunal Level	2003-04 to 2006-07	74.51
		High Court	2007-08	144.03
Andhra Pradesh Tax on Entry of Motor Vehicles Act, 1996	Entry Tax	Appellate Authority - Tribunal Level	2001-02	0.83
Rajasthan Tax, on Entry of Goods into Local Areas Act. 1999	Entry Tax	Appellate Authority - Upto Commissioner's Level	2006-07	6.47
Finance Act, 1994	Service Tax	Appellate Authority - Upto Commissioner's Level	2005-06 to 2012-13	340.87
		Appellate Authority - Tribunal Level	2004-05 to 2010-11	1,564.24

- (xi) The Company does not have any accumulated losses at the end of the financial period and has not incurred cash losses during the financial period and in the immediately preceding financial period.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders. The Company has defaulted in repayment of dues to financial institutions and banks as stated below:



Principal amount of default (₹ in Million)	Period of delay (in days)
1,000.00	89
250.00	6
250.00	4
180.00	1
170.00	2
54.61	123 to 138
54.61	140 to 215
54.61	46 & 49*
35.00	59**
35.00	31**
32.50	121**
25.00	90**
27.50	1**
200.00	3
50.00	1
78.19	8

\* Principal amount of ₹ 53.64 million is outstanding for repayment as at March 31, 2013. Period of delay in days as at March 31, 2013 is 49 days.

\*\* Principal amounts are outstanding as at March 31, 2013.

Interest amount of default (₹ in Million)	Period of delay (in days)	Interest amount of default (₹ in Million)	Period of delay (in days)
2.23	10	1.78	120
2.24	28	1.85	89
2.30	20	1.91	58
2.24	141	1.78	30
2.18	111	1.98	1*
0.58	80	1.27	1
1.41	81	1.32	2
1.99	50	1.57	1
1.60	22	11.43	4
1.54	1*	11.43	12
9.89	21	10.90	4
10.15	21	0.21	5
5.00	43	11.43	19
5.00	49	11.15	4
0.11	51	12.06	68
4.89	22	11.60	37
5.07	25	10.48	9
10.11	18	11.33	1
0.18	55	8.80	2
0.02	25	8.79	60
10.44	79	7.47	30
10.30	48	8.24	4
1.70	48	9.10	53
10.31	18	8.32	22
1.70	18	9.79	7
10.07	8*	9.84	1
7.53	31*	1.25	1
9.51	1*	2.76	1
1.84	28	2.76	1
1.72	20	0.87	7
1.55	150	11.02	2

40 \* Interest amounts are outstanding as at March 31, 2013.

- (xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the period for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to ₹ 2,009.72 million have been used towards investments (including loans) in its subsidiaries.
- (xvi) As more fully described in Note 42 to the financial statements, in terms of the proceedings before the Income Tax Settlement Commission pursuant to search and seizure operations carried out by the Income Tax Authorities in earlier years, the Company has filed a Settlement Application during the period under audit, submitting unexplained expenditure aggregating to ₹ 1,387.74 million, which inter alia include amounts relating to misappropriation of materials and certain expenditure which could include possible diversion of funds by an employee for purposes other than business, resulting in consequential undisclosed income and taxes thereon (including interest) of ₹ 579.56 million. Other than the above, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

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

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

Hyderabad, May 30, 2013

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

**Ganesh Balakrishnan**  
Partner  
(Membership No. 201193)

# Balance Sheet as at March 31, 2013



(₹ in million)

	Note No.	As at 31.03.2013		As at 30.06.2012	
<b>I. Equity and Liabilities</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	3	613.77		534.02	
(b) Share Capital Suspense	3A	-		79.75	
(c) Reserves and Surplus	4	21,077.97		22,091.03	
			21,691.74		22,704.80
<b>2. Non-Current Liabilities</b>					
(a) Long-Term Borrowings	5	2,553.10		3,752.61	
(b) Long-Term Provisions	6	76.18		74.19	
			2,629.28		3,826.80
<b>3. Current Liabilities</b>					
(a) Short-Term Borrowings	7	22,494.35		20,946.89	
(b) Trade Payables	8	17,867.28		15,941.17	
(c) Other Current Liabilities	9	19,812.62		15,204.04	
(d) Short-Term Provisions	6	199.27		209.54	
			60,373.52		52,301.64
<b>Total</b>			<b>84,694.54</b>		<b>78,833.24</b>
<b>II. Assets</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	10	6,563.29		6,875.86	
(ii) Intangible Assets	10	19.60		23.22	
(iii) Capital Work-in-Progress		5.40		15.15	
			6,588.29		6,914.23
(b) Non-Current Investments	11	16,535.46		15,842.96	
(c) Deferred Tax Assets (Net)	12	306.52		388.60	
(d) Long-Term Loans and Advances	13	8,454.36		7,167.45	
(e) Other Non-Current Assets	14	5,551.75		5,380.08	
			30,848.09		28,779.09
			37,436.38		35,693.32
<b>2. Current Assets</b>					
(a) Inventories	15	2,687.07		2,723.30	
(b) Trade Receivables	16	18,667.37		19,259.43	
(c) Cash and Bank Balances	17	923.82		884.71	
(d) Short-Term Loans and Advances	18	9,264.45		7,087.51	
(e) Other Current Assets	19	15,715.45		13,184.97	
			47,258.16		43,139.92
<b>Total</b>			<b>84,694.54</b>		<b>78,833.24</b>
<b>Accompanying Notes forming part of the Financial Statements</b>	<b>1-50</b>				

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**R. N. Chaturvedi**  
Partner

**Ganesh Balakrishnan**  
Partner

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

Date : May 30, 2013  
Place : Hyderabad

**B. Subrahmanyam**  
Company Secretary

**Statement of Profit and Loss for the Period from  
July 01, 2012 to March 31, 2013**



(₹ in million)

	Note No.	Period from 01.07.2012 to 31.03.2013	Period from 01.04.2011 to 30.06.2012
<b>I. Income</b>			
(a) Income from Operations	20	37,590.88	61,779.60
(b) Other Income	21	704.13	1,695.58
<b>Total Income</b>		<b>38,295.01</b>	<b>63,475.18</b>
<b>II. Expenditure</b>			
(a) Purchase of Stock-in-Trade (Traded Goods)		5.83	205.66
(b) Construction Expenses	22	32,059.56	51,245.04
(c) Employee Benefits Expense	23	1,774.21	3,232.76
(d) Other Expenses	24	1,028.07	2,089.01
(e) Finance Costs	25	3,478.88	5,050.92
(f) Depreciation and Amortisation Expense	10	639.70	1,189.45
Less : Transferred to Revaluation Reserve		0.03	0.04
		639.67	1,189.41
<b>Total Expenditure</b>		<b>38,986.22</b>	<b>63,012.80</b>
<b>III. (Loss) / Profit Before Tax (I - II)</b>		<b>(691.21)</b>	<b>462.38</b>
<b>IV. Tax Expense</b>			
(a) Current Tax Expense for Current Year		390.05	610.94
(b) Current Tax relating to prior years		(146.73)	145.73
(c) Deferred Tax		82.08	(475.10)
		325.40	281.57
<b>V. (Loss) / Profit for the Period (III - IV)</b>		<b>(1,016.61)</b>	<b>180.81</b>
<b>VI. Earnings Per Share (Face Value ₹ 2 each)</b>	30		
Basic & Diluted (₹)		(3.31)	0.59
<b>Accompanying Notes forming part of the Financial Statements</b>	1-50		

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**R. N. Chaturvedi**  
Partner

**Ganesh Balakrishnan**  
Partner

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

Date : May 30, 2013  
Place : Hyderabad

**B. Subrahmanyam**  
Company Secretary

**Cash Flow Statement for the Period from  
July 01, 2012 to March 31, 2013**



(₹ in million)

	Period from 01.07.2012 to 31.03.2013		Period from 01.04.2011 to 30.06.2012	
<b>A. Cash Flow from Operating Activities</b>				
<b>(Loss) / Profit Before Tax</b>		<b>(691.21)</b>		<b>462.38</b>
Adjustment for				
Depreciation and Amortisation Expense	639.67		1,189.41	
Dividend received on Investments	(0.02)		(31.86)	
Loss on Sale of Fixed Assets	55.90		25.61	
Gain on Sale of Investments	(183.50)		(1,169.85)	
Provision for doubtful debts, advances and deposits	122.07		478.50	
Provision for diminution in value of Investments	1.28		22.20	
Liabilities no longer required written back	(6.87)		(78.18)	
Net Unrealised Exchange (Gain) / Loss	(12.73)		4.50	
Interest Income	(198.87)		(359.26)	
Finance Costs	3,478.88	3,895.81	5,050.92	5,131.99
<b>Operating Profit before Working Capital Changes</b>		<b>3,204.60</b>		<b>5,594.37</b>
<i>Changes in Working Capital</i>				
Decrease / (Increase) in Inventories	36.23		(871.18)	
Decrease in Trade Receivables	372.92		4,402.65	
Increase in Loans & Advances and Other Current Assets	(4,691.06)		(4,226.13)	
Increase in Current Liabilities	4,908.74	626.83	796.22	101.56
<b>Cash generated from Operations</b>		<b>3,831.43</b>		<b>5,695.93</b>
Net Income Tax paid (Net of Refunds)		(215.79)		(1,309.31)
<b>Net Cash Flow from Operating Activities</b>		<b>3,615.64</b>		<b>4,386.62</b>
<b>B. Cash Flow from Investing Activities</b>				
Capital Expenditure on Fixed Assets (including Capital Advances)	(482.14)		(1,588.05)	
Proceeds from Sale of Fixed Assets	31.98		399.46	
Proceeds from Sale of Long-Term Investments	183.60		2,202.10	
Purchase / Subscription of Long-Term Investments :				
- Subsidiaries	(693.88)		(3,632.74)	
- Associates	-		(0.13)	
- Mutual Funds	-		(2.00)	
Proceeds from sale of Development Rights	-		1,854.44	
Loans given to Subsidiaries	(1,461.77)		(2,418.34)	
Loans realised from Subsidiaries	74.07		1,544.30	
Bank Balances / Term Deposits with Banks not considered as Cash and Cash Equivalents (net)	17.51		(43.71)	
Interest Received	187.91		345.46	
Dividend received on Long-Term Investments				
- Subsidiaries	-		31.84	
- Others	0.02		0.02	
<b>Net Cash Flow used in Investing Activities</b>		<b>(2,142.70)</b>		<b>(1,307.35)</b>

**Cash Flow Statement for the Period from  
July 01, 2012 to March 31, 2013**



(₹ in million)

	Period from 01.07.2012 to 31.03.2013		Period from 01.04.2011 to 30.06.2012	
<b>C. Cash Flow from Financing Activities</b>				
Repayment of Non-Convertible Debentures	(850.00)		(2,800.00)	
Proceeds from Non-Convertible Debentures	-		100.00	
Proceeds from Long-Term Borrowings	807.14		2,048.29	
Repayment of Long-Term Borrowings	(561.72)		(2,209.51)	
Proceeds from Short-Term Borrowings	2,547.46		4,527.78	
(Net of Repayments)				
Finance Costs Paid	(3,313.90)		(5,074.97)	
Dividends Paid	-		(160.21)	
Tax on Dividend	-		(25.99)	
<b>Net Cash Flow used in Financing Activities</b>		<b>(1,371.02)</b>		<b>(3,594.61)</b>
Net increase in Cash and Cash Equivalents (A+B+C)		101.92		(515.34)
Cash and Cash Equivalents at the beginning of the period		748.35		1,260.47
Cash and Cash Equivalents taken over pursuant to Composite Scheme of Arrangement		-		7.54
Cash and Cash Equivalents transferred pursuant to Composite Scheme of Arrangement		-		(4.46)
Effect of Exchange differences on restatement of Foreign Currency Cash and Cash Equivalents		(0.02)		0.14
<b>Cash and Cash Equivalents at the end of the period</b>		<b>850.25</b>		<b>748.35</b>

**Notes:**

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

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**R. N. Chaturvedi**  
Partner

**Ganesh Balakrishnan**  
Partner

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

Date : May 30, 2013  
Place : Hyderabad

**B. Subrahmanyam**  
Company Secretary

## 1. Corporate Information

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

## 2. Accounting Policies

### 2.1 Basis of Preparation

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

The Board of Directors of the Company vide resolution dated March 28, 2012, approved extension of financial period 2011-12 of the Company by a period of 3 months i.e., 15 months period ending June 30, 2012 and subsequent financial period for a period of 9 months i.e., July 01, 2012 to March 31, 2013. Hence, the figures for the current period are strictly not comparable with those of the previous period.

### 2.2 Use of Accounting Estimates

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

### 2.3 Recognition of Contract Revenue and Expenses

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

### 2.4 Revenue from Joint Venture Contracts

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

### 2.5 Revenue from Sale of Goods

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

### 2.6 Employee Benefits

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

#### (i) Defined contribution plans

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

#### (ii) Defined benefit plans

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

#### (iii) Short-term employee benefits

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

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

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

#### (iv) Long-term employee benefits

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

### 2.7 Fixed Assets

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

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



## **Capital work-in-progress:**

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

## **2.8 Depreciation and Amortisation**

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

- Steel Shuttering 10%
- Wood Shuttering 33 1/3 %

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

## **2.9 Impairment of Assets**

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

## **2.10 Foreign Currency Transactions and Foreign Operations**

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

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

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

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

## **2.11 Investments**

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

## **2.12 Inventories**

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

## **2.13 Borrowing Costs**

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

### 2.14 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.15 Income Taxes

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

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

### 2.16 Earnings Per Share (EPS)

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

### 2.17 Cash Flow Statement

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

### 2.18 Leases

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

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

### 2.19 Current / Non-Current Classification

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

## 3. Share Capital

	As at 31.03.2013		As at 30.06.2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
<b>Authorised :</b>				
Equity shares of ₹ 2 each	1,625,000,000	3,250.00	1,625,000,000	3,250.00
Preference shares of ₹ 2 each	25,000,000	50.00	25,000,000	50.00
	<b>1,650,000,000</b>	<b>3,300.00</b>	<b>1,650,000,000</b>	<b>3,300.00</b>
<b>Issued, Subscribed and Paid-up :</b>				
Equity shares of ₹ 2 each fully paid-up	306,886,648	613.77	267,009,858	534.02
	<b>306,886,648</b>	<b>613.77</b>	<b>267,009,858</b>	<b>534.02</b>

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

	As at 31.03.2013		As at 30.06.2012	
	No. of Equity Shares	₹ in million	No. of Equity Shares	₹ in million
At the beginning of the Period	267,009,858	534.02	267,009,858	534.02
Add : Issued during the period pursuant to Composite Scheme of Arrangement (Refer Note 28)	39,876,790	79.75	-	-
Outstanding at the end of the period	306,886,648	613.77	267,009,858	534.02

## 3.2 Terms / Rights attached to Equity Shares

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

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

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

- 1) The Company had allotted 133,504,929 equity shares of ₹ 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ₹ 267.01 million from General Reserve.
- 2) Pursuant to Composite Scheme of Arrangement, the Company has issued 39,876,790 shares of ₹ 2 each as fully paid-up shares during the current period (Refer Note 28).

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

	As at 31.03.2013		As at 30.06.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Asian Satellite Broadcast Private Limited	-	-	20,294,000	7.60
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	-	-	16,633,913	6.23
E. Sudhir Reddy	-	-	14,920,594	5.59

## 3A. Share Capital Suspense

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Share Capital Suspense	-	79.75

39,876,790 (2011-12: Nil) Equity Shares of ₹ 2 each, fully paid, have been issued pursuant to Composite Scheme of Arrangement (Refer Note 28)

## 4. Reserves and Surplus

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(a) Capital Reserve</b>		
Opening Balance	2,576.68	0.09
Add: Pursuant to the Composite Scheme of Arrangement (Net)	-	2,576.59
Closing Balance	<b>2,576.68</b>	<b>2,576.68</b>
<b>(b) Securities Premium Account</b>	<b>10,521.20</b>	<b>10,521.20</b>
<b>(c) Revaluation Reserve</b>		
Opening Balance	28.33	28.37
Less : Depreciation on revalued portion of assets	(0.03)	(0.04)
Closing Balance	<b>28.30</b>	<b>28.33</b>
<b>(d) General Reserve</b>		
Opening Balance	3,247.35	3,247.35
Add : Transfer from Surplus in Statement of Profit and Loss	112.50	-
Closing Balance	<b>3,359.85</b>	<b>3,247.35</b>
<b>(e) Debenture Redemption Reserve</b>		
Opening Balance	612.50	562.50
(Less) / Add : Transfer to Surplus in Statement of Profit and Loss (Refer Note below)	(112.50)	50.00
Closing Balance	<b>500.00</b>	<b>612.50</b>
<b>(f) Foreign Exchange Translation Reserve</b>		
Opening Balance	(4.75)	1.23
Add : Effect of Foreign Exchange variations during the period	3.58	(5.98)
Closing Balance	<b>(1.17)</b>	<b>(4.75)</b>
<b>(g) Surplus in Statement of Profit and Loss</b>		
Opening Balance	5,109.72	4,978.91
Add: (Loss) / Profit for the Period	(1,016.61)	180.81
Less : Appropriations		
Transfer from / (to) Debenture Redemption Reserve	112.50	(50.00)
Transfer to General Reserve	(112.50)	-
Closing Balance	<b>4,093.11</b>	<b>5,109.72</b>
	<b>21,077.97</b>	<b>22,091.03</b>

Note: 750 and 100 Non-Convertible Debentures of ₹ 1,000,000 each have been fully repaid during the period [Refer Note 5.1 (b) and (c)]. Consequently debenture redemption reserve in respect of such debentures has been transferred to Surplus in Statement of Profit and Loss.

## 5. Long-Term Borrowings

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
	Non-Current	Current@	Non-Current	Current@
<b>Secured</b>				
(a) <b>Debentures</b> (Refer Note 5.1)				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	2,000.00	-
- 9.50% Redeemable, Non-Convertible Debentures	-	-	-	750.00
- 11.50% Redeemable, Non-Convertible Debentures	-	-	-	100.00
(b) <b>Term Loans</b>				
- From Banks (Refer Note 5.2, 5.4 and 5.5)	934.09	635.58	608.12	438.86
- From Others (Refer Note 5.3 and 5.5)	948.65	327.33	892.00	268.00
(c) <b>Earth Moving Equipment and Vehicle Loans</b> (Refer Note 5.6)				
- From Banks	134.15	62.48	172.17	55.85
- From Others	86.21	99.38	80.32	67.12
<b>Unsecured</b>				
Term Loans from Banks [Refer Note 5.2 (d)]	450.00	150.00	-	-
	<b>2,553.10</b>	<b>3,274.77</b>	<b>3,752.61</b>	<b>1,679.83</b>

@ Amount included under Note 9 - Other Current Liabilities

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

**(a) 12.15% Non-Convertible Debentures**

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

**(b) 9.50% Non-Convertible Debentures**

1,500 Debentures of ₹ 1,000,000 each issued to RHC Holding Private Limited during the year 2009-10. The debentures shall be redeemed in two equal installments of ₹ 750 million each at the end of 24 months (i.e., March 10, 2012) and 36 months (i.e., March 10, 2013) respectively from the date of allotment. The debentures are secured by way of first ranking exclusive charge over vacant freehold urban land owned by the Company and its subsidiaries. These debentures were redeemed on the due dates.

**(c) 11.50% Non-Convertible Debentures**

100 Debentures of ₹ 1,000,000 each were issued to Central Bank of India Employees Provident Fund Trust during the period 2011-12. The debentures shall be redeemed at the end of 367 days (i.e., August 4, 2012). The debentures are secured by way of first pari passu charge over certain specific fixed assets of the Company. These debentures were redeemed on the due date.

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

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The loan is repayable in 1 installment of ₹ 55.11 million from the balance sheet date. The balance outstanding as at March 31, 2013 is ₹ 108.75 million, including overdue amount of ₹ 53.64 million (Refer Note 5.5).

**(b) Standard Chartered Bank (External Commercial Borrowings)**

Secured by first charge on exclusive hypothecation of construction equipment procured out of loan amount.

The details for each disbursement are as under:

S. No	Outstanding as on 31.03.2013 (in million)		Repayable in	Period of maturity w.r.t Balance sheet Date	Rate of Interest p.a
	USD	INR			
1	2.81	130.50	9 equal quarterly installments of ₹ 14.50 million each	2 years 3 months	8.90%
2	3.75	170.06	12 equal quarterly installments of ₹ 14.17 million each	2 years 10 months	9.38%
3	1.88	84.66	12 equal quarterly installments of ₹ 7.05 million each	2 years 11 months	9.50%
4	4.06	183.14	13 equal quarterly installments of ₹ 14.08 million each	3 years 2 months	9.85%
5	2.19	96.47	14 equal quarterly installments of ₹ 6.89 million each	3 years 4 months	9.85%
<b>Total</b>	<b>14.69</b>	<b>664.83</b>			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations [Refer Note 45(a)]

**(c) IndusInd Bank**

The loan amount of ₹ 396.09 million, is to be secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is 18.75% p.a. and repayable in 4 equal semi-annual installment of ₹ 100.00 million each commencing from September 2013. The balance outstanding as at March 31, 2013 is ₹ 396.09 million.

**(d) Union Bank of India**

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

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

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 8 equal quarterly installments of ₹ 50.00 million and last installment of ₹ 250.00 million, the period of maturity is 2 years 1 month from balance sheet date. The balance outstanding as at March 31, 2013 is ₹ 650.00 million.

**Loan II**

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 18 quarterly installments of ranging from ₹ 17.00 million to ₹ 40.00 million. The period of maturity from balance sheet date is 4 years 3 months. The rate of interest is IDBI Bank Base Rate plus 4.5% p.a. The balance outstanding as at March 31, 2013 is ₹ 465.98 million.

**(b) TATA Capital Limited:**

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ₹ 26.67 million each, commencing from July 2013. The period of maturity from balance sheet date is 1 year 10 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at March 31, 2013 is ₹ 160.00 million.

5.4 **Details of Long-Term Borrowings guaranteed by some of the Directors** (₹ in million)

	As at 31.03.2013	As at 30.06.2012
Term Loan from Banks	1,000.00	-

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

	Period of Default As at 31.03.2013	₹ in million
Repayment of Term Loan from Banks	50 Days	53.64
Interest on Term Loan		
- From Banks	8 Days	10.07
	31 Days	7.53
	1 Day	1.54
- From Others	1 Day	9.51
	16 Days	5.98
	16 Days	5.25

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

Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 7 to 60 months and carry interest rate ranging from 8.50% to 13.50% p.a.

6. **Provisions** (₹ in million)

	As at 31.03.2013		As at 30.06.2012	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Gratuity (Refer Note 40)	-	62.79	-	45.44
(b) Compensated Absences	76.18	136.48	74.19	150.50
(c) Expected loss on contracts	-	-	-	13.60
	<b>76.18</b>	<b>199.27</b>	<b>74.19</b>	<b>209.54</b>

7. **Short-Term Borrowings** (₹ in million)

	As at 31.03.2013		As at 30.06.2012	
<b>Secured</b>				
<b>Loans repayable on demand from Banks</b>				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 7.1)	10,156.85		8,803.17	
(b) Project - Specific Working Capital Loans (Refer Note 7.2 and 7.5)	9,724.69		8,841.82	
		<b>19,881.54</b>		<b>17,644.99</b>
<b>Unsecured</b>				
(a) Short-Term Loans from Banks (Refer Note 7.3)	250.00		1,800.00	
(b) Buyers' Credit	28.89		-	
(c) Commercial Paper (Refer Note 7.4)	-		1,100.00	
(d) Working Capital Demand Loans and other Credit Facilities from Banks	2,333.92		401.90	
		<b>2,612.81</b>		<b>3,301.90</b>
		<b>22,494.35</b>		<b>20,946.89</b>

**7.1 Cash Credits and Working Capital Demand Loan from Consortium Banks**

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and certain Plant & Machinery and equipment valuing ₹137.32 million and ₹ 0.66 million not charged to other lenders. Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 133.71 million and lien of the Fixed Deposit of ₹4.20 million. The loans are Second Charged on current assets of the specific-funding projects on reciprocal basis. The borrowings carry interest rate ranging from 10.20% to 14.00% p.a.

**7.2 Project Specific Working Capital Loan from Banks**

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

**7.3 Short-Term Loans from Banks - Bank of Nova Scotia**

Loan is repayable in 1 installment within 30 days (i.e., April 5, 2013) from the date of disbursement. The rate of interest is 12.75% p.a. and the balance outstanding as at March 31, 2013 is ₹ 250.00 million

**7.4 Commercial Paper**

The amount of Commercial Papers outstanding as at March 31, 2013 is ₹ Nil (2011-12 : ₹ 1,100.00 million). The maximum amount outstanding during the period was ₹ 1,100.00 million (2011-12 : ₹ 7,400.00 million).

**7.5 Details of defaults in repayment of loans as on the Balance Sheet date**

	Period of Default As at 31.03.2013	₹ in million
<b>Project - Specific Working Capital Loans</b>		
- Repayment of Loan Amount	1 Day	27.50
	31 Days	35.00
	59 Days	35.00
	90 Days	25.00
	121 Days	32.50
- Payment of Interest on Project - Specific Working Capital Loans	1 Day	1.98

**8. Trade Payables**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(i) Acceptances	1,620.82	2,344.47
(ii) Other than Acceptances	16,246.46	13,596.70
	<b>17,867.28</b>	<b>15,941.17</b>



## 9. Other Current Liabilities

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	3,274.77	1,679.83
(b) Interest accrued but not due on Borrowings	38.49	38.68
(c) Interest accrued and due on Borrowings	83.27	47.49
(d) Advances received from Contractee-Clients	12,137.74	10,193.63
(e) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(f) Payable to Related Parties		
- Subsidiaries	3.16	0.84
- Joint Ventures	700.74	132.90
(g) Other Payables		
(i) Interest accrued on others	291.78	167.07
(ii) Payables for purchase of Fixed Assets	38.20	157.25
(iii) Accrued Salaries and Employee Benefits	413.91	419.63
(iv) Statutory Remittances	1,145.26	738.98
(v) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956		
- Unclaimed Public Deposits (including interest)	0.25	0.25
- Unclaimed Dividends	4.96	5.39
- Unclaimed Share Application Money	0.48	0.48
(vi) Interest on amounts due to Micro and Small Enterprises	5.03	0.36
(vii) Others	228.05	174.73
	<b>19,812.62</b>	<b>15,204.04</b>

(₹ in million)

	Gross Block				Depreciation / Amortisation						Net Block	
	As at 30.06.2012	Additions		As on 31.03.2013	For the Period	Adj/ Deletion	on Demerger*	Upto 31.03.2013	As at 31.03.2013	As at 30.06.2012	As at 31.03.2013	As at 30.06.2012
		on Amalgations*	During the Period									
<b>Tangible Assets</b>												
Land - Freehold	446.10	-	13.97	451.47	-	-	-	-	-	-	451.47	446.10
Land - Leasehold	(360.38)	-	(89.15)	(446.10)	-	-	-	-	-	-	-	-
	0.08	-	-	(0.08)	-	0.08	-	-	-	-	-	-
	(17.64)	-	-	(17.56)	-	-	(0.81)	(0.08)	-	-	-	-
Buildings	1,011.38	-	112.20	1,111.55	63.14	12.89	-	439.71	-	671.84	621.92	621.92
	(1,041.52)	(14.75)	(83.16)	(1,011.38)	(181.25)	(37.85)	(6.28)	(389.46)	-	4,200.26	4,604.37	4,604.37
Plant & Machinery	6,548.57	-	256.90	6,431.26	399.21	112.41	-	2,231.00	-	1,001.17	953.13	953.13
	(5,870.28)	(1.66)	(1,199.83)	(6,548.57)	(692.56)	(144.57)	(0.96)	(802.06)	-	77.26	78.27	78.27
Motor Vehicles	1,584.99	-	12.47	1,803.23	144.51	(25.69)	-	85.75	-	120.00	121.81	121.81
	(1,489.13)	(17.96)	(284.17)	(1,584.99)	(248.07)	(57.63)	(0.96)	(631.86)	-	41.29	50.26	50.26
Furniture	157.34	-	5.67	163.01	8.23	1.55	-	8.23	-	6,563.29	6,875.86	6,875.86
	(138.75)	(11.09)	(17.66)	(157.34)	(22.27)	(5.52)	(0.77)	(79.07)	-	19.60	23.22	23.22
Office Equipment	166.70	-	5.86	170.14	44.89	0.90	-	50.14	-	6,582.89	6,899.08	6,899.08
	(141.93)	(20.69)	(16.46)	(166.70)	(39.02)	(6.91)	(0.43)	(44.89)	-	3,708.44	3,708.44	3,708.44
Computers	144.36	-	2.84	141.07	13.36	7.68	-	99.78	-	6,563.29	6,875.86	6,875.86
	(137.09)	(2.29)	(8.53)	(144.36)	(25.61)	(1.60)	(0.85)	(94.10)	-	6,563.29	6,875.86	6,875.86
<b>Total</b>	<b>10,059.52</b>	-	<b>409.91</b>	<b>10,271.73</b>	<b>634.60</b>	<b>109.82</b>	-	<b>3,708.44</b>	-	<b>6,563.29</b>	<b>6,875.86</b>	<b>6,875.86</b>
	(9,196.72)	(68.44)	(1,698.96)	(10,059.52)	(1,182.97)	(254.08)	(39.95)	(3,183.66)	-	6,563.29	6,875.86	6,875.86
<b>Intangible Assets</b>												
Computer Software	54.20	-	1.48	55.61	5.10	0.07	-	36.01	-	19.60	23.22	23.22
	(45.55)	-	(16.08)	(54.20)	(6.48)	(4.98)	-	(30.98)	-	19.60	23.22	23.22
<b>Total</b>	<b>54.20</b>	-	<b>1.48</b>	<b>55.61</b>	<b>5.10</b>	<b>0.07</b>	-	<b>36.01</b>	-	<b>19.60</b>	<b>23.22</b>	<b>23.22</b>
	(45.55)	-	(16.08)	(54.20)	(6.48)	(4.98)	-	(30.98)	-	6,582.89	6,899.08	6,899.08
<b>Grand Total</b>	<b>10,113.72</b>	-	<b>411.39</b>	<b>10,327.34</b>	<b>639.70</b>	<b>109.89</b>	-	<b>3,744.45</b>	-	<b>6,582.89</b>	<b>6,899.08</b>	<b>6,899.08</b>
Previous Year	(9,242.27)	(68.44)	(1,715.04)	(10,113.72)	(1,189.45)	(259.06)	(39.95)	(3,214.64)	-	6,582.89	6,899.08	6,899.08

\* Refer Note 28

Notes

- Land-Freehold includes
  - ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer
  - ₹ 50.66 million (2011-12 : ₹50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
  - ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
  - ₹ 150.20 million in respect of which the conveyance deed is yet to be executed
  - Leasehold premises of ₹ 27.50 million (2011-12 : ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid upfront with no further significant obligations.
- Figures in brackets and in italics represents numbers relating to previous period.
- Depreciation and Amortisation Expense:

	Period from 01.07.2012 to 31.03.2013		Period from 01.04.2011 to 30.06.2012	
Depreciation for the period on Tangible Assets	634.60	1,182.97	634.60	1,182.97
Amortisation for the period on Intangible Assets	5.10	6.48	5.10	6.48
Less: Transferred to Revaluation Reserve	(0.03)	(0.04)	(0.03)	(0.04)
Depreciation and Amortisation Expense	<b>639.67</b>	<b>1,189.41</b>	<b>639.67</b>	<b>1,189.41</b>

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

	As at 31.03.2013		As at 30.06.2012	
	No.	₹ in million	No.	₹ in million
<b>A. Trade Investments</b>				
(At cost less provision for diminution in value)				
<b>I. Equity Shares</b>				
<b>(i) Subsidiary Companies (Refer Note 27 and 46)</b>				
<b>Quoted:</b>				
Hindustan Dorr-Oliver Limited (Face Value of ₹ 2 each)	39,804,430	657.53	39,804,430	657.53
<b>Unquoted:</b>				
IVRCL PSC Pipes Private Limited	167,000	1.67	167,000	1.67
IVR Enviro Projects Private Limited	2,924,550	29.25	2,924,550	29.25
Chennai Water Desalination Limited	129,737,411	19.20	129,737,411	19.20
Salem Tollways Limited <sup>2</sup>	51,303,160	489.50	51,303,160	489.50
Kumarpalyam Tollways Limited <sup>2</sup>	33,403,600	2,116.30	33,403,600	2,116.30
IVRCL Steel Construction & Services Limited	50,000	0.50	50,000	0.50
Jalandar Amritsar Tollways Limited <sup>2</sup>	46,898,550	607.20	46,898,550	607.20
IVRCL Indore Gujarat Tollways Limited <sup>1, 2</sup>	21,745,340	3,514.70	18,265,340	3,166.70
IVRCL Chengapalli Tollways Limited <sup>1, 2</sup>	12,998,260	1,409.93	12,859,760	1,396.08
IVRCL Holdings & Services Pte Limited (Face Value of SGD 1)	1	-	1	-
IVRCL Patalaganga Truck Terminals Private Ltd	10,000	0.10	10,000	0.10
IVRCL Goa Tollways Limited	49,990	0.50	50,000	0.50
IVRCL-Cadagua Hogenakkal Water Treatment Company Pvt Limited	6,000	0.06	6,000	0.06
Alkor Petroo Limited	5,625,000	70.10	5,625,000	70.10
IVRCL Building Products Limited	599,995	6.03	599,995	6.03
IVRCL Chandrapur Tollways Limited <sup>1, 2</sup>	22,294,900	2,317.56	19,746,810	2,062.74
Sapthashva Solar Limited	52,100	0.52	52,100	0.52
RIHIM Developers Private Limited	10,000	0.10	10,000	0.10
IVRCL TLT Private Limited	10,000	0.10	10,000	0.10
IVRCL Raipur Bilaspur Tollways Limited	49,990	0.50	50,000	0.50
IVRCL Narnual Bhiwani Tollways Limited	49,990	0.50	50,000	0.50
IVR Hotels and Resorts Limited	239,355	3,175.36	239,355	3,175.36
SPB Developers Private Limited <sup>2</sup>	27,605,999	1,096.65	27,605,999	1,096.65
IVRCL Multilevel Car Parking Private Limited	5,100	0.05	5,100	0.05
IVRCL Lanka (Private) Limited <sup>1</sup>	61,862,381	265.73	45,037,381	188.52
First STP Private Limited	2,850,000	35.39	2,850,000	35.39
IVRCL Gundugolanu Rajahmundry Tollways Limited	49,900	0.50	50,000	0.50
IVRCL Patiala Bathinda Tollways Limited	49,900	0.50	50,000	0.50
IVR Prime Developers (Tambaram) Private Limited	10,000	0.10	10,000	0.10

## Non - Current Investments Contd..

	As at 31.03.2013		As at 30.06.2012	
	No.	₹ in million	No.	₹ in million
IVRCL International FZE (Face Value of AED 100,000)	1	1.28	1	1.28
<b>(ii) Associate Bodies Corporate (Unquoted)</b>				
Viva Infrastructures Private Limited	50,000	0.50	50,000	0.50
Paresh Infrastructure Private Limited	4,900	0.05	4,900	0.05
IVRCL International Infrastructures & Projects LLC“(Face Value of Dhs.1,500 each)	49	0.91	49	0.91
IVR Prime IT SEZ Private Limited	-	-	10,000	0.10
IOTL Utkal Energy Services Limited <sup>2</sup>	75,000,000	82.80	75,000,000	82.80
Sushee - IVRCL Arunachal Highway Limited <sup>2</sup>	13,000	0.13	13,000	0.13
		<b>15,901.80</b>		<b>15,208.02</b>
<b>II. Preference Shares of Subsidiary Company</b>				
Salem Tollways Limited (7% Cumulative Redeemable Preference Shares of Face Value of ₹ 100 each)	5,000,000	500.00	5,000,000	500.00
		<b>500.00</b>		<b>500.00</b>
<b>III. Partnership Firm</b>				
Bhanu IVRCL Associates (50:50 Share between the Company and Bhanu Construction Co. Limited respectively)		0.01		0.01
IVRCL - Tantia Joint Venture(AOP) (50:50 Share between the Company and Tantia Construction Co. Limited respectively)		0.20		0.20
		<b>0.21</b>		<b>0.21</b>
<b>Total - Trade Investments</b>		<b>16,402.01</b>		<b>15,708.23</b>
<b>B. Others - Unquoted</b>				
<b>(i) Equity Shares</b>				
Telcon Ecoroad Resurfaces Private Limited (Face Value of ₹ 100 each)	240,000	24.00	240,000	24.00
Tamilnad Mercantile Bank Limited	25	0.21	25	0.21
Rayalseema Expressway Private Limited	19,290	0.19	19,290	0.19
Telcon Construction Equipment Company Limited <sup>3</sup>	4,800	-	4,800	-
		<b>24.40</b>		<b>24.40</b>
<b>(ii) Debentures</b>				
Rayalseema Expressway Private Limited (Face Value of ₹ 1,482 each)	88,413	131.03	88,413	131.03
		<b>131.03</b>		<b>131.03</b>
<b>Total - Other Investments</b>		<b>155.43</b>		<b>155.43</b>
<b>C. Investment in Mutual Funds</b>				
Union Bank of India Tax Saver Scheme		2.00		2.00
<b>Total - Mutual Funds</b>		<b>2.00</b>		<b>2.00</b>
<b>D. Provision for diminution in value of Investment</b>		(23.98)		(22.70)
		<b>(23.98)</b>		<b>(22.70)</b>
		<b>16,535.46</b>		<b>15,842.96</b>

Note :

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Aggregate amount of quoted investment	657.53	657.53
Aggregate market value thereof	557.26	1,426.99
Aggregate amount of unquoted investment	15,877.93	15,185.43

1. Additional investment subscribed during the period
2. Pledged against monies borrowed by the Subsidiaries and Associate (Refer Note 46)
3. 4,800 equity shares of Telcon Construction Equipment Company Limited received on transfer of 'Road Laying Business' operations of Telcon Ecoroad Resurfaces Private Limited.

12. **Deferred Tax Assets (Net)**

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
<b>(a) Deferred Tax Liability</b>				
- Depreciation and amortisation		(359.17)		(214.63)
<b>(b) Deferred Tax Asset</b>				
- Compensated Absences	57.80		59.07	
- Gratuity	21.34		14.74	
- Doubtful debts, Advances and Deposits	428.71		369.61	
- Business Loss / Unabsorbed Depreciation	-		55.85	
- Expenses relating to Amalgamation	3.74		4.40	
- Others	154.10	665.69	99.56	603.23
<b>Deferred Tax Assets (Net)</b>		<b>306.52</b>		<b>388.60</b>

Note:

The Company has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income-tax Act, 1961.

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

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Capital Advances	78.60	117.15
(b) Security Deposits	65.52	75.22
(c) Tax Deducted at Source and Advance Tax [Net of provisions ₹ 7,036.31 million (2011-12 : ₹ 6,639.69 million)]	2,048.76	2,076.29
(d) Loans and Advances to Related Parties (Refer Note 38.2)		
- Subsidiaries	6,041.48	4,678.79
- Associates	220.00	220.00
	<b>8,454.36</b>	<b>7,167.45</b>

14. **Other Non-Current Assets (Unsecured)**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Long-Term Trade Receivables		
- Considered good	5,402.78	5,289.46
- Doubtful	4.96	41.19
	<b>5,407.74</b>	<b>5,330.65</b>
Less: Provision for Doubtful Trade Receivables	4.96	41.19
	<b>5,402.78</b>	<b>5,289.46</b>
(b) Non - Current Bank Balances		
- Deposit with maturity period of more than 12 months	120.18	78.41
- Margin Money	3.51	-
(c) Interest accrued on loans and advances to related parties (Refer Note 38.2)	25.28	12.21
	<b>5,551.75</b>	<b>5,380.08</b>

15. Inventories

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Stores and Spares (at cost)	2,687.07	2,723.30
	<b>2,687.07</b>	<b>2,723.30</b>

16. Trade Receivables (Unsecured)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Outstanding for a period exceeding six months from the date they were due for payment		
- Considered good (Refer Note 26)	8,234.26	9,663.58
- Doubtful	949.08	807.04
	<b>9,183.34</b>	<b>10,470.62</b>
Less: Provision for Doubtful Trade Receivables	949.08	807.04
	<b>8,234.26</b>	<b>9,663.58</b>
(b) Other Receivables		
- Considered good	10,433.11	9,595.85
	<b>18,667.37</b>	<b>19,259.43</b>

17. Cash and Bank Balances

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Cash and Cash equivalents		
- Cash on Hand	10.40	15.28
- Balances with Banks		
- Current Accounts	810.76	713.68
- Deposits with maturity period of less than 3 months	29.09	19.39
	<b>850.25</b>	<b>748.35</b>
(b) Other Bank Balances		
- Earmarked Balances		
- Margin Money	3.51	6.15
- Unpaid Dividend Account	4.92	5.35
- Share Application Money Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	64.66	124.38
	<b>73.57</b>	<b>136.36</b>
	<b>923.82</b>	<b>884.71</b>

18. Short-Term Loans and Advances (Unsecured)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Loans and Advances to Related Parties (Refer Note 38.2)		
- Subsidiaries	765.88	624.35
- Associates	67.67	53.02
- Joint Ventures	702.29	763.31
- Directors	26.51	18.52
	<b>1,562.35</b>	<b>1,459.20</b>
- Considered good	1,435.38	1,333.03
- Doubtful	126.97	126.17
	<b>1,562.35</b>	<b>1,459.20</b>
Less: Provision for Doubtful Advances	126.97	126.17
	<b>1,435.38</b>	<b>1,333.03</b>

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

	As at 31.03.2013	As at 30.06.2012
(b) Advance to Sub-Contractors and Suppliers		
- Considered good	2,930.42	2,699.83
- Doubtful	142.68	131.90
	<b>3,073.10</b>	<b>2,831.73</b>
Less: Provision for Doubtful Advances	142.68	131.90
	<b>2,930.42</b>	<b>2,699.83</b>
(c) Others		
- Considered good	131.18	134.12
- Doubtful	37.58	32.89
	<b>168.76</b>	<b>167.01</b>
Less: Provision for Doubtful Advances	37.58	32.89
	<b>131.18</b>	<b>134.12</b>
(d) Prepaid Expenses	172.66	245.21
(e) Other Deposits	2,167.62	298.42
(f) Balances with Statutory/ Government Authorities	2,427.19	2,376.90
	<b>4,767.47</b>	<b>2,920.53</b>
	<b>9,264.45</b>	<b>7,087.51</b>

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

	As at 31.03.2013	As at 30.06.2012
(a) Unbilled Revenue	14,188.96	11,648.72
(b) Receivable against sale of Development Rights	1,523.13	1,530.78
(c) Interest on Term Deposit with Banks	3.36	5.47
	<b>15,715.45</b>	<b>13,184.97</b>

20. **Income from Operations** (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Construction Revenue	37,340.10	61,475.75
(b) Sale of Products - Traded	6.61	212.47
(c) Other Operating Income	244.17	91.38
	<b>37,590.88</b>	<b>61,779.60</b>

21. **Other Income** (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Profit on Sale of Investment	183.50	1,169.85
(b) Interest Income		
- Loans and Advances to Subsidiaries and Sub-contractors	146.53	282.13
- Term Deposits with Banks	12.27	29.63
- Others	40.07	47.50
(c) Dividend Income		
- Subsidiaries	-	31.84
- Long Term Investments	0.02	0.02
(d) Liabilities no longer required written back	6.87	78.18
(e) Foreign Exchange Gain (Net)	12.73	-
(f) Miscellaneous Income	302.14	56.43
	<b>704.13</b>	<b>1,695.58</b>

22. Construction Expenses

(₹ in million)

	01.07.2012 to 31.03.2013		01.04.2011 to 30.06.2012	
(a) Construction Stores, Spares and Materials Consumed				
Opening Stock	2,723.30		2,506.38	
Less : Transferred to IVRCL TLT Private Limited pursuant to Composite Scheme of Arrangement	-		654.27	
	2,723.30		1,852.11	
Add: Purchases	10,491.00		21,421.49	
Less : Closing Stock	2,687.07		2,723.30	
		10,527.23		20,550.30
(b) Sub-contractors' work bills		11,257.00		14,283.31
(c) Masonry and other works		7,018.10		11,256.91
(d) Indirect Taxes and Cess		1,372.40		2,126.13
(e) Machinery Hire Charges		1,190.31		1,889.72
(f) Repairs and Maintenance				
- Construction Machinery	379.19		623.30	
- Others	88.98	468.17	146.86	770.16
(g) Electricity and Water Charges		138.76		220.52
(h) Royalty		60.88		112.74
(i) Laboratory Testing Charges		26.71		35.25
		<b>32,059.56</b>		<b>51,245.04</b>

23. Employee Benefits Expense

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Salaries, Wages and Bonus	1,433.04	2,620.20
(b) Contribution to Provident and Other Funds	144.91	254.36
(c) Staff Welfare Expenses	188.66	345.33
(d) Managerial Remuneration [Including sitting fee of ₹ 0.40 million (₹ 0.87 million to Non-Executive Directors)] (Refer Note 43)	7.60	12.87
	<b>1,774.21</b>	<b>3,232.76</b>



24. Other Expenses

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Rent	127.60	226.83
(b) Office Maintenance	149.12	234.72
(c) Rates and Taxes	38.63	76.25
(d) Travelling and Conveyance	94.76	191.29
(e) Legal and Professional Charges	166.05	266.52
(f) Insurance	159.15	212.62
(g) Communication Expenses	38.03	69.01
(h) Printing and Stationery	25.53	56.37
(i) Tender Expenses	8.40	30.09
(j) Business Promotion	7.63	15.31
(k) Auditors' Remuneration (Refer Note 31)	13.93	14.88
(l) Advertisement and Publicity	2.78	11.47
(m) Loss on Assets sold / discarded (Net)	55.90	25.61
(n) Provision for doubtful debts, advances and deposits	122.07	478.50
(o) Provision for diminution in the value of Investments	1.28	22.20
(p) Bad Debts Written Off	1.72	121.11
(q) Foreign Exchange Loss (Net)	-	4.50
(r) Miscellaneous Expenses	15.49	31.73
	<b>1,028.07</b>	<b>2,089.01</b>

25. Finance Cost

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Interest Expense on:		
(i) Borrowings	2,584.02	4,076.11
(ii) Others		
- Interest on delayed payments of Income-Tax	180.01	84.78
- Interest on Advances received, Bills Discounting etc.	457.49	504.72
(b) Other Borrowing Cost	22.99	18.98
(c) Bank and other Financial Charges	234.37	366.33
	<b>3,478.88</b>	<b>5,050.92</b>

**26. Trade Receivables as at March 31, 2013 include amounts aggregating to:**

- a) ₹ 347.07 million relating to claims 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 realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and
- b) ₹ 1,810.35 million (including ₹ 717.58 million which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the customers for realisation of dues.  
The Board of Directors is of the view that the receivables covered by (a) and (b) above are good and fully recoverable.

**27.** Based on the Term Sheet entered into by the Company with the strategic partner for disinvestment of 74% holdings in BOT Projects relating to Salem Tollways Limited, Kumarapalayam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement, the Company entered into definitive sale agreements on March 30, 2013, subject to approvals for all the projects from National Highway Authority of India (NHAI) and the Lenders. The Company on May 7, 2013 received communication from NHAI, stating that, the disinvestment of the holdings for one of the project cannot be more than 49%, until the project is completed.

Consequent to the communication received from NHAI, the Company intends to continue with the projects and as such, the investments in these projects are considered as long-term investments. Based on the expected cash flows, no provision is considered necessary to the carrying value of the investments.

**28. Composite Scheme of Arrangement**

- a) During the previous financial period, pursuant to the Composite Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 between the Company, IVRCL Assets & Holdings Limited (IVRCL A&H), RIHIM Developers Private Limited (RDPL) and IVRCL TLT Private Limited (IVRCL TLT) and their respective shareholders, which was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its order dated July 2, 2012, effective from April 1, 2011 (the appointed date):
  - (i) all the properties, assets and liabilities of the Real Estate Undertaking of IVRCL A&H have been transferred to and vested with RDPL;
  - (ii) all the properties, assets and liabilities of Remaining Undertaking (primarily relating to Infrastructure Development Business) of IVRCL A&H have been transferred to and vested with the Company and accounted for under "Purchase Method" as prescribed by Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006.
  - (iii) all the properties, assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred to and vested with IVRCL TLT transferred at values appearing in the books of accounts of the Company without consideration.
- b) Pursuant to the Composite Scheme of Arrangement and after considering the cancellation of shares held by the Company, 39,876,790 equity shares of ₹ 2 each of the Company have been issued to the shareholders of IVRCL A&H in the ratio of 5 equity shares of ₹ 2 each of the Company for every 6 equity shares of ₹ 10 each held in IVRCL A&H.

**29. Disclosure pursuant to Accounting Standard - 7 "Construction Contracts"**

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

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Contract Revenue recognised as revenue during the period	37,267.86	61,346.22
(b) Aggregate amount of Contract costs incurred and recognised profits, less losses	135,760.02	137,250.70
(c) Advances received, net of recoveries from progressive bills	12,137.74	10,193.63
(d) Gross amount due from customers for contract works	18,699.80	18,894.40
(e) Retention Money	6,324.40	6,502.73

30. Earnings Per Share (EPS)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) (Loss) / Profit After Tax for calculation of Basic and Diluted EPS (₹ in million)	(1,016.61)	180.81
(b) Weighted average number of equity shares outstanding for calculation of EPS	306,886,648	267,009,858
(c) Add: Number of shares in Share Capital Suspense	-	39,876,790
(d) Number of shares considered as weighted average shares and potential shares outstanding for calculation of EPS	306,886,648	306,886,648
(e) Basic and Diluted EPS (₹)	(3.31)	0.59

31. Auditors Remuneration (excluding service tax) (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Statutory Audit	10.00	10.00
(b) Limited Reviews	2.00	3.20
(c) Tax Audit	0.50	0.50
(d) Other Service	1.05	0.83
(e) Reimbursement of expenses	0.38	0.35
	<b>13.93</b>	<b>14.88</b>

32. Contingent Liabilities and Commitments (₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(i) Contingent Liabilities:</b>		
(a) Bank Guarantees issued by the banks on behalf of the Company	20,391.27	23,723.43
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates (Refer Note 1 below)	7,741.44	7,741.44
(c) Claims against the Company not acknowledged as debts	2,565.83	627.32
(d) Income Tax demand under appeal	160.32	160.32
(e) Disputed Value Added Tax / Service Tax	5,244.88	4,589.87
<b>(ii) Commitments:</b>		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	334.28	283.01
(b) Commitments towards investment in subsidiaries	7,697.30	11,625.00
(c) Other Commitments (Refer Note 2 below)	-	-

Notes:

- The Company has given Corporate Guarantees aggregating to ₹ 6,587.50 million, on behalf of certain subsidiaries to ICICI Bank and IFCI Limited. The loan amount and compulsorily convertible debentures outstanding as on March 31, 2013 are ₹ 924.28 million (As at 30.06.2012: ₹ 924.28 million) and ₹ 2,240.00 million (As at 30.06.2012: ₹ 2,240.00 million) respectively.
- The Company enters into construction contracts with its vendors. The final amounts payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

33. **CIF Value of imports** (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Capital Goods	29.12	143.89
(b) Traded Goods	-	177.19
(c) Construction materials and others	11.24	204.17

34. **Expenditure and Income in foreign currency**

**a. Income:**

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) FOB value of Exports	6.61	4.35
(b) Overseas Contract Revenue	40.34	63.79

**b. Expenditure**

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Travelling Expenses	1.36	3.34
(b) Professional and Consultancy Charges	9.78	6.46
(c) Interest Expenses	53.73	94.32
(d) Overseas Contract Expenditure	10.53	35.54

35. **Construction material and stores consumed**

(₹ in million)

	01.07.2012 to 31.03.2013		01.04.2011 to 30.06.2012	
	Value	%	Value	%
(a) Indigenous	10,515.99	99.89	20,346.13	99.01
(b) Imported	11.24	0.11	204.17	0.99
<b>Total</b>	<b>10,527.23</b>	<b>100.00</b>	<b>20,550.30</b>	<b>100.00</b>

36. **Dues to Micro and Small Enterprises**

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

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Dues remaining unpaid as at Balance Sheet date		
- Principal amount	42.00	5.73
- Interest on the above	4.67	0.36
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period		
- Principal amount	-	-
- Interest on the above	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Act.	-	-
(d) Further interest remaining due and payable even in the succeeding , years until such date when the interest dues as above are actually paid to the small enterprise.	0.36	-
(e) Interest accrued and remaining unpaid as at Balance Sheet date	5.03	0.36

37. The Company has the following Joint Ventures (Jointly Controlled Operations) as on March 31, 2013 and its proportionate share is given below:

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

38. **Related Party Disclosure**

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

38.1 List of Related Parties and Relationships

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

Sl No.	Name	Sl No.	Name
<b>B Associate (Where the Company Exercises Significant influence)</b>			
1	Viva Infrastructure Pvt. Limited	4	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	5	IVRCL International Infrastructures & Projects LLC
3	IOT Utkal Energy Services Limited	6	Sushee – IVRCL Arunachal Highway Limited
<b>C Joint Ventures</b>			
1	Bhanu – IVRCL Associates	18	IVRCL – MBL (JV) Hyderabad
2	IVRCL – Tantia (JV)	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
4	IVRCL, Navayuga & SEW Joint Venture	21	IVRCL – CR18G Consortium (J.V)
5	Navayuga, IVRCL & SEW Joint Venture	22	MEIL IVRCL HCC & WPIL (JV)
6	IVRCL – Harsha (JV)	23	IVRCL – KIPL (JV)
7	SPCL – IVRCL JV	24	IVRCL – RAJ (JV)
8	IVRCL – JL (JV)	25	UNITY – IVRCL Joint Venture
9	UAN Raju IVRCL Construction JV	26	IVRCL SAI SUDHIR (JV)
10	IVRCL – KBL (JV) Hyderabad	27	CR18G – IVRCL (JV)
11	IVRCL – KBL – MEIL (JV) Hyderabad	28	IVRCL – SUSHEE JOINT VENTURE
12	IVRCL – CR18G (JV)	29	IVRCL – RTE Joint Venture
13	IVRCL – KMB – HDO Joint Venture	30	KMB – IVRCL Joint Venture
14	IVRCL – MEIL (NC-28) Joint Venture	31	IVRCL – BPL - UCC (JV)
15	IVRCL – MEIL (NC-33) Joint Venture	32	IVRCL – MRT(JV)
16	IVRCL – SUSHEE Consortium	33	SAPL & MBL – IVRCL (JV)
17	IVRCL SEW & WPIL (JV) Hyderabad		
<b>D Enterprises owned or significantly influenced by key management personnel or their relatives</b>			
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		
<b>E Key Management Personnel</b>			
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	
<b>F Relatives of Key Management Personnel</b>			
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	

38.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on March 31, 2013.  
 (A) Transactions during the period:

(₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Contract Revenue / Other Operational Income</b>						
Hindustan Dorr-Oliver Limited	546.46	1,037.13				
IVRCL Chandrapur Tollways Limited	748.72	1,000.86				
IVRCL Chengapally Tollways Limited	1,000.16	3,656.26				
IVRCL Indore Gujarat Tollways Limited	1,017.36	7,782.96				
IVRCL, SEW & Prasad Hyderabad J.V			545.50	514.55		
IVRCL, Navayuga & SEW Joint Venture			430.85	375.75		
IVRCL BATPASCO ABB & AAG (JV) Hyderabad			441.23	526.51		
IVRCL – KBL – MEIL (JV) Hyderabad			177.53	573.52		
IVRCL SAI SUDHIR (JV)			442.47	110.04		
IVRCL – KIPL (JV)			8.42	523.01		
IVRCL - MBL (JV) Hyderabad			381.18	853.85		
UNITY - IVRCL Joint Venture			634.72	890.90		
IVRCL-MEIL (NC-28) Joint Venture			1,899.37	363.47		
IVRCL-MEIL (NC-33) Joint Venture			898.94	603.94		
IOT Utkal Energy Services Limited					991.09	2,031.69
Others	315.25	2,599.20	3,073.59	2,117.27		
<b>Total</b>	<b>3,627.95</b>	<b>16,076.41</b>	<b>8,933.80</b>	<b>7,452.81</b>	<b>991.09</b>	<b>2,031.69</b>
<b>Dividend Income</b>						
Hindustan Dorr Oliver Limited	-	31.84				
<b>Total</b>	-	<b>31.84</b>				
<b>Interest Income</b>						
Alkor Petroo Limited	80.04	160.92				
IVRCL Building Products Limited	26.13	37.60				
UAN Raju IVRCL Construction JV			7.41	1.55		
UNITY - IVRCL Joint Venture			-	21.00		
IOT Utkal Energy Services Limited					14.52	13.57
<b>Total</b>	<b>106.17</b>	<b>198.52</b>	<b>7.41</b>	<b>22.55</b>	<b>14.52</b>	<b>13.57</b>
<b>Interest Income on mobilisation advance</b>						
Palladium Infrastructures & Projects Limited					3.61	16.28
<b>Total</b>	-	-	-	-	<b>3.61</b>	<b>16.28</b>
<b>Rental Income</b>						
Hindustan Dorr Oliver Limited	1.45	2.39				
IVR Hotels and Resorts Limited	0.30	-				
RIHIM Developers Private Limited	-	0.70				
Others	0.11	0.17				
<b>Total</b>	<b>1.86</b>	<b>3.26</b>	-	-	-	-



(₹ in million)

(A) Transactions during the period: .

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Hire Charges Income</b>						
Palladium Infrastructures & Projects Limited					4.37	100.38
<b>Total</b>	-	-	-	-	<b>4.37</b>	<b>100.38</b>
<b>Rent Expense</b>						
A.P Enercon Engineers Private Limited					14.20	23.32
Palladium Infrastructures & Projects Limited					0.21	2.48
<b>Total</b>	-	-	-	-	<b>14.41</b>	<b>25.80</b>
<b>Sub-contracting Work Expenses</b>						
Hindustan Dorr Oliver Limited	3.88	5.49				
IVRCL, SEW & Prasad Hyderabad J.V			4.75	19.83		
Navayuga, IVRCL & SEW Joint Venture			15.19	132.90		
IVRCL – KBL – MEIL (JV) Hyderabad			169.01	537.33		
IVRCL - CR18G (JV)			279.24	149.96		
IVRCL SAI SUDHIR (JV)			431.19	107.23		
MEIL IVRCL HCC & WPIL (JV)			627.99	-		
UNITY – IVRCL Joint Venture			612.62	790.30		
IVRCL-MEIL (NC-28) Joint Venture			1,760.61	335.48		
IVRCL-MEIL (NC-33) Joint Venture			833.79	557.44		
Palladium Infrastructures & Projects Limited					219.71	2,858.71
<b>Total</b>	<b>3.88</b>	<b>5.49</b>	<b>4,734.39</b>	<b>2,630.47</b>	<b>219.71</b>	<b>2,858.71</b>
<b>Purchase of Construction Material</b>						
Hindustan Dorr-Oliver Limited	-	177.91				
IVRCL TLT Private Limited	218.82	-				
<b>Total</b>	<b>218.82</b>	<b>177.91</b>	-	-	-	-
<b>Sale of Construction Material</b>						
Palladium Infrastructures & Projects Limited					205.91	1,239.09
<b>Total</b>	-	-	-	-	<b>205.91</b>	<b>1,239.09</b>
<b>Interest Expense on Mobilisation Advance</b>						
IVRCL BATPASCO WPIL & MIHI (JV) Hyderabad			14.75	22.06		
CR18G - IVRCL (JV)			8.75	19.13		
KMB – IVRCL Joint Venture			45.21	5.48		
Others			10.17	3.77		
<b>Total</b>	-	-	<b>78.88</b>	<b>50.44</b>	-	-
<b>Provision for doubtful Advances</b>						
IVRCL Goa Tollways Limited		10.45				
IVRCL - Tantia (JV)				0.63		
Bhanu – IVRCL Associates			0.03	(3.96)		
SPCL - IVRCL JV			0.77	17.02		
UAN Raju IVRCL Construction JV			0.80	65.96		
<b>Total</b>	-	<b>10.45</b>	<b>0.80</b>	<b>79.65</b>	-	-

(A) Transactions during the period: (₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Loans /Advances Given</b>						
Alkor Petroo Limited	203.95	370.79				
Jalandhar Amritsar Tollways Limited	56.00	212.87				
Salem Tollways Limited	-	40.70				
Kumarapalyam Tollways Limited	1.80	192.85				
Chennai Water Desalination Limited	115.00	1,328.93				
IVRCL Chengapalli Tollways Limited	35.52	74.00				
IVRCL Building Products Limited	30.33	42.84				
IVRCL Indore Gujarat Tollways Limited	35.25	125.45				
IVRCL Raipur Bilaspur Tollways Limited	965.70	4.90				
IVRCL Narnaul Bhiwani Tollways Limited	-	0.06				
IVRCL Patiala Bathinda Tollways Limited	8.60	0.20				
IVRCL Gundoglanu Rajahmundry Tollways Limited	0.60	-				
IVRCL Lanka (Private) Limited	9.02	-				
IVRCL Chandrapur Tollways Limited	-	24.00				
IVRCL Multilevel Car Parking Private Limited	-	0.75				
IOT Utikal Energy Services Limited	-	-			-	220.00
<b>Total</b>	<b>1,461.77</b>	<b>2,418.34</b>				<b>220.00</b>
<b>Investment in Equity Shares</b>						
SPB Developers Private Limited	-	345.85				
IVRCL Indore Gujarat Tollways Limited	348.00	479.50				
IVRCL Chengapalli Tollways Limited	13.85	354.07				
IVRCL Chandrapur Tollways Limited	254.82	1,943.33				
IVRCL Lanka (Private) Limited	77.21	188.52				
Sushee IVRCL Arunachal Highways Limited	-	2.72				0.13
Others	-	-				
<b>Total</b>	<b>693.88</b>	<b>3,313.99</b>				<b>0.13</b>
<b>Mobilisation Advance Received</b>						
IVRCL Raipur Bilaspur Tollways Limited	979.50	-				
IVRCL Chengapalli Tollways Limited	-	1,242.65				
IVRCL Chandrapur Tollways Limited	-	1,344.50	87.44	261.97		
IVRCL BAPASCO WPIL & MHI (IV) Hyderabad			380.76	190.38		
KMB – IVRCL Joint Venture			61.43	61.40		
IVRCL-KMB-HDO Joint Venture			295.68	-		
IVRCL-MRT(IV)			126.07	36.09		
SAPL & MBL – IVRCL (IV)						
<b>Total</b>	<b>979.50</b>	<b>2,587.15</b>	<b>951.38</b>	<b>549.84</b>		

(₹ in million)

(B). Closing Balances as on March 31, 2013.

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Advances - Receivable</b>						
IVRCL TL Private Limited	160.50	-				
Hindustan Dorr Oliver Limited	119.86	113.19				
IVRCL Indore Gujarat Tollways Limited	-	151.19				
RIHIM Developers Private Limited	255.73	236.09				
IVRCL Lanka (Private) Limited	100.84	19.76				
Bhanu IVRCL Associates			32.12	32.12		
UAN Raju IVRCL Construction JV			172.24	65.96		
IVRCL, SEW & Prasad Hyderabad J.V			62.47	58.48		
IVRCL, Navayuga & SEW Joint Venture			82.01	97.66		
IVRCL - Harsha (JV)			36.50	56.21		
UNITY - IVRCL Joint Venture			173.07	269.22		
IVRCL International Infrastructures & Projects LLC					67.67	53.02
Others	128.95	104.12	143.88	183.66		
<b>Total</b>	<b>765.88</b>	<b>624.35</b>	<b>702.29</b>	<b>763.31</b>	<b>67.67</b>	<b>53.02</b>
<b>Other Payables</b>						
IVR Hotels and Resorts Limited	0.85	-				
IVRCL Indore Gujarat Tollways Limited	0.99	-				
IVRCL Chandrapur Tollways Limited	0.87	-				
IVRCL Namual Bhiwani Tollways Limited	0.45	-				
IVRCL - KBL (IV) Hyderabad			41.30	50.67		
IVRCL - KBL - MEIL (IV) Hyderabad			119.85	23.17		
IVRCL - CR18G (IV)			155.81	-		
IVRCL - KIPL (IV)			307.72	56.03		
SAPL & MBL - IVRCL (IV)			70.69	-		
Others	-	0.84	5.37	3.03		
<b>Total</b>	<b>3.16</b>	<b>0.84</b>	<b>700.74</b>	<b>132.90</b>	-	-
<b>Trade Payables - Construction Expenses</b>						
IVRCL TL Private Limited	212.30	280.36				
Hindustan Dorr Oliver Limited	23.59	57.16				
SPB Developers Limited	277.12	156.98				
IVRCL, SEW & Prasad Hyderabad J.V			14.26	10.64		
IVRCL - KBL - MEIL (IV) Hyderabad			102.63	44.43		
MEIL IVRCL HCC & WPIL (JV)			560.52	46.54		
IVRCL-MEIL (NC-28) Joint Venture			401.58	11.70		
IVRCL-MEIL (NC-33) Joint Venture			379.44	-		
Palladium Infrastructures & Projects Limited					1,273.71	2,382.64
Others	-	1.36	26.30	9.37	1.42	1.30
<b>Total</b>	<b>513.01</b>	<b>495.86</b>	<b>1,484.73</b>	<b>122.68</b>	<b>1,275.13</b>	<b>2,383.94</b>

(₹ in million)

(B) Closing Balances as on March 31, 2013.

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Provision for Doubtful Advances</b>						
Bhanu IVRCL Associates			32.12	32.12		
SPCL - IVRCL JV			17.05	17.02		
UAN Raju IVRCL Construction JV			66.73	65.96		
IVRCL Goa Tollways Limited	10.45	10.45				
Others			0.62	0.62		
<b>Total</b>	<b>10.45</b>	<b>10.45</b>	<b>116.52</b>	<b>115.72</b>	-	-
<b>Trade Receivables and Retention Money</b>						
Hindustan Dorr-Oliver Limited	300.20	292.88				
IVRCL Chengapally Tollways Limited	159.18	257.62				
IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	91.06	163.49				
IVRCL Chandrapur Tollways Limited	110.96	114.07				
IVRCL, SEW & Prasad Hyderabad J.V			930.04	454.51		
IVRCL, Navayuga & SEW Joint Venture			269.51	271.83		
IVRCL BATPASCO ABB & AAG (JV) Hyderabad			192.08	133.65		
CR18G - IVRCL (JV)			132.41	185.49		
IVRCL - KIPL (JV)			47.26	154.11		
IVRCL - KBL - MEIL (JV) Hyderabad			234.75	201.99		
IVRCL - KBL (JV) Hyderabad			145.26	120.84		
IVRCL - CR18G Consortium (I.V)			76.90	130.18		
IVRCL SAI SUDHIR (JV)			135.18	86.08		
MEIL IVRCL HCC & WPIL (JV)			295.76	128.23		
IOT Utikal Energy Services Limited	106.74	37.88	961.95	452.63	1,414.60	394.13
Others						
<b>Total</b>	<b>768.14</b>	<b>865.94</b>	<b>3,421.10</b>	<b>2,319.54</b>	<b>1,414.60</b>	<b>394.13</b>
<b>Mobilisation Advance Received</b>						
SPB Developers Limited	217.03	279.53				
IVRCL Indore Gujarat Tollways Limited	384.39	492.73				
IVRCL Raipur Bilaspur Tollways Limited	979.50	-				
IVRCL Chengapally Tollways Limited	699.82	807.28				
IVRCL Chandrapur Tollways Limited	990.53	1,151.84				
IVRCL, SEW & Prasad Hyderabad J.V			46.18	46.18		
IVRCL - MBL (JV) Hyderabad			138.31	183.21		
CR18G - IVRCL (JV)			100.11	100.11		
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			506.48	419.04		
KMB - IVRCL Joint Venture			571.14	190.38		
IVRCL-MRT(JV)			295.68	-		
Others	4.16	4.59	282.56	61.40		
<b>Total</b>	<b>3,275.43</b>	<b>2,735.97</b>	<b>1,940.46</b>	<b>1,000.32</b>	-	-
<b>Mobilisation Advance Given</b>						
Palladium Infrastructures & Projects Limited			88.50		88.50	88.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88.50</b>	<b>88.50</b>

(₹ in million)

	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Retention Money Payable</b>						
Hindustan Dorr Oliver Limited	8.54	33.44	83.18	82.46		
IVRCL, SEW & Prasad Hyderabad J.V			183.97	140.37		
IVRCL – KBL – MEIL (IV) Hyderabad			120.75	68.32		
MEIL IVRCL HCC & WPIL (IV)			110.71	86.08		
IVRCL SAI SUDHIR (IV)			0.83	0.49	226.02	214.67
Palladium Infrastructures & Projects Limited						
Others						
<b>Total</b>	<b>8.54</b>	<b>33.44</b>	<b>499.44</b>	<b>377.72</b>	<b>226.02</b>	<b>214.67</b>
<b>Interest Accrued</b>						
IOT Utkal Energy Services Limited					25.28	12.21
<b>Total</b>					<b>25.28</b>	<b>12.21</b>
<b>Rent Deposit Given</b>						
Palladium Infrastructures & Projects Limited					1.38	1.38
Indus Palms Hotels & Resorts Limited					2.64	2.64
A.P. Enercon Engineers Private Limited					2.58	2.58
<b>Total</b>					<b>6.60</b>	<b>6.60</b>
<b>Loans /Advances</b>						
Alkor Petroo Limited	860.27	685.06				
Jalandhar Amritsar Tollways Limited	928.40	872.40				
Salem Tollways Limited	1,022.72	1,022.72				
Chennai Water Desalination Limited	1,403.67	1,326.17				
IVRCL Raipur Bilasara Tollways Limited	970.60	-				220.00
IOT Utkal Energy Services Limited						
Others	855.82	772.44				
<b>Total</b>	<b>6,041.48</b>	<b>4,678.79</b>			<b>220.00</b>	<b>220.00</b>
<b>Corporate Guarantee</b>						
Alkor Petroo Limited	3,500.00	3,500.00				
IVRCL Indore Gujarat Tollways Limited	1,837.50	1,837.50				
IVRCL Chengapally Tollways Limited	1,250.00	1,250.00				
IVRCL International Infrastructures & Projects LLC						
<b>Total</b>	<b>6,587.50</b>	<b>6,587.50</b>			<b>1,153.94</b>	<b>1,153.94</b>

(₹ in million)

## 38.3 Transactions with Key Management Personnel / Relatives

S. No.	Key Management Personnel/ Relatives	Designation	Remuneration		Dividend		Office Rent		Rent Deposit		Advance	
			2012-13	2011-12	2012-13	2011-12	2011-12	2011-12	As at 31.03.2013	As at 30.06.2012	As at 31.03.2013	As at 30.06.2012
1.	Mr. E. Sudhir Reddy	Chairman & Managing Director	3.60	6.00	-	8.59	1.72	2.67	0.50	0.50	16.68	11.40
2.	Mr. E. Sunil Reddy	Director	-	-	-	1.51	1.72	2.67	0.50	0.50	-	-
3.	Mr. K. Ashok Reddy	Executive Director	1.80	3.00	-	0.03	-	-	-	-	4.90	3.53
4.	Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	1.80	3.00	-	0.01	-	-	-	-	4.93	3.59
5.	Mr. E. Ella Reddy	Director	-	-	-	2.78	2.14	3.32	0.51	0.51	-	-
6.	Relatives		-	-	-	-	-	2.43	0.43	0.43	-	-
	<b>Total</b>		<b>7.20</b>	<b>12.00</b>	<b>-</b>	<b>12.92</b>	<b>5.58</b>	<b>11.09</b>	<b>1.94</b>	<b>1.94</b>	<b>26.51</b>	<b>18.52</b>

39. Disclosure as per clause 32 of the Listing Agreement

Advances in the nature of loans given to related Parties:

(₹ in million)

	Balance as on		Maximum Outstanding	
	31.03.2013	30.06.2012	2012-13	2011-12
<b>(A) Advances in the nature of loans where there is no repayment schedule and interest is charged</b>				
<b>(i) Subsidiaries</b>				
Alkor Petroo Limited	860.27	685.06	860.27	977.71
IVRCL Building Products Limited	260.72	237.95	260.72	237.95
<b>(ii) Associate</b>				
IOT Utkal Energy Services Limited	220.00	220.00	220.00	220.00
<b>Total (A)</b>	<b>1,340.99</b>	<b>1,143.01</b>	<b>1,340.99</b>	<b>1,435.66</b>
<b>(B) Advances in the nature of loans where there is no repayment schedule and no interest is charged</b>				
IVRCL Patalaganga Truck Terminals Private Limited	-	-	-	83.52
Salem Tollways Limited	1,022.72	1,022.72	1,022.72	1,022.72
Kumarapalyam Tollways Limited	305.94	304.14	305.94	304.14
Chennai Water Desalination Limited	1,403.67	1,326.17	1,441.17	1,438.67
Jalandar Amritsar Tollways Limited	928.40	872.40	928.40	872.40
IVRCL Indore Gujarat Tollways Limited	160.70	125.44	160.70	125.44
IVRCL Chengapalli Tollways Limited	109.24	74.00	109.24	74.00
<b>Total (B)</b>	<b>3,930.67</b>	<b>3,724.87</b>	<b>3,968.17</b>	<b>3,920.89</b>
<b>Grand Total</b>	<b>5,271.66</b>	<b>4,867.88</b>	<b>5,309.16</b>	<b>5,356.55</b>

40. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Components of Employer Expenses</b>					
Current service cost	19.87	38.57	24.41	20.94	13.85
Interest cost	10.23	12.44	9.43	7.44	4.55
Expected return on plan assets	(7.33)	(9.90)	(7.18)	(4.96)	(3.30)
Net actuarial (gain) / loss	(5.42)	5.28	(5.76)	(0.69)	16.91
Total expense recognised in the Statement of Profit and Loss	17.35	46.39	20.90	22.73	32.01
<b>Actual Contribution &amp; Benefit Payments</b>					
Actual benefit payments	(22.98)	(15.25)	(5.19)	(3.03)	(4.46)
Actual contribution	-	25.54	28.97	23.75	19.21
<b>Net Asset / (Liability) recognized in Balance Sheet</b>					
Liability at the end of the period	165.15	160.48	120.65	98.64	75.02
Fair value of plan assets at the end of the period	102.36	115.04	96.06	65.98	41.35

(₹ in million)

	2012-13	2011-12	2010-11	2009-10	2008-09
Net liability recognised in the Balance Sheet	(62.79)	(45.44)	(24.59)	(32.66)	(33.67)
<b>Change in Defined Benefit Obligations (DBO)</b>					
Present Value of DBO at the Beginning of the period	160.48	120.65	98.64	75.02	45.21
Interest Cost	10.23	12.44	9.43	7.44	4.55
Current Service Cost	19.87	38.57	24.41	20.94	13.85
Benefits Paid	(22.98)	(15.25)	(5.19)	(3.03)	(4.46)
Actuarial (gain) / loss on obligations	(2.45)	4.07	(6.64)	(1.73)	15.87
Present Value of DBO at the end of the period	165.15	160.48	120.65	98.64	75.02
<b>Change in Fair Value of Plan Assets during the period</b>					
Planned assets at the beginning of the period	115.04	96.06	65.98	41.35	24.34
Expected return on planned assets	7.33	9.91	7.18	4.96	3.30
Contributions	-	25.54	28.97	23.75	19.21
Benefit paid	(22.98)	(15.25)	(5.19)	(3.03)	(4.46)
Actuarial gain / (loss) on plan assets	2.97	(1.22)	(0.88)	(1.05)	(1.04)
Fair value of plan assets at the end of the period	102.36	115.04	96.06	65.98	41.35
<b>Assumptions</b>					
Discount rate	8.25%	8.50%	8.25%	8.00%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
Expected return on plan assets	8.25%	8.50%	8.25%	8.00%	8.00%
Attrition					
- First 5 years of service	10.00%	10.00%	10.00%	-	-
- After 5 years of service	2.00%	2.00%	2.00%	-	-
- All Employees	-	-	-	1.00%	1.00%
<b>Experience Adjustment</b>					
Present Value of DBO	165.15	160.48	120.65	98.64	75.02
Fair value of plan assets	102.36	115.04	96.06	65.98	41.35
Funded Status [Surplus / (Deficit)]	(62.79)	(45.44)	(24.59)	(32.66)	(33.67)
Experience (gain) / loss adjustment on plan liabilities	(2.45)	4.07	(6.64)	(1.73)	15.87
Experience gain / (loss) adjustment on plan assets	2.97	(1.22)	(0.88)	(1.05)	(1.04)

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

c) The expense pertaining to gratuity of ₹ 17.35 million (2011-12 : ₹ 46.39 million) has been considered in “Contribution to Provident and Other Funds” under Note 23.

**d) Key Assumptions – Compensated Absences**

	2012-13	2011-12	2010-11	2009-10	2008-09
Discount rate	8.25%	8.50%	8.25%	8.00%	8.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%

e) The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 110.32 million (2011-12: ₹ 193.39 million) for Provident Fund contributions, ₹ 17.24 million (2011-12: ₹ 14.58 million) for Superannuation Fund contributions and ₹ 2.21 million (2011-12: ₹ 4.85 million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plan by the Company are at rates specified in the rules of the schemes.

**41. Segment Reporting**

**a) Business Segment**

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

**b) Geographical Segment**

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

42. The Income-tax department had carried out search and seizure operations during 2009-10 and 2011-12 at the business premises of the Company located at various places in India and the residential premises of an employee. During the proceedings before the Income-tax Settlement Commission, it was brought to the notice that an employee had indulged in misappropriation of materials and certain expenditure on procurement of materials, contract / sub contract payments, labour, power and fuel, transportation and general administration could include possible diversion of funds for purposes other than business. During the current period, the Company filed a Settlement Application submitting additional income of ₹ 1,387.74 million (in respect of the aforesaid expenditure) and subsequently paid the tax of ₹ 426.21 million and interest on tax of ₹ 153.35 million through adjustment of refund, Tax deducted at Source etc. The aforesaid amounts have been included in the Statement of Profit and Loss under ‘Current tax relating to prior years’ and ‘Interest – Others’ under Finance Cost (Note 25) respectively.

43. The shareholders of the Company, through a special resolution, have approved the remuneration of executive directors in the Annual General Meeting held on December 24, 2012. Due to inadequate profits during the period, managerial remuneration paid to the executive directors aggregating to ₹ 15.19 million is in excess of the prescribed limits specified under Schedule XIII of the Companies Act, 1956, and is subject to the Central Government approval. Pending approval from the Central Government, the excess amount of ₹ 26.51 million (including ₹ 18.52 million relating to the previous period) has been included under due from directors in ‘Short-term Loans and Advances’ (Note 18).

**44. Employee Share based Plan – ESOP 2007 Scheme**

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

**45. Derivative Instruments**

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

	As at 31.03.2013	As at 30.06.2012
No. of Instruments	5	5
USD Equivalent (million)	14.69	18.28
INR Equivalent (₹ million)	664.83	828.05



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

	Currency	As at 31.03.2013		As at 30.06.2012	
		Foreign currency in million	₹ million	Foreign currency in million	₹ million
Short-Term Borrowings	EURO	0.41	28.89	-	-
Trade Payables	AED	0.27	3.98	0.29	4.44
	SAR	0.35	5.11	0.24	3.52
	NPR	3.63	2.24	7.32	4.69
	KES	0.38	0.24	-	-
	KWD	0.55	104.48	-	-
Other Current Liabilities	AED	0.04	0.55	-	-
	NPR	358.52	221.17	358.64	229.71
	KWD	0.44	83.02	0.38	0.25
Trade Receivables	AED	2.15	31.79	2.46	37.23
	NPR	2.25	1.39	0.14	0.09
	KWD	1.01	193.15	-	-
Loans & Advances	AED	2.84	41.92	2.36	35.70
	SAR	-	-	0.01	0.14
	NPR	13.86	8.55	16.74	10.72
	KES	0.17	0.11	0.17	0.11
	KWD	0.01	1.16	-	-

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

Name of the Company	No. of Shares as at 31.03.2013	No. of Shares as at 30.06.2012	Pledged in favour of
(a) Salem Tollways Limited	26,164,612	26,164,612	IDBI Trusteeship Limited
(b) Kumarapalyam Tollways Limited	17,035,836	138,639,269	IDBI Trusteeship Limited
(c) IVRCL Indore Gujarat Tollways Limited	10,564,518	8,680,374	IDBI Trusteeship Limited
	10,150,222	8,339,966	IFCI Limited
(d) IVRCL Chengapalli Tollways Limited	6,615,598	6,416,698	IDBI Trusteeship Limited
	6,356,162	6,165,062	IFCI Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450	4,886,723	IDBI Trusteeship Limited
(f) SPB Developers Private Limited	8,281,800	8,281,800	Andhra Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
(h) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
(i) Sushee – IVRCL Arunachal Highway Limited	6,630	-	IDBI Trusteeship Limited

**47. Operating Lease**

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2013 are as follows:  
(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Payable not later than 1 year	177.87	177.87
Payable later than 1 year and not later than 5 years	283.99	417.40
Later than 5 year	-	-

- ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 133.44 million (2011-12 : ₹ 44.94 million) have been included under “Machinery Hire Charges”.

- 48.** Balances with statutory / government authorities include claims filed by the Company with Director General of Foreign Trade aggregating to ₹ 248.62 million (As at 30.06.2012: ₹ 415.19 million) towards reimbursement of duty paid under the Deemed Exports Scheme.

**49. Details of purchase and sale of traded goods:**

(₹ in million)

	2012-13	2011-12
Purchase:		
Solar material	-	138.64
Construction equipment	5.83	67.02
Sale:		
Solar material	-	143.17
Construction equipment	6.61	69.30

- 50.** Figures for the previous period have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

**For and on behalf of the Board**

**E.Sudhir Reddy**  
Chairman &  
Managing Director

**R.Balarami Reddy**  
Executive Director -  
Finance & Group CFO

**B.Subrahmanyam**  
Company Secretary

Place : Hyderabad  
Date : May 30, 2013

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IVRCL LIMITED

### Report on the Financial Statements

We have audited the accompanied consolidated financial statement of **IVRCL LIMITED** ('the Company'), its subsidiaries, Associates and Joint Ventures (the Group) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and also the consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial positions, consolidated financial performance and consolidated Cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Basis for Qualified Opinion

1. We refer Note 27 of the consolidated financial statements wherein the Management of the Company has considered Trade Receivables amounting to ₹ 2,157.42 million as good and fully recoverable. In the absence of external balance confirmations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.
2. We refer Note 43A(iii) of the consolidated financial statements regarding a subsidiary, "Hindustan Dorr-Oliver Limited", wherein Deferred tax assets on business losses aggregating to ₹ 730.28 million have been recognized on the basis of future business plan prepared by the management. The management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. In absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the deferred tax assets can be realised, we are unable to comment the extent to which such deferred tax assets can be realised.

### Opinion

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

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii. in the case of the consolidated Statement of Profit and Loss, of the loss of the Company for the nine months period ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the nine months period ended on that date.

### Emphasis of Matters

1. Attention is invited to Note 36 to the consolidated financial statements regarding managerial remuneration for which the Central Government's approval is awaited.
2. Attention is invited to note 43A(i) and 43A(ii) to the consolidated financial statements in respect of Hindustan Dorr-Oliver Limited (HDO), a subsidiary of the Company, whereby the auditors of HDO have reported that :
  - a. The accumulated losses of the Company as at March 31, 2013 have exceeded its free reserves. The ability of the Company to continue as a going concern is predominantly dependent on the improvement of the Company's future operations. The management is confident of implementing its business plan and improvement of the future operations. In view of this, the financial statements have been prepared on the basis that the Company is a going concern.
  - b. The provision for impairment of goodwill arising on consolidation in respect of Hindustan Dorr-Oliver Limited and its subsidiaries (including foreign subsidiary, HDO (UK) Limited) aggregating to ₹ 1,782.24 million is not considered necessary by the management.
3. Attention is invited to Note 43B(i) and 43B(iv) to the consolidated financial statements in respect of Chennai Water Desalination Limited (CWDL), a subsidiary of the Company, whereby the auditors of CWDL have reported that :
  - a. The income accrued from operations in the current financial period on account of Water Capacity Charges (WCC) of ₹ 111.40 million (Previous Year ₹ 281.15 million) has been accounted as income in the books of account. The total amount receivable on this account from CWWSSB upto March 31, 2013 is ₹ 552.52 million. The company has taken reasonable steps in the matter and is hopeful to recover the amount. Accordingly, the accrued income has been considered good of recovery.
  - b. The interest of ₹ 342.80 million calculated at Indian lenders' rates applicable to the Company on the claims receivables from EPC Contractor has not been provided till March 31, 2013 due to pending final documentation.

Our opinion is not qualified in respect of these matters.

### Other Matters

1. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 46,162.38 million as at March 31, 2013, total revenue of ₹ 2,855.70 million, loss of ₹ 551.57 million and net cash flows of ₹ 42.87 million, for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.
2. Refer Note 32(i) of the consolidated financial statements regarding certain subsidiaries consolidated on the management certified accounts, which reflect total assets of ₹ 3,742.25 million as at March 31, 2013, total revenue of ₹ 1,280.61 million, loss of ₹ 79.51 million and net cash outflows amounting to ₹ 13.20 million for the period then ended are unaudited and we did not carry out any audit. The accompanying consolidated financial statements do not include adjustments if any, that may have been required had the financial statements of this entity been audited.
3. Refer Note 32(ii) of the consolidated financial statements regarding non-availability of the financial statements of certain joint ventures as at March 31, 2013. The investment of joint ventures valued at ₹ 0.21 million in the consolidated financial statements have not been adjusted in the consolidated financial statements in absence of their financial statements as at March 31, 2013 and that may have been required had the financial statements are available.
4. Refer Note 32(ii) of the consolidated financial statements regarding non-availability of the financial statements of certain associates as at March 31, 2013. The investment of associates valued at ₹ 83.89 million in the consolidated financial statements have not been adjusted in the consolidated financial statements in absence of their financial statements as at March 31, 2013 and that may have been required had the financial statements are available.

Our opinion is not qualified in respect of these matters.

### For Chaturvedi & Partners

Chartered Accountants  
(Firm Registration Number 307068E)

### R. N. Chaturvedi

Partner  
Membership No.092087

Hyderabad May 30, 2013

# Consolidated Balance Sheet as at March 31, 2013



(₹ in million)

	Note No.	As at 31.03.2013		As at 30.06.2012	
<b>I. Equity and Liabilities</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	3	613.77		534.02	
(b) Share Capital Suspense	3A	-		79.75	
(c) Reserves and Surplus	4	25,961.88		28,147.09	
			26,575.65		28,760.86
Minority Interest			1,870.20		2,242.91
<b>2. Non-Current Liabilities</b>					
(a) Long-Term Borrowings	5	35,657.16		32,829.11	
(b) Other Long-Term Liabilities	6	1,399.85		1,516.79	
(c) Long-Term Provisions	7	513.14		401.87	
			37,570.15		34,747.77
<b>3. Current Liabilities</b>					
(a) Short-Term Borrowings	8	25,679.84		24,560.35	
(b) Trade Payables	9	23,364.28		22,553.39	
(c) Other Current Liabilities	10	21,255.83		15,760.34	
(d) Short-Term Provisions	7	241.83		260.69	
			70,541.78		63,134.77
<b>Total</b>			<b>136,557.78</b>		<b>128,886.31</b>
<b>II. Assets</b>					
<b>1. Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	11	14,206.22		14,824.35	
(ii) Intangible Assets	11	14,879.75		15,156.37	
(iii) Intangible Assets under development	11	27,494.46		23,232.36	
(iv) Capital Work-in-Progress		404.16		322.33	
			56,984.59		53,535.41
(b) Goodwill on Consolidation		1,486.19		1,505.19	
(c) Non-Current Investments	12	235.86		235.96	
(d) Deferred Tax Assets (Net)	13	1,073.20		561.98	
(e) Long-Term Loans and Advances	14	2,790.04		2,806.11	
(f) Other Non-Current Assets	15	8,811.53		8,230.23	
			14,396.82		13,339.47
			71,381.41		66,874.88
<b>2. Current Assets</b>					
(a) Inventories	16	12,984.90		12,926.18	
(b) Trade Receivables	17	22,136.75		22,979.23	
(c) Cash and Bank Balances	18	1,579.18		1,376.90	
(d) Short-Term Loans and Advances	19	10,761.65		8,810.66	
(e) Other Current Assets	20	17,713.89		15,918.46	
			65,176.37		62,011.43
<b>Total</b>			<b>136,557.78</b>		<b>128,886.31</b>
<b>Accompanying Notes forming part of the Financial Statements</b>	<b>1-47</b>				

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**R. N. Chaturvedi**  
Partner

Date: May 30, 2013  
Place: Hyderabad

**For and on behalf of the Board of Directors**

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

**B. Subrahmanyam**  
Company Secretary

**Consolidated Statement of Profit and Loss for the Period from July 01, 2012 to March 31, 2013**



(₹ in million)

	Note No.	Period from 01.07.2012 to 31.03.2013	Period from 01.04.2011 to 30.06.2012
<b>I. Income</b>			
(a) Income from Operations	21	45,118.67	75,908.46
Less : Excise Duty		166.13	334.17
Net Income from Operations		<b>44,952.54</b>	<b>75,574.29</b>
(b) Other Income	22	673.93	1,580.52
<b>Total Income</b>		<b>45,626.47</b>	<b>77,154.81</b>
<b>II. Expenditure</b>			
(a) Raw Materials Consumed	23A	1,670.17	3,608.36
(b) (Increase) / Decrease in Finished Goods, WIP and Development Rights/Plots Stock	23B	315.08	(5,289.41)
(c) Purchase of Stock-in-Trade (Traded Goods)		5.83	205.66
(d) Construction Expenses	23C	35,885.32	63,870.33
(e) Employee Benefits Expense	24	2,228.95	4,121.15
(f) Other Expenses	25	1,589.17	2,791.76
(g) Finance Costs	26	4,928.61	7,306.48
(h) Depreciation and Amortisation Expense	11	1,282.23	2,100.14
Less : Transferred to Revaluation Reserve		0.03	0.04
		1,282.20	2,100.10
<b>Total Expenditure</b>		<b>47,905.33</b>	<b>78,714.43</b>
<b>III. (Loss) / Profit Before Exceptional Item (I - II)</b>		<b>(2,278.86)</b>	<b>(1,559.62)</b>
<b>IV. Exceptional Item</b>	43A(vii)	763.06	-
<b>V. (Loss) / Profit After Exceptional Item and Before Tax (III - IV)</b>		<b>(3,041.92)</b>	<b>(1,559.62)</b>
<b>VI. Tax Expense</b>			
(a) Current Tax Expense for Current Year		408.89	764.89
(b) Current Tax relating to prior years		(146.59)	-
(c) Deferred Tax	43A(iii)	(511.21)	(693.87)
		(248.91)	71.02
<b>VII.(Loss) / Profit for the Period Before Minority Interest (V - VI)</b>		<b>(2,793.01)</b>	<b>(1,630.64)</b>
<b>VIII.Share of Loss Transferred to Minority Interest</b>		(387.50)	(392.23)
<b>IX. (Loss) / Profit for the Period After Minority Interest (VII - VIII)</b>		<b>(2,405.51)</b>	<b>(1,238.41)</b>
<b>X. Earnings Per Share (Face Value ₹ 2 each)</b>	30		
Basic & Diluted (₹)		(7.84)	(4.04)
<b>Accompanying Notes forming part of the Financial Statements</b>	1-47		

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**R. N. Chaturvedi**  
Partner

Date: May 30,2013  
Place : Hyderabad

**For and on behalf of the Board of Directors**

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

**B. Subrahmanyam**  
Company Secretary

**Consolidated Cash Flow Statement for the Period  
from July 01, 2012 to March 31, 2013**



(₹ in million)

	Period from 01.07.2012 to 31.03.2013		Period from 01.04.2011 to 30.06.2012	
<b>A. Cash Flow from Operating Activities</b>				
(Loss) / Profit Before Tax		(3,041.92)		(1,559.62)
Adjustment for				
Depreciation and Amortisation Expense	1,282.20		2,100.10	
Dividend received on Investments	(0.15)		(0.27)	
Loss on Sale of Fixed Assets	55.35		24.14	
Gain on Sale of Investments	(183.50)		(1,169.85)	
Provision for doubtful debts, advances and deposits	122.09		511.51	
Provision for diminution in value of Investments	-		22.20	
Liabilities no longer required written back	(20.70)		(103.25)	
Net Unrealised Exchange (Gain) / Loss	(39.87)		4.05	
Interest Income	(105.11)		(180.52)	
Finance Costs	4,928.61	6,038.92	7,306.48	8,514.59
<b>Operating Profit before Working Capital Changes</b>		<b>2,997.00</b>		<b>6,954.97</b>
<b><u>Changes in Working Capital</u></b>				
(Increase) in Inventories	(58.73)		(1,342.07)	
Decrease in Trade Receivables	623.80		1,159.04	
(Increase) in Loans & Advances and Other Current Assets	(4,142.18)		(5,413.67)	
Increase in Current Liabilities	3,739.78	162.67	3,981.23	(1,615.47)
<b>Cash generated from operations</b>		<b>3,159.67</b>		<b>5,339.50</b>
Net Income Tax paid (Net of Refunds)		(278.21)		(1,467.14)
<b>Net Cash Flow from Operating Activities</b>		<b>2,881.46</b>		<b>3,872.36</b>
<b>B. Cash Flow from Investing Activities</b>				
Capital Expenditure on Fixed Assets (including Capital Advances)	(4,791.79)		(19,007.38)	
Proceeds from Sale of Fixed Assets	38.93		403.36	
Proceeds from Sale of Long-Term Investments	183.50		2,202.10	
Purchase / Subscription of Long-Term Investments	-		(320.88)	
Proceeds from Sale of Development Rights	-		1,854.44	
Foreign Exchange Translation adjustment	72.08		(185.83)	
Bank Balances / Term Deposits with Banks not considered as Cash and Cash Equivalents (net)	23.66		129.80	
Interest Received	93.41		180.39	
Dividend received on Long-Term Investments	0.15		0.27	
<b>Net Cash Flow used in Investing Activities</b>		<b>(4,380.06)</b>		<b>(14,743.73)</b>

**Consolidated Cash Flow Statement for the Period  
from July 01, 2012 to March 31, 2013**



(₹ in million)

	Period from 01.07.2012 to 31.03.2013		Period from 01.04.2011 to 30.06.2012	
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Government Grants	147.06		532.80	
Repayment of Non-Convertible Debentures	(850.00)		(2,800.00)	
Proceeds from Non-Convertible Debentures	-		2,340.00	
Proceeds from Long Term Borrowings (net of repayments)	5,651.91		12,217.43	
Proceeds from Short Term Borrowings (net of repayments)	1,119.50		5,188.59	
Interest and Finance Charges Paid	(4,298.10)		(7,329.80)	
Dividends Paid	(0.51)		(158.67)	
Tax on Dividend	-		(25.99)	
<b>Net cash generated from financing activities</b>		<b>1,769.86</b>		<b>9,964.36</b>
Net increase in Cash and Cash Equivalents (A+B+C)		271.26		(907.01)
Cash and Cash Equivalents at the beginning of the period		1,179.17		2,086.04
Effect of Exchange differences on restatement of Foreign Currency Cash and Cash Equivalents		(0.02)		0.14
<b>Cash and Cash Equivalents at the end of the period</b>		<b>1,450.41</b>		<b>1,179.17</b>

**Notes :**

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

In terms of our report attached

**For Chaturvedi & Partners**  
Chartered Accountants

**R. N. Chaturvedi**  
Partner

Date: May 30,2013  
Place : Hyderabad

**For and on behalf of the Board of Directors**

**E. Sudhir Reddy**  
Chairman &  
Managing Director

**R. Balarami Reddy**  
Executive Director -  
Finance & Group CFO

**B. Subrahmanyam**  
Company Secretary



## 1. Corporate Information

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

## 2. Accounting Policies

### 2.1 Basis of Preparation

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

The Board of Directors of the Company vide resolution dated March 28, 2012, approved extension of financial period 2011-12 of the Company by a period of 3 months i.e., 15 months period ending June 30, 2012 and subsequent financial period for a period of 9 months i.e., July 01, 2012 to March 31, 2013. Hence, the figures for the current period are strictly not comparable with those of the previous period.

### 2.2 Use of Accounting Estimates

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

### 2.3 Principles of Consolidation

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

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

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

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

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

## **2.4 Recognition of Contract Revenue and Expenses**

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

## **2.5 Revenue from Joint Venture Contracts**

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

## **2.6 Revenue from Sale of Goods**

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

## **2.7 Sale of Bulk Water**

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

## **2.8 Income from Toll Collection**

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

## 2.9 Revenue from Real Estate

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

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

### • Sale of land and development rights

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

### • Sale of flats, villas, plots

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

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

## 2.10 Employee Benefits

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

### (i) Defined contribution plans

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

### (ii) Defined benefit plans

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

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

### (iii) Short-term employee benefits

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

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

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

### (iv) Long-term employee benefits

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

## 2.11 Fixed Assets

### a) Tangible

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

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

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

### b) Intangible

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

### c) Goodwill

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

## d) Expenditure incurred during construction period pending allocation

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

## 2.12 Depreciation and Amortization

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

- Steel Shuttering 10%

- Wood Shuttering 33 1/3 %

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

(iii) Intangible assets i.e., toll Collection rights are amortized over the period of concession, using revenue based amortization as prescribed in the Schedule XIV to the Companies Act, 1956. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any changes in the estimates.

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

(v) In some Subsidiaries and Joint ventures depreciation is calculated on different method by adopting different rates. The depreciation charged in respect of these entities is not significant in the context of the consolidated financial statements.

## 2.13 Impairment of Assets

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

## 2.14 Government Grants

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

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

## 2.15 Foreign Currency Transactions and Foreign Operations

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

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation on its existing

assets and liabilities, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract.

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

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

### **2.16 Investments**

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

### **2.17 Inventories**

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

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

Residential Properties includes cost incurred towards development of such properties.

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

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

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

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

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

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

### **2.18 Borrowing Costs**

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

### **2.19 Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## 2.20 Income Taxes

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

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

## 2.21 Earnings Per Share (EPS)

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

## 2.22 Cash Flow Statement

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

## 2.23 Leases

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

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

## 2.24 Current / Non-Current Classification

### Infrastructure:

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

### Others:

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

**3. Share Capital**

	As at 31.03.2013		As at 30.06.2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
<b>Authorised :</b>				
Equity shares of ₹ 2 each	1,625,000,000	3,250.00	1,625,000,000	3,250.00
Preference shares of ₹ 2 each	25,000,000	50.00	25,000,000	50.00
	<b>1,650,000,000</b>	<b>3,300.00</b>	<b>1,650,000,000</b>	<b>3,300.00</b>
<b>Issued, Subscribed and Paid-up :</b>				
Equity shares of ₹ 2 each fully paid-up	306,886,648	613.77	267,009,858	534.02
	<b>306,886,648</b>	<b>613.77</b>	<b>267,009,858</b>	<b>534.02</b>

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

	As at 31.03.2013		As at 30.06.2012	
	No. of Equity Shares	₹ in million	No. of Equity Shares	₹ in million
At the beginning of the Period	267,009,858	534.02	267,009,858	534.02
Add : Issued during the period pursuant to Composite Scheme of Arrangement (Refer Note 28A)	39,876,790	79.75	-	-
Outstanding at the end of the period	306,886,648	613.77	267,009,858	534.02

**3.2 Terms / Rights attached to Equity Shares**

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

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

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

- 1) The Company had allotted 133,504,929 equity shares of ₹ 2 each in the year 2009-10 as fully paid bonus shares in the ratio of 1:1 by utilizing ₹ 267.01 million from General Reserve.
- 2) Pursuant to Composite Scheme of Arrangement, the Company has issued 39,876,790 shares of ₹ 2 each as fully paid-up shares during the current period (Refer Note 28A).

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

	As at 31.03.2013		As at 30.06.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Asian Satellite Broadcast Private Limited	-	-	20,294,000	7.60
HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Limited	-	-	16,633,913	6.23
E. Sudhir Reddy	-	-	14,920,594	5.59

**3A. Share Capital Suspense**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Share Capital Suspense	-	79.75

39,876,790 (2011-12: Nil) Equity Shares of ₹ 2 each, fully paid, have been issued pursuant to Composite Scheme of Arrangement (Refer Note 28A)



4. Reserves and Surplus

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(a) Capital Reserve</b>		
Opening Balance	3,294.79	3,817.00
Add: Pursuant to the Composite Scheme of Arrangement (net) (Refer Note 28)	-	3,293.56
Less : Adjustment on account of amalgamation / demerger	-	(3,815.77)
Closing Balance	<b>3,294.79</b>	<b>3,294.79</b>
<b>(b) Business Restructuring Reserve</b> (Refer Note 28)	<b>271.37</b>	<b>271.37</b>
<b>(c) Securities Premium Account</b>		
Opening Balance	10,615.02	13,489.71
Less: Pursuant to the Composite Scheme of Arrangement (net)	-	(2,874.69)
Closing Balance	<b>10,615.02</b>	<b>10,615.02</b>
<b>(d) Revaluation Reserve</b>		
Opening Balance	28.34	122.61
Less: Depreciation on revalued portion of assets	(0.03)	(0.04)
Less: Pursuant to the Composite Scheme of Arrangement (net)	-	(94.23)
Closing Balance	<b>28.31</b>	<b>28.34</b>
<b>(e) General Reserve</b>		
Opening Balance	8,898.55	3,537.93
Add: Transfer from Surplus in Statement of Profit and Loss	112.50	-
Add: Pursuant to the Composite Scheme of Arrangement (net)	-	5,414.15
Less: Pursuant to the Composite Scheme of Arrangement (net)	-	(53.53)
Closing Balance	<b>9,011.05</b>	<b>8,898.55</b>
<b>(f) Government Grant</b>	<b>679.86</b>	<b>532.80</b>
<b>(g) Debenture Redemption Reserve</b>		
Opening Balance	612.50	562.50
(Less) / Add: Transfer (to) / from Surplus in Statement of Profit and Loss	(112.50)	50.00
Closing Balance	<b>500.00</b>	<b>612.50</b>
<b>(h) Foreign Exchange Translation Reserve</b>		
Opening Balance	(187.83)	(2.13)
Add: Effect of foreign exchange variations during the period	72.07	(185.70)
Closing Balance	<b>(115.76)</b>	<b>(187.83)</b>
<b>(i) Surplus in Statement of Profit and Loss</b>		
Opening Balance	4,081.55	4,235.82
Add : Adjustment on account of closure of subsidiary	1.20	-
Add: Pursuant to the Composite Scheme of Arrangement (net)	-	1,134.14
Add: (Loss) / Profit for the period	(2,405.51)	(1,238.41)
Less: Appropriations		
i) Transfer from / (to) Debenture Redemption Reserve	112.50	(50.00)
ii) Transfer to General Reserve	(112.50)	-
Closing Balance	<b>1,677.24</b>	<b>4,081.55</b>
	<b>25,961.88</b>	<b>28,147.09</b>

**Note:**

750 and 100 Non-Convertible Debentures of ₹ 1,000,000 each have been fully repaid during the period [Refer Note 5.1 (b) and (c)]. Consequently debenture redemption reserve in respect of such debentures has been transferred to Surplus in Statement of Profit and Loss.

**5. Long-Term Borrowings**

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
	Non-Current	Current@	Non-Current	Current@
<b>Secured</b>				
<b>(a) Debentures</b> (Refer Note 5.1 below)				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	2,000.00	-
- 9.50% Redeemable, Non-Convertible Debentures	-	-	-	750.00
- 11.50% Redeemable, Non-Convertible Debentures	-	-	-	100.00
<b>(b) Term Loans</b> (Refer Note 5.3 to 5.18 below)				
- From Banks	27,698.05	1,792.90	23,404.45	1,260.94
- From Others	5,048.75	501.34	4,932.31	425.49
<b>(c) Earth Moving Equipment and Vehicle Loans</b> (Refer Note 5.19 below)				
- From Banks	134.15	62.48	172.17	55.85
- From Others	86.21	99.38	80.18	67.12
<b>Unsecured</b>				
<b>(d) Debentures (Unsecured)</b>				
Compulsory Convertible Debentures [Refer Note 5.2 below]	2,240.00	-	2,240.00	-
<b>(e) Term Loans from Banks</b> [Refer Note 5.3(d) below]	450.00	150.00	-	-
	<b>35,657.16</b>	<b>4,606.10</b>	<b>32,829.11</b>	<b>2,659.40</b>

@ Amount included under Note 10 - Other Current Liabilities

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

**(a) 12.15% Non-Convertible Debentures**

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

**(b) 9.50% Non-Convertible Debentures**

1,500 Debentures of ₹ 1,000,000 each issued to RHC Holding Private Limited during the year 2009-10. The debentures shall be redeemed in two equal installments of ₹ 750 million each at the end of 24 months (i.e., March 10, 2012) and 36 months (i.e., March 10, 2013) respectively from the date of allotment. The debentures are secured by way of first ranking exclusive charge over vacant freehold urban land owned by the Company and its subsidiaries. These debentures were redeemed on the due dates.

**(c) 11.50% Non-Convertible Debentures**

100 Debentures of ₹ 1,000,000 each were issued to Central Bank of India Employees Provident Fund Trust during the period 2011-12. The debentures shall be redeemed at the end of 367 days (i.e., August 4, 2012). The debentures are secured by way of first pari passu charge over certain specific fixed assets of the Company. These debentures were redeemed on the due date.

**5.2 Compulsorily Convertible Debentures**

**(i) IVRCL Chengapalli Tollways Limited**

(a) Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the project of the Company. The tenure of the CCDs is 6 years from the date of disbursal. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a. if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the Company held by the Sponsor amounting to 49% of the paid-up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.

(b) Default as on March 31, 2013

Interest : Amount ₹ 24.70 million and period of default is 90 days

Amount ₹ 16.67 million and period of default is 1 day

**(ii) IVRCL Indore Gujarat Tollways Limited**

(a) Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the project of the Company. The tenure of the CCDs is 6 years from the date of disbursal. The indicative coupon rate is 11% p.a. payable quarterly subject to overall yield to the lender @ 15% p.a. if related option is exercised in 5th and 6th year but if option is exercised between 3rd and 5th year, overall yield to the lender @ 15.50%. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the Company held by the Sponsor amounting to 49% of the paid-up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.

(b) Default as on March 31, 2013

Interest : Amount ₹ 23.69 million and period of default is 91 days

Amount ₹ 30.51 million and period of default is 1 day

**5.3 Term Loans from Banks**

**(a) Punjab & Sind Bank**

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The loan is repayable in 1 installment of ₹ 55.11 million from the balance sheet date. The balance outstanding as at March 31, 2013 is ₹ 108.75 million, including overdue amount of ₹ 53.64 million (Refer Note 5.5).

**(b) Standard Chartered Bank (External Commercial Borrowings)**

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

S. No	Outstanding as on 31.03.2013		Repayable in	Period of maturity w.r.t Balance sheet Date	Rate of Interest p.a
	USD (million)	INR (million)			
1	2.81	130.50	9 equal quarterly installments of ₹ 14.50 million each	2 years 3 months	8.90%
2	3.75	170.06	12 equal quarterly installments of ₹ 14.17 million each	2 years 10 months	9.38%
3	1.88	84.66	12 equal quarterly installments of ₹ 7.05 million each	2 years 11 months	9.50%
4	4.06	183.14	13 equal quarterly installments of ₹ 14.08 million each	3 years 2 months	9.85%
5	2.19	96.47	14 equal quarterly installments of ₹ 6.89 million each	3 years 4 months	9.85%
<b>Total</b>	<b>14.69</b>	<b>664.83</b>			

The principal and interest components for the above loans are hedged and duly covered against foreign exchange fluctuations (Refer Note 39).

**(c) IndusInd Bank**

The loan amount of ₹ 396.09 million, is to be secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is 18.75% p.a. and repayable in 4 equal semi-annual installment of ₹ 100.00 million each commencing from September 2013. The balance outstanding as at March 31, 2013 is ₹ 396.09 million.

**(d) Union Bank of India**

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

**5.4 Term Loans from Others**

**(a) SREI Equipment Finance Private Limited:**

**Loan I**

Secured by first charge by way of hypothecation of specific movable assets. The rate of interest is IDBI Bank Base Rate plus 1.80% p.a. The loan is repayable in 8 equal quarterly installments of ₹ 50.00 million and last installment of ₹ 250.00 million, the period of maturity is 2 years 1 month from balance sheet date. The balance outstanding as at March 31, 2013 is ₹ 650.00 million.

**Loan II**

Secured by first charge by way of hypothecation of specific movable assets. The loan is repayable in 18 quarterly installments of ranging from ₹ 17.00 million to ₹ 40.00 million. The period of maturity from balance sheet date is 4 years 3 months. The rate of interest is IDBI Bank Base Rate plus 4.50% p.a. The balance outstanding as at March 31, 2013 is ₹ 465.98 million.

**(b) TATA Capital Limited:**

Secured by mortgage of freehold non-agricultural land. The loan is repayable in 6 equal quarterly installments of ₹ 26.67 million each, commencing from July 2013. The period of maturity from balance sheet date is 1 year 10 months. The rate of interest is Long-Term Lending Rate minus 4.25% p.a. The balance outstanding as at March 31, 2013 is ₹ 160.00 million.

**5.5 Details of Long-Term Borrowings guaranteed by some of the Directors** (₹ in million)

	As at 31.03.2013	As at 30.06.2012
Term Loan from Banks	1,000.00	-

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

	Period of default as at 31.03.2013	₹ in million
Repayment of Term Loan from Banks	50 Days	53.64
Interest on Term Loan		
- From Banks	8 Days	10.07
	31 Days	7.53
	1 Day	1.54
- From Others	1 Day	9.51
	16 Days	5.98
	16 Days	5.25

**5.7 Hindustan Dorr-Oliver Limited**

a) Bank of India (Consortium leader) vide their letter dated March 28, 2013 ('Sanction of credit facilities') has approved the Company's financial restructuring package in respect of credit facilities effective from December 31, 2012. As per the restructuring package, a part of the debts outstanding in respect of cash credit facilities

aggregating to ₹ 1,974.00 million and ₹ 70.07 million have been converted into Working Capital Term Loan and Funded Interest Term Loan (i.e. WCTL and FITL) respectively as on December 31, 2012.

**b) (i) Working capital term loan from banks**

These are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), fixed assets owned by both Parent and wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and situated at Vatva, Ahmedabad (Gujarat) owned by both Parent and subsidiary. The facility is further to be secured by pledging of 29.38% shares of the Company held by IVRCL Limited (Holding Company) and 100% shares of HDO Technologies Limited. The facility carries interest @11.50% p.a.

**(ii) Repayment of Working Capital Term Loan:-** Repayable in 24 quarterly installments after moratorium period of 12 months from December 31, 2012 with the first installment due on March 2014 and ending on December 2019.

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

**c) External Commercial Borrowings**

Secured by first charge over the land and building situated at Mumbai (the Company's Corporate office) along with other assets of the Company with current value not less than 1.25x of the facility amount. Borrowing is further secured by first charge over the existing fixed assets and current assets of Davy Markham Limited (a wholly owned subsidiary of HDO (UK) Limited (a wholly owned foreign subsidiary of the Company)).

Terms of Repayment: To be repaid in 16 equal quarterly installments with the first installment due on April 17, 2013 (i.e. at the end of 15th month from the date of disbursement) and ending on January 17, 2017.

Terms of Interest: USD 3 months LIBOR as prevailing at the start of every interest period plus margin (300 bps p.a.) payable in arrears at the end of every interest period net of withholding tax or deductions, if any.

**5.8 Salem Tollways Limited**

(i) The term loan is secured by pari pasu first charge on all the borrowers immovable properties present and future and intangible assets, movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & future), operating cashflows, book debts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Salem Kumarapalayam Chengapalli section of NH-47 from km 0 to km 53 in the state of Tamilnadu on BOT Toll basis, Borrowers bank account, Escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and Insurance contracts.

(ii) Terms of Interest : Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.

(iii) Terms of repayment: Total Senior Debt was availed of ₹ 2,228.30 million and repayment of the loan was started from August 31, 2010 with total 138 unequal monthly installments ranging from ₹ 1.86 million to ₹ 32.50 million and the Sub Debt was availed of ₹ 200.00 million and repayment of loan was started from February 28, 2011 with total 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.17 million.

(iv) Default as on March 31, 2013

Interest : Amount ₹ 21.62 million and period of default is 1 day

**5.9 Kumarapalyam Tollways Limited**

(i) The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets both present and future, movables including plant & machinery, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets, machinery spares, excluding crushers, operating cash flows, book debts, receivables, including grant, revenue shortfall loan to be received from NHAI and any other revenues whatsoever nature and wherever arising present and future subject to charge of working capital lenders on operating cash flows subject to the amount of their loans not exceeding ₹ 20.00 million. Borrowers bank account including without limitation the escrow account, major maintenance reserve account, DSRA and each of any other accounts required to be created by the Borrower under any project document or contract, first charge on all intangible assets, security interest in project document and contracts, and insurance proceeds.

- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment: Senior Debt availed of ₹ 3,189.46 million carrying interest with reset clause. Repayment of the loan commenced from September 15, 2009 with 138 unequal monthly installments ranging from ₹ 2.66 million to ₹ 39.87 million and the Sub Debt availed of, was ₹ 200.00 million carrying interest with reset clause. Repayment of loan commenced from March 15, 2010 with 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.67 million.
- (iv) Default as on March 31, 2013
  - a) Principal : Amount ₹ 9.46 million and period of default is 44 days
  - b) Principal : Amount ₹ 13.95 million and period of default is 16 days
  - c) Interest : Amount ₹ 20.27 million and period of default is 31 days
  - d) Interest : Amount ₹ 3.47 million and period of default is 16 days
  - e) Interest : Amount ₹ 41.46 million and period of default is 1 day

#### 5.10 Jalandhar Amritsar Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrowers immovable properties and assets, both present and future, movables including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets (present & future) operating cash flows, book debts and receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues of whatsoever nature and wherever arising, present and future bank accounts including without limitation the escrow account and debt service reserve account and each of the other accounts required to be created by the borrower under any project document or contract, all intangibles present and future. A first charge by way of assignment or creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever in the project document and contracts, clearances, letter of credit, guarantees, performance bond and liquidity damages provided by any party to the project documents and all insurance contract and insurance proceeds.
- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment: Senior Debt availed of ₹ 1,570.00 million and repayment of the loan commenced from December 31, 2009 with 34 unequal quarterly installments ranging from ₹ 30.95 million to ₹ 81.30 million and the sub debt availed of, was ₹ 794.80 million and repayment of loan commenced from June 30, 2010 with 32 unequal quarterly installments ranging from ₹ 4.10 million to ₹ 31.79 million.
- (iv) Default as on March 31, 2013
  - a) Principal : Amount ₹ 10.14 million and period of default is 90 days
  - b) Principal : Amount ₹ 55.94 million and period of default is 1 day
  - c) Interest : Amount ₹ 16.52 million and period of default is 31 days
  - d) Interest : Amount ₹ 21.09 million and period of default is 1 day

#### 5.11 IVRCL Chengapalli Tollways Limited

- (i) Except project assets, the term loan is secured by pari pasu first charge on all the borrowers movables and immovable, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future), operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 6 laning from Km 102.035 to Km 144.680 on the Chengapalli to start of Coimbatore bypass and 4 laning from Km 170.880 to Km 183.010 on the end of Coimbatore bypass to Tamilnadu / Kerala border section of NH-47 on BOT Toll basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the Borrower under any project document or contract and insurance contracts.  
Pledge of 51% of the shares of the Company held by the sponsors up to the second anniversary of the Commercial Operation Date (COD) and 26% thereafter.
- (ii) Interest payable to lenders on monthly basis at rates linked to their respective base rates plus applicable spread (except Andhra Bank whose applicable interest rate shall be linked to the base rate of lead bank). The interest rates shall be subject to annual reset from scheduled COD or actual COD whichever is earlier.
- (iii) Terms of repayment: Term loans are repayable in 44 unequal quarterly installments commencing from April 01, 2017 ranging from ₹ 5.00 million to ₹ 351.13 million

(iv) Default as on March 31, 2013

Interest : Amount ₹ 41.27 million and period of default is 1 day

## 5.12 SPB Developers Private Limited

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

(ii) A First Charge on the Escrow account, Debt Service Reserve account and Other Reserves and any other Bank accounts of the company, wherever maintained.

(iii) A First Charge on all Intangibles of the Company including but not limited to Goodwill, Uncalled Capital, Present and Future.

(iv) Pledge of 51% shares of the Company held by the Sponsors up to the third anniversary of the COD and 26% of the shares of the Company thereafter. The Shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including Shareholder Agreement, Joint Venture Agreement, Financing Agreement with regard to Pledge/Transfer of the shares including transfer upon enforcement of the pledge Sec 19 of Banking Regulations Act to be ensured.

(v) Interest payable to lender on monthly basis @ 11% (fixed) p.a. during construction period and 10.50% (fixed) p.a. after construction period and interest will be reset after three years from the date of first disbursement and every three years thereon.

(vi) Terms of repayment: Repayment of term loan will be in 44 quarterly unequal installments ranging from ₹ 4.78 million to ₹ 76.41 million. Term loan drawn up to March 31, 2013 is ₹ 1,419.60 million out of total term loan of ₹ 1,910.30 million.

(vii) Default as on March 31, 2013

a) Interest : Amount ₹ 6.77 million and period of default is 1 day

## 5.13 IVRCL Chandrapur Tollways Limited

(i) The term loan is secured pari passu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, goodwill, rights, undertakings and all other movable assets (present and future) except project assets, immovable property both present and future, operating cash flows, book debts, toll collection, receivables, revenue to be received from Government of Maharashtra, Public Works Department (PWD) and any other revenues relating to four laning and improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 & 7 in Yavatmal and Chandrapur District length 85.112 Kms in the state of Maharashtra on a BOT basis, Borrower's bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.

(ii) Terms of Interest: Interest payable to lenders on monthly basis linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall remain fixed till the COD. The interest rate and spread shall be reset on COD and every year thereafter.

(iii) Terms of repayment: Term loans are repayable in 49 quarterly installments of unequal amounts commencing from September 30, 2013, ranging from ₹ 3.10 million to ₹ 125.60 million. The term loan drawn up to March 31, 2013 is ₹ 1,755.33 million out of total term loan of ₹ 3,139.90 million

## 5.14 Chennai Water Desalination Limited

(i) A first charge by way of mortgage of all the immovable properties of the Company, present and future.

(ii) First charge by way of hypothecation of all movable (tangible and intangible) including movable plant and machinery, machinery spares, tools and accessories, furniture, vehicles and all other movable assets present and future.

(iii) First charge on all book debts, operating cash flow, revenues and receivables, uncalled capital of the Company, present and future including by way of a charge on the Trust and Retention Account II Debt Service Reserve Account and other reserve and bank accounts of the Company subject only to the charge of working capital lenders for their loans to the extent of ₹ 100.00 million to the project on the operating cash flows.

(iv) Terms of Interest: Interest payable to domestic lenders on monthly basis and foreign lenders on quarterly basis.

The interest rates on domestic loan shall be subject to annual reset. Interest rate on foreign lenders carrying of LIBOR+2.25%.

- (v) Terms of repayment: Loan from Indian lenders availed of, was ₹ 3,000.00 million. Repayment of the loan commenced from May 31, 2010 with 117 monthly equal installments and the loan from foreign lender availed of, was Euro 14.06 million. Repayment of loan commenced from December 31, 2009 with 40 quarterly equal installments.
- (vi) Default as on March 31, 2013
  - a) Interest : Amount ₹ 22.28 million and period of default is 1 day

## 5.15 IVRCL Indore Gujarat Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present and future) operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Indore to Gujarat-MP border section of NH-59 from Km 9.5000 to Km 171.100 in the state of Madhya Pradesh on a DBFOT basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.
- (ii) Pledge of 51% of the shares of the borrower held by the sponsors up to the second anniversary of the COD and 26% thereafter.
- (iii) Interest payable to lenders on monthly basis is linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall be fixed till scheduled COD or actual COD whichever earlier. The interest rate shall be reset on earlier of actual COD or Scheduled COD and every year thereafter.
- (iv) Terms of repayment: The term loans are repayable in 46 quarterly installments of unequal amounts ranging from ₹ 28.57 million to ₹ 794.23 million. The term loan drawn up to March 31, 2013 is ₹ 10,129.98 million (2011-12: ₹ 9,209.98 million) out of total term loan of ₹ 11,427.80 million.
- (v) Default as on March 31, 2013
  - Interest : Amount ₹ 107.47 million and period of default is 1 day
  - Amount ₹ 96.83 million and period of default is 31 days

## 5.16 Alkor Petroo Limited

Indian rupee term loan from bank carries interest @ 12.50%. The loan is repayable in 10 equal quarterly installments after a moratorium period of 2.5 years from the date of first disbursement i.e April 4, 2014. The loan is secured by assignment of Company's interest in Block 6 and Block 8 in Egypt. Further, the loan has been guaranteed by the corporate guarantee of IVRCL Limited, the holding company.

## 5.17 IVR Hotels and Resorts Limited

- (i) Loan is secured by first pari-passu charge on underlying property (land and structure) and first pari-passu charge on all present and future receivables of underlying project.
- (ii) Loan carries interest rate of bank's base rate plus 3.50% and is repayable in 12 quarterly installments after a principal moratorium period of 3 years from the date of first disbursement (i.e September 26, 2012)
- (iii) Default as on March 31, 2013
  - Interest : Amount ₹ 1.93 million and period of default is 1 day

## 5.18 IVRCL Patalganga Truck Terminals Private Limited

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

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

Equipment Loans are secured by first charge and hypothecation of specified machinery, equipment and vehicles. Such loans are repayable over a period ranging from 7 to 60 months and carry interest rate ranging from 8.50% to 13.50% p.a.



6. Other Long-Term Liabilities

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Deferred Credit Liability payable	1,295.50	1,295.50
(b) Interest accrued but not due on borrowings	-	47.96
(c) Retention Money	5.89	74.87
(d) Claim payable to the Client	98.46	98.46
	<b>1,399.85</b>	<b>1,516.79</b>

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

7. Provisions

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
	Long-term	Short-term	Long-term	Short-term
(a) Gratuity	20.94	68.60	8.36	56.88
(b) Compensated Absences	89.55	150.30	89.39	162.89
(c) Resurfacing Obligation (Refer Note 40)	402.65	-	304.12	-
(d) Expected loss on Contracts	-	-	-	13.60
(e) Payable on Derivatives	-	8.04	-	8.28
(f) Provision for Notional Loss / (Gain) on derivative contracts	-	5.91	-	17.30
(g) Provision for Tax	-	8.98	-	1.74
	<b>513.14</b>	<b>241.83</b>	<b>401.87</b>	<b>260.69</b>

8. Short-Term Borrowings

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
<b>Secured</b>				
<b>Loans repayable on demand from Banks:</b>				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 8.1)	13,342.34		12,416.63	
(b) Project Specific Working Capital Loans (Refer Note 8.3 & 8.5)	9,724.69		8,841.82	
		23,067.03		21,258.45
<b>Unsecured</b>				
(a) Short-Term Loans from Banks (Refer Note 8.4)	250.00		1,800.00	
(b) Commercial Paper (Refer Note 8.2)	-		1,100.00	
(c) Buyers Credit	28.89		-	
(d) Working Capital Demand Loans and other credit facilities from Banks	2,333.92		401.90	
		2,612.81		3,301.90
		<b>25,679.84</b>		<b>24,560.35</b>

8.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

(a) Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects) and certain Plant & Machinery and equipment valuing ₹ 137.32 million and ₹ 0.66 million not charged to other lenders. Further these loans are

secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 133.71 million and lien of the Fixed Deposit of ₹ 4.20 million. The loans have a second charge on current assets of the specific-funding projects on reciprocal basis. The borrowings carry interest rate ranging from 10.20% to 14.00% p.a.

**(b) Hindustan Dorr-Oliver Limited**

Working capital loan from banks are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), fixed assets owned by both Parent and wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and situated at Vatva, Ahmedabad (Gujarat) owned by both Parent and subsidiary. The facility is further to be secured by pledging of 29.38% shares of the Company held by Holding Company and 100% shares of HDO Technologies Limited.

**(c) IVRCL TLT Private Limited**

Secured by hypothecation of inventories, book debts, other current assets and all present and future fixed assets of the Company except assignment of lease rights of the lease hold land (on which the movables/immovable of the Company are located).

As per the Scheme of Arrangement, working capital demand loan from IDBI Bank Limited has been transferred by its holding company i.e IVRCL Limited based upon its utilization for the manufacturing undertaking. Bank is yet to renew the working capital limit in favour of the Company.

**8.2 Commercial Paper**

The amount of Commercial Papers outstanding as at March 31, 2013 is ₹ Nil (2011-12 : ₹ 1,100.00 million). The maximum amount outstanding during the period was ₹ 1,100.00 million (2011-12 : ₹ 7,400.00 million).

**8.3 Project Specific Working Capital Loan from Banks**

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

**8.4 Short-Term Loans from Banks - Bank of Nova Scotia**

Loan is repayable in 1 installment within 30 days (i.e., April 5, 2013) from the date of disbursement. The rate of interest is 12.75% p.a. and the balance outstanding as at March 31, 2013 is ₹ 250.00 million

**8.5 Details of defaults in repayment of loans as on the Balance Sheet date**

	Period of default as at 31.03.2013	₹ in million
<b>Project - Specific Working Capital Loans</b>		
- Repayment of Loan Amount	1 Day	27.50
	31 Days	35.00
	59 Days	35.00
	90 Days	25.00
	121 Days	32.50
- Payment of Interest on Project - Specific Working Capital Loans	1 Day	1.98

**9. Trade Payables**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Acceptances	2,962.32	4,678.90
(b) Other than Acceptances	20,401.96	17,874.49
	<b>23,364.28</b>	<b>22,553.39</b>

10. Other Current Liabilities

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	4,606.10	2,659.40
(b) Interest accrued but not due on Borrowings	57.66	63.19
(c) Interest accrued and due on Borrowings	583.24	76.59
(d) Advances received from Contractee-Clients	10,834.03	8,892.38
(e) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(f) Payable to Related Parties		
- Joint Ventures	700.74	132.90
(g) Other Payables		
(i) Interest accrued on others	291.78	167.07
(ii) Payables on purchase of Fixed Assets	373.75	450.11
(iii) Accrued salaries and Employee Benefits	496.52	478.77
(iv) Statutory Remittances	1,535.92	1,116.63
(v) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956 - Not due		
- Unclaimed Public Deposit (including interest)	0.37	0.47
- Unclaimed Dividends	6.08	6.59
- Unclaimed Share Application Money	0.48	0.48
(vi) Interest on amounts due to Micro and Small Enterprises	5.03	0.36
(vii) Claims Payable to Client	79.44	79.44
(viii) Security Deposit	0.57	0.46
(ix) Others	237.59	188.97
	<b>21,255.83</b>	<b>15,760.34</b>

### 11. Consolidated Fixed Assets

(₹ in million)

	Gross Block						Depreciation						Net Block	
	As on 30.06.2012	Additions			Adj/ Deletion	As on 31.03.2013	As on 30.06.2012	For the Period	Adj. through Demerger	Foreign Exchange Adjustment	Adj./ Deletion	Upto 31.03.2013	As at 31.03.2013	As at 30.06.2012
		During the period	Adj. through Demerger	Foreign Currency Adjustment										
<b>Tangible Assets</b>														
Land - Freehold	1,343.27 (1,176.02)	13.97 (96.39)	-	8.60 (5.93)	1,348.64 (1,343.27)	-	-	-	-	-	-	1,348.64	1,343.27	
Land - Leasehold	930.02 (111.15)	-	-	99.86 (771.40)	830.16 (930.02)	81.18 (36.79)	9.59 (15.90)	-	-	64.47 (3.71)	26.30 (81.18)	803.86	848.84	
Buildings	1,568.52 (1,479.55)	130.33 (192.79)	0.09 (0.26)	46.94 (104.08)	1,747.97 (1,568.52)	482.36 (346.15)	77.70 (205.99)	-	0.02 (0.04)	(19.13) (69.82)	579.21 (482.36)	1,168.76	1,086.16	
Plant & Machinery	13,207.71 (12,149.62)	281.22 (1,432.46)	(10.71) (29.98)	478.52 (404.35)	12,999.70 (13,207.71)	2,858.06 (1,871.31)	675.64 (1,143.40)	-	(6.12) (14.33)	91.66 (170.98)	3,435.92 (2,858.06)	9,563.78	10,349.65	
Motor Vehicles	1,553.82 (1,449.73)	13.08 (298.07)	-	(298.49) (193.98)	1,865.39 (1,553.82)	692.52 (466.34)	151.28 (258.69)	-	-	7.87 (32.51)	835.93 (692.52)	1,029.46	861.30	
Furniture	239.01 (219.65)	6.53 (25.57)	-	6.58 (7.54)	239.43 (239.01)	128.84 (103.21)	12.89 (29.92)	-	0.41 (0.89)	6.41 (5.18)	135.73 (128.84)	103.70	110.17	
Office Equipment	236.03 (226.59)	6.80 (19.91)	-	6.33 (10.47)	236.50 (236.03)	100.41 (87.81)	8.64 (18.76)	-	-	6.42 (6.16)	102.63 (100.41)	133.87	135.62	
Computers	286.00 (272.30)	3.40 (16.03)	-	35.98 (2.70)	253.55 (286.00)	196.66 (148.27)	23.45 (52.21)	-	0.12 (0.32)	20.83 (4.14)	199.40 (196.66)	54.15	89.34	
<b>Total</b>	<b>19,364.38</b> (17,084.61)	<b>455.33</b> (2,081.75)	-	<b>(10.02)</b> (848.19)	<b>19,521.34</b> (19,364.38)	<b>4,540.03</b> (3,059.88)	<b>959.19</b> (1,724.87)	-	<b>(5.57)</b> (15.58)	<b>178.53</b> (256.59)	<b>5,315.12</b> (4,540.03)	<b>14,206.22</b>	-	
<b>Intangible Assets</b>														
Software	121.56 (99.98)	3.54 (29.01)	-	(27.17) (7.43)	152.27 (21.56)	71.30 (53.47)	18.54 (22.77)	-	-	(11.19) (4.94)	101.03 (71.30)	51.24	50.26	
Goodwill	6.90 (6.90)	-	-	-	6.90 (6.90)	6.90 (6.90)	-	-	-	-	6.90 (6.90)	-	-	
Technical Knowhow	9.81 (9.81)	-	-	-	9.81 (9.81)	9.81 (9.81)	-	-	-	-	9.81 (9.81)	-	-	
Carriage Ways	16,419.65 (15,007.45)	2.51 (1,412.20)	-	-	16,422.16 (16,419.65)	1,313.54 (982.63)	280.11 (330.91)	-	-	-	1,593.65 (1,313.54)	14,828.51	15,106.11	
<b>Total</b>	<b>16,557.92</b> (15,124.14)	<b>6.05</b> (1,441.21)	-	<b>(27.17)</b> (7.43)	<b>16,591.14</b> (16,557.92)	<b>1,401.55</b> (1,052.81)	<b>298.65</b> (353.68)	-	-	<b>(11.19)</b> (4.94)	<b>1,711.39</b> (1,401.55)	<b>14,879.75</b>	-	
<b>Grand Total</b>	<b>35,922.30</b> (32,208.75)	<b>461.38</b> (3,522.96)	-	<b>(10.02)</b> (689.54)	<b>36,112.48</b> (35,922.30)	<b>5,941.58</b> (4,112.69)	<b>1,257.84</b> (2,078.55)	-	<b>(5.57)</b> (15.58)	<b>167.34</b> (261.53)	<b>7,026.51</b> (5,941.58)	<b>29,085.97</b>	-	

Note:

- Land-Freehold includes
  - ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
  - ₹ 50.66 million (2011-12: ₹ 50.66 million), in respect of which the conveyance deed is yet to be executed
- Buildings includes
  - ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
  - ₹ 150.20 million in respect of which the conveyance deed is yet to be executed
  - Leasehold premises of ₹ 27.50 million (2011-12: ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid up front with no further significant obligations.

- Depreciation amounting to ₹ 8.75 million (2011-12: ₹ 8.77 million) for the period ended March 31, 2013 transferred to expenditure incurred during construction period pending allocation.
- Depreciation is excluding of ₹ 33.11 million pertaining to Goodwill written off during the period.
- During the previous period negative grant aggregating to ₹ 1,295.50 million payable to NHAI during the 13th and 15th year of the concession period in terms of clause 23.3 of chapter V of concession agreement dated November 30, 2005 has been capitalized with carriage ways in compliance of AS-29.
- Freehold Land includes land at Nelankarai Village, Saidapet Taluka, Chinglepet District, Chennai of the gross value of ₹ 2.81 million for which the subsidiary Company has taken legal action for removal of encroachment on certain part of the property.
- Buildings include Company owned residential flats of the Book Value of ₹ 8.85 million (2011-12: ₹ 8.85 million) including face value of shares held in Co-operative Housing Societies of ₹ 0.01 million in respect of which documents lodged with the Registrar of Properties for registration are yet to be received back.

12. Non-Current Investments

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
<b>Long Term Investments</b>				
Investment in equity instruments				
In Partnership Firms		0.21		0.21
In Associate Bodies Corporates – Unquoted		83.89		83.99
Other bodies corporates				
Quoted	16.56		16.56	
Unquoted	24.90		24.90	
Less : Provision for diminution in value of Investment	(22.73)		(22.73)	
		18.73		18.73
Investment in Debentures		131.03		131.03
Investment in Mutual Funds		2.00		2.00
		<b>235.86</b>		<b>235.96</b>

13. Deferred Tax Assets (Net)

(₹ in million)

	As at 31.03.2013		As at 30.06.2012	
<b>(a) Deferred Tax Liability</b>				
- Depreciation		(442.80)		(288.92)
<b>(b) Deferred Tax Asset</b>				
- Compensated Absences and Gratuity	98.86		74.77	
- Doubtful debts, Advances and Deposits	428.71		369.61	
- Business Loss / Unabsorbed Depreciation [Refer Note 43A(iii)]	830.33		55.85	
- Expenses relating to Amalgamation	3.74		4.40	
- Others	154.36	1,516.00	346.27	850.90
<b>Net Deferred Tax Asset</b>		<b>1,073.20</b>		<b>561.98</b>

14. Long-Term Loans and Advances

(Unsecured, considered good)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Capital Advances		
- Considered good	93.94	110.77
- Doubtful	-	30.30
	<b>93.94</b>	<b>141.07</b>
Less: Provision for Doubtful Capital Advances	-	30.30
	<b>93.94</b>	<b>110.77</b>
(b) Security Deposits	98.07	100.91
(c) Tax Deducted at Source and Advance Tax (net of provisions)	2,369.11	2,364.67
(d) Balance with Government Authorities	8.92	9.76
(e) Loans and Advances to Related Parties		
- Associates	220.00	220.00
	<b>2,790.04</b>	<b>2,806.11</b>

15. **Other Non-Current Assets**

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Long-Term Trade Receivables		
- Considered good	7,377.00	7,264.15
- Doubtful	4.96	41.19
	<b>7,381.96</b>	<b>7,305.34</b>
Less: Provision for Doubtful Trade Receivables	4.96	41.19
	<b>7,377.00</b>	<b>7,264.15</b>
(b) Non-Current Bank Balances		
- Deposit with maturity period of more than 12 months	120.80	79.01
- Margin Money	3.51	-
(c) Claims Receivable	810.00	874.71
(d) Interest accrued other than on Investments	25.51	12.36
(e) Other Receivables	474.71	-
	<b>8,811.53</b>	<b>8,230.23</b>

16. **Inventories**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) At Project sites - (at cost)		
- Stores and Spares	2,747.37	2,757.27
- Work-in-Progress	570.61	184.47
(b) At Factory - (at lower of cost and net realisable value)		
- Raw Material, Stores and Spares	482.66	493.60
- Finished Goods	100.49	111.83
- Work-in-Progress	360.41	638.23
(c) Freehold Land	4,481.33	4,636.21
(d) Development Rights for Land	2,699.70	2,571.56
(e) Plots Stock	207.23	238.87
(f) Residential Properties	75.29	75.29
(g) Development Work-in-Progress	1,259.81	1,218.85
	<b>12,984.90</b>	<b>12,926.18</b>

17. **Trade Receivables (Unsecured)**

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Outstanding for period exceeding six months from the date they are due for payment		
- Considered good (Refer Note 27)	10,388.59	11,278.17
- Doubtful	951.78	807.04
	<b>11,340.37</b>	<b>12,085.21</b>
Less: Provision for Doubtful Trade Receivables	951.78	807.04
	<b>10,388.59</b>	<b>11,278.17</b>
(b) Other Receivables		
- Considered good	11,748.16	11,701.06
- Doubtful	-	2.70
	<b>11,748.16</b>	<b>11,703.76</b>
Less: Provision for Doubtful Trade Receivables	-	2.70
	<b>11,748.16</b>	<b>11,701.06</b>
	<b>22,136.75</b>	<b>22,979.23</b>

18. Cash and Bank Balances

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(a) Cash and Cash equivalents</b>		
- Cash on Hand	23.35	24.99
- Balances with Banks		
- Current Accounts	1,268.23	1,027.69
- Deposits with maturity period of less than 3 months	158.83	126.49
	<b>1,450.41</b>	<b>1,179.17</b>
<b>(b) Other Bank Balances</b>		
- Earmarked Balances		
- Margin Money	8.55	15.07
- Unpaid Dividend Accounts	6.04	5.41
- Share Application Money Due for Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	113.70	176.77
	<b>128.77</b>	<b>197.73</b>
	<b>1,579.18</b>	<b>1,376.90</b>

19. Short-Term Loans and Advances

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(a) Loans and Advances to Related Parties</b>		
- Associates	67.67	53.02
- Joint Ventures	702.30	773.76
- Directors	36.76	28.77
	<b>806.73</b>	<b>855.55</b>
- Considered good	679.76	729.38
- Doubtful	126.97	126.17
	<b>806.73</b>	<b>855.55</b>
Less: Provision for Doubtful Advances	126.97	126.17
	<b>679.76</b>	<b>729.38</b>
<b>(b) Advance to Sub-Contractors and Suppliers</b>		
- Considered good	4,543.93	4,345.11
- Doubtful	210.57	164.79
	<b>4,754.50</b>	<b>4,509.90</b>
Less: Provision for Doubtful Advances	210.57	164.79
	<b>4,543.93</b>	<b>4,345.11</b>
(c) Prepaid Expenses	227.08	348.33
(d) Other Deposits	2,231.50	477.78
(e) Balances with Statutory / Government Authorities	3,039.46	2,881.60
(f) Tax Deducted at Source and Advance Tax (net of provisions)	39.92	28.46
	<b>10,761.65</b>	<b>8,810.66</b>

20. Other Current Assets

(Unsecured, considered good)

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
(a) Unbilled Revenue	16,175.14	13,793.75
(b) Receivable against Sale of Development Rights	1,523.13	1,530.78
(c) Claims Receivable	10.16	587.03
(d) Interest on Term Deposit with Banks	5.46	6.90
	<b>17,713.89</b>	<b>15,918.46</b>

21. Income from Operations

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Construction Revenue	37,750.46	62,244.23
(b) Sale of Systems, equipment, services and Spares	2,199.03	5,997.60
(c) Sale of Villas, Flats and Plots	181.08	236.10
(d) Income from Toll Collection	886.59	1,272.56
(e) Sewerage Treatment Revenue	12.14	20.40
(f) Sale of Bulk Water	1,291.08	2,039.60
(g) Sale of Products	2,514.43	3,916.83
(h) Other Operating Income	283.86	181.14
	<b>45,118.67</b>	<b>75,908.46</b>

22. Other Income

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Profit on Sale of Investment	183.50	1,169.85
(b) Interest Income		
- Advances to Sub-contractors	40.35	87.83
- Term Deposits with Banks	19.28	45.09
- Others	45.47	47.60
(c) Dividend Income on Long-Term Investments	0.15	0.27
(d) Liabilities no longer required written back	20.70	103.25
(e) Income from Mutual Funds	1.47	0.57
(f) Miscellaneous Income	363.01	126.06
	<b>673.93</b>	<b>1,580.52</b>

23. A. Raw Material Consumed

(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
Opening Stock	400.30	1,615.49
Add: Purchases	1,707.67	2,393.17
Less : Closing Stock	437.80	400.30
	<b>1,670.17</b>	<b>3,608.36</b>



**B. (Increase) / Decrease in Finished Goods, Work-in-progress and Development Rights / Plots Stock**  
(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
Opening Balance	6,216.48	1,978.46
Less : Adjusted on account of Composite Scheme of Arrangement (Refer Note 28)	-	1,036.68
Less : Transferred to Capital Work-in-Progress	-	14.71
	6,216.48	927.07
Closing Balance	5,901.40	6,216.48
	<b>315.08</b>	<b>(5,289.41)</b>

**C. Construction Expenses**  
(₹ in million)

	01.07.2012 to 31.03.2013		01.04.2011 to 30.06.2012	
(a) Construction Stores, Spares and Materials Consumed				
- Opening Stock	2,739.02		2,524.53	
- Add: Purchases	11,317.21		23,688.53	
- Less : Closing Stock	2,702.80	11,353.43	2,739.02	23,474.04
(b) Development Expenditure (Refer Note 28)		141.45		5,084.48
(c) Sub-contractors' work bills		12,731.23		16,615.15
(d) Masonry and other works		7,021.61		11,259.64
(e) Operation and Maintenance Expenses		552.32		772.03
(f) Manufacturing Expenses		267.22		616.89
(g) Resurfacing Expenses		98.53		164.22
(h) Indirect Taxes and Cess		1,414.54		2,257.61
(i) Machinery Hire Charges		1,191.68		1,893.82
(j) Repairs and Maintenance				
- Construction Machinery	380.44		625.38	
- Others	110.43	490.87	177.40	802.78
(k) Electricity and Water Charges		534.85		781.68
(l) Royalty		60.88		112.74
(m) Laboratory Testing Charges		26.71		35.25
		<b>35,885.32</b>		<b>63,870.33</b>

**24. Employee Benefits Expense**  
(₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Salaries, Wages and Bonus	1,845.67	3,421.41
(b) Contribution to Provident and Other Funds	174.85	292.47
(c) Staff Welfare Expenses	211.65	404.02
(d) Managerial Remuneration	12.03	28.43
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(15.25)	(25.18)
	<b>2,228.95</b>	<b>4,121.15</b>

25. Other Expenses (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Rent Expenses	192.23	316.39
(b) Office Maintenance	163.01	259.58
(c) Rates and Taxes	52.01	102.29
(d) Travelling and Conveyance	133.43	291.98
(e) Legal and Professional Charges	256.48	399.79
(f) Insurance	168.71	238.57
(g) Communication Expenses	46.41	85.54
(h) Printing and Stationery	31.58	68.52
(i) Tender Expenses	8.66	31.62
(j) Business Promotion	7.63	15.34
(k) Auditors' Remuneration	14.01	14.88
(l) Advertisement and Publicity	8.72	25.56
(m) Loss on Assets sold / discarded (Net)	55.35	24.14
(n) Provision for doubtful debts, advances and deposits	122.09	511.51
(o) Provision for diminution in the value of Investments	1.28	22.20
(p) Bad Debts Written Off	161.17	131.92
(q) Net loss on foreign currency transactions and translations	25.46	50.12
(r) Preliminary Expenses	-	0.29
(s) Miscellaneous Expenses	149.33	214.45
Less: Amount transferred to Development Expenditure / Capital work-in-progress	(8.39)	(12.93)
	<b>1,589.17</b>	<b>2,791.76</b>

26. Finance Cost (₹ in million)

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) Interest on Term Loan and Working Capital Facilities		
(i) Borrowings	3,929.56	6,169.75
(ii) Others		
- Interest on delayed payments of Income-Tax	181.22	84.78
- Interest on Advances received, Bills Discounting etc.	457.49	507.16
(b) Other Borrowing Cost	74.36	99.66
(c) Bank and other Financial Charges	260.20	398.77
(d) Foreign Exchange Loss (Net)	25.78	46.36
	<b>4,928.61</b>	<b>7,306.48</b>

27. Trade Receivables as at March 31, 2013 include amounts aggregating to:

- a) ₹ 347.07 million relating to claims 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 realizable based on favourable developments arising out of continuous contract management steps taken by the Company, and
- b) ₹ 1,810.35 million (including ₹ 717.58 million which are under arbitration) outstanding for a period of more than three years. The Company is in continuous engagement with the customers for realisation of dues. The Board of Directors is of the view that the receivables covered by (a) and (b) above are good and fully recoverable.

**28. A. Composite Scheme of Arrangement**

- a) During the previous financial period, pursuant to the Composite Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 between the Company, IVRCL Assets & Holdings Limited (IVRCL A&H), RIHIM Developers Private Limited (RDPL) and IVRCL TLT Private Limited (IVRCL TLT) and their respective shareholders, which was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its order dated July 2, 2012, effective from April 1, 2011 (the appointed date):
- (i) all the properties, assets and liabilities of the Real Estate Undertaking of IVRCL A&H have been transferred to and vested with RDPL;
  - (ii) all the properties, assets and liabilities of Remaining Undertaking (primarily relating to Infrastructure Development Business) of IVRCL A&H have been transferred to and vested with the Company and accounted for under "Purchase Method" as prescribed by Accounting Standard 14 notified by the Companies (Accounting Standards) Rules, 2006.
  - (iii) all the properties, assets and liabilities of Tower Manufacturing Undertaking of the Company have been transferred to and vested with IVRCL TLT transferred at values appearing in the books of accounts of the Company without consideration.
- b) Pursuant to the Composite Scheme of Arrangement and after considering the cancellation of shares held by the Company, 39,876,790 equity shares of ₹ 2 each of the Company have been issued to the shareholders of IVRCL A&H in the ratio of 5 equity shares of ₹ 2 each of the Company for every 6 equity shares of ₹ 10 each held in IVRCL A&H.

**B. Demerger carried out in Subsidiary Company (Hindustan Dorr-Oliver Limited)**

During the previous period pursuant to the Scheme of Arrangement ("the scheme") between Hindustan Dorr-Oliver Limited ("Company") and HDO Technologies Limited (a wholly owned subsidiary of the Company) and their respective shareholders to transfer manufacturing undertaking of the Company to the wholly owned subsidiary Company which was sanctioned by the Hon'ble High Court of Bombay vide its order dated July 18, 2012 and was effective from April 1, 2011 (the appointed date):

- i. All the properties, assets and liabilities of the Manufacturing Undertaking of the Company have been transferred to and vested with wholly owned subsidiary HDO Technologies Limited with effect from April 1, 2011.
- ii. The transferee Company has, during the period has allotted 1,000,000 equity shares of ₹ 10 each which have been recorded at their fair value determined by the Board.

**C. Amalgamation carried out in Subsidiary Company (IVR Hotels and Resorts Limited)**

During the previous period the following subsidiaries which were engaged real estate business, entered into a Scheme of Arrangement in the nature of amalgamation with the Company. Scheme of Arrangement was sanctioned by the Honorable High Court of Judicature at Hyderabad vide its order dated September 16, 2011.

- i) Gamaa Developers Private Limited
- ii) Haripuram Developers Private Limited
- iii) IVR Prime Developers (Nellore) Private Limited
- iv) Papankuzhi Developers Private Limited

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

- i) The Scheme of amalgamation became effective on April 01, 2011, the appointed date
- ii) The assets, liabilities, rights and obligations of the erstwhile above mentioned subsidiaries have been transferred to and vested with the Company with effect from April 01, 2011 and have been recorded at their book values, under the pooling of interests method prescribed by Accounting Standard-14 "Accounting for Amalgamation".
- iii) As the transferor companies are wholly owned subsidiaries of the Company, the amalgamation does not involve any consideration.
- iv) The transferor companies shall stand dissolved without going through the process of winding up.

**29. Intra-group turnover and profits on BOT construction contracts**

The revenue and profit in respect of intra-group BOT construction contracts during the period is ₹ 4,294.57 million

and ₹ 882.62 million respectively. These intra-group transactions and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

**30. Reconciliation of Basic and Diluted shares used in computing Earnings Per Share**

	01.07.2012 to 31.03.2013	01.04.2011 to 30.06.2012
(a) (Loss) / Profit After Tax for calculation of Basic and Diluted EPS (₹ in million)	(2,405.51)	(1,238.41)
(b) Weighted average number of equity shares outstanding for calculation of EPS	306,886,648	267,009,858
(c) Add: Number of shares in Share Capital Suspense	-	39,876,790
(d) Number of shares considered as weighted average shares and potential shares outstanding for calculation of EPS	306,886,648	306,886,648
(e) Basic and Diluted EPS (₹)	(7.84)	(4.04)

**31. Contingent Liabilities and Commitments** (₹ in million)

	As at 31.03.2013	As at 30.06.2012
<b>(i) Contingent Liabilities:</b>		
(a) Bank Guarantees issued by the banks on behalf of the Company	24,543.21	27,583.94
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries and associates	7,875.29	7,875.29
(c) Claims against the Company not acknowledged as debts	2,610.56	760.64
(d) Income Tax demand under appeal	214.70	214.73
(e) Disputed Value Added Tax/Sales Tax/Service Tax	5,359.53	4,671.17
(f) Disputed Central Excise, Customs Duty, Cess and Stamp Duty	374.65	14.26
(g) Others	23.00	-
<b>(ii) Other Commitments:</b>		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	18,447.05	10,579.89
(b) Commitments towards investment in subsidiaries	7,697.30	11,625.00
(c) Other Commitments	-	-

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

As at March 31, 2013, certain plot owners of Cyber Enclave have still not entered into the JDA with the Company. Accordingly, development of the property could not be completed by the Company and necessary permission and clearances from various authorities are pending.

The Company believes that plot owners will get the right to claim compensation for delayed period only when delay is caused by the Company. Since the Company has performed all the obligations on its part, payment of compensation to land owners for delay in the project is not probable. The liability, if any, that may arise on account of delay in development of the above property is not presently ascertainable.

Based on internal assessment and legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on March 31, 2013

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

Sl. No	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2012-13	2011-12	
	<b>Subsidiaries through direct, indirect control</b>			
1	Hindustan Dorr-Oliver Limited	55.28%	55.28%	India
2	IVRCL PSC Pipes Private Limited	66.43%	66.43%	India
3	IVR Enviro Projects Private Limited	97.49%	97.49%	India
4	Chennai Water Desalination Limited	75.00%	75.00%	India
5	Salem Tollways Limited	100.00%	100.00%	India
6	Kumarapalyam Tollways Limited	100.00%	100.00%	India
7	IVRCL Steel Constructions & Services Limited	100.00%	100.00%	India
8	Jalandhar Amritsar Tollways Limited	100.00%	100.00%	India
9	IVRCL Indore Gujarat Tollways Limited	100.00%	100.00%	India
10	IVRCL Chengapalli Tollways Limited	100.00%	100.00%	India
11	IVRCL Patalaganga Truck Terminals Pvt. Limited <sup>1</sup>	100.00%	100.00%	India
12	IVRCL Goa Tollways Limited	100.00%	100.00%	India
13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	60.00%	60.00%	India
14	Alkor Petroo Limited <sup>1</sup>	64.03%	64.03%	India
15	IVRCL Building Products Limited	60.00%	60.00%	India
16	IVRCL Chandrapur Tollways Limited	100.00%	100.00%	India
17	Sapthashva Solar Limited <sup>1</sup>	51.00%	51.00%	India
18	RIHIM Developers Private Limited	100.00%	100.00%	India
19	IVRCL TLT Private Limited	100.00%	100.00%	India
20	IVRCL Raipur Bilaspur Tollways Limited	100.00%	100.00%	India
21	IVRCL Narnual Bhiwani Tollways Limited	100.00%	100.00%	India
22	IVR Hotels and Resorts Limited	66.88%	66.88%	India
23	SPB Developers Private Limited	100.00%	100.00%	India
24	IVRCL Multilevel Car Parking Private Limited	51.00%	51.00%	India
25	IVRCL Lanka Private Limited <sup>1</sup>	100.00%	100.00%	India
26	First STP Private Limited	95.00%	95.00%	India
27	IVRCL Gundugolanu Rajahmundry Tollways Limited	100.00%	100.00%	India
28	IVRCL Patiala Bathinda Tollways Limited	100.00%	100.00%	India
29	IVR Prime Developers (Tambaram) Private Limited	100.00%	100.00%	India
30	IVRCL International FZE <sup>2</sup>	100.00%	100.00%	United Arab Emirates
31	HDO Technologies Limited	55.28%	55.28%	India
32	HDO (UK) Limited <sup>1</sup>	55.28%	55.28%	United Kingdom
33	Davymarkham Limited <sup>1</sup>	55.28%	55.28%	United Kingdom
34	Davymarkham India Private Limited <sup>1</sup>	55.28%	55.28%	India
35	HDO Zambia Limited <sup>1</sup>	55.28%	55.28%	Zambia
36	IVR Prime Developers (Palakkad) Private Limited	60.00%	60.00%	India
37	IVR Prime Developers (Guindy) Private Limited	60.00%	60.00%	India
38	IVRCL Mega Malls Limited	100.00%	100.00%	India
39	Agaram Developers Private Limited	100.00%	100.00%	India
40	Mummidi Developers Private Limited	100.00%	100.00%	India
41	Samatteri Developers Private Limited	100.00%	100.00%	India
42	Annupampattu Developers Private Limited	100.00%	100.00%	India
43	Tirumani Developers Private Limited	100.00%	100.00%	India

# Consolidated Notes forming part of Financial Statements



Sl. No	Name of Subsidiaries	Ownership in %		Country of Incorporation
		2012-13	2011-12	
	<b>Subsidiaries through direct, indirect control</b>			
44	Ilavampedu Developers Private Limited	100.00%	100.00%	India
45	Gajuwaka Developers Private Limited	100.00%	100.00%	India
46	IVR Prime Developers (Mylapore) Private Limited	100.00%	100.00%	India
47	Chodavaram Developers Private Limited	100.00%	100.00%	India
48	Simhachalam Prime Developers Private Limited	100.00%	100.00%	India
49	Siripuram Developers Private Limited	100.00%	100.00%	India
50	Bibinagar Developers Private Limited	100.00%	100.00%	India
51	IVR Prime Developers (Erode) Private Limited	100.00%	100.00%	India
52	IVR Prime Developers (Guntur) Private Limited	100.00%	100.00%	India
53	IVR Prime Developers (Kakinada) Private Limited	100.00%	100.00%	India
54	IVR Prime Developers (Araku) Private Limited	100.00%	100.00%	India
55	IVR Prime Developers (Pudukkottai) Private Limited	100.00%	100.00%	India
56	Absorption Aircon Engineer Private Limited	100.00%	100.00%	India
57	IVR Vaanaprastha Private Limited	66.67%	66.67%	India
58	IVR PUDL Resorts & Clubs Private Limited	66.67%	66.67%	India
59	IVR Prime Developers (Thandiarpet) Private Limited	100.00%	100.00%	India
60	IVR Prime Developers (Gummidipundy) Private Limited	100.00%	100.00%	India
61	IVR Prime Developers (Kodambakkam) Private Limited	100.00%	100.00%	India
62	IVR Prime Developers (Arumbakkam) Private Limited	100.00%	100.00%	India
63	IVR Prime Developers (Anna Nagar) Private Limited	100.00%	100.00%	India
64	IVRCL Solar Energy Private Limited	100.00%	100.00%	India
65	IVR Prime Developers (Amalapuram) Private Limited	100.00%	100.00%	India
66	IVR Prime Developers (Anakapalle) Private Limited	100.00%	100.00%	India
67	IVR Prime Developers (Rajampeta) Private Limited	100.00%	100.00%	India
68	IVR Prime Developers (Tanuku) Private Limited	100.00%	100.00%	India
69	IVR Prime Developers (Red Hills) Private Limited	100.00%	100.00%	India
70	IVR Prime Developers (Rajahmundry) Private Limited	100.00%	100.00%	India
71	IVR Prime Developers (Tuni) Private Limited	100.00%	100.00%	India
72	IVR Prime Developers (Bobbilli) Private Limited	100.00%	100.00%	India
73	IVR Prime Developers (Bhimavaram) Private Limited	100.00%	100.00%	India
74	IVR Prime Developers (Adayar) Private Limited	100.00%	100.00%	India
75	IVR Prime Developers (Ananthapuram) Private Limited	100.00%	100.00%	India
76	IVR Prime Developers (Perumbadur) Private Limited	100.00%	100.00%	India
77	IVR Prime Developers (Egmore) Private Limited	100.00%	100.00%	India
78	IVR Prime Developers (Ashram) Private Limited	100.00%	100.00%	India
79	IVR Prime Developers (Retiral Homes) Private Limited	100.00%	100.00%	India
80	Geo IVRCL Engineering Limited	100.00%	100.00%	India
81	Duvvda Developers Private Limited	100.00%	100.00%	India
82	Kunnam Developers Private Limited	100.00%	100.00%	India
83	Vedurwada Developers Private Limited	100.00%	100.00%	India
84	Rudravaram Developers Private Limited	100.00%	100.00%	India
85	Geo Prime Developers Private Limited	100.00%	100.00%	India
86	Theata Developers Private Limited	100.00%	100.00%	India
87	Kasibugga Developers Private Limited	100.00%	100.00%	India
88	Vijayawada Developers Private Limited	100.00%	100.00%	India
89	Eluru Developers Private Limited	100.00%	100.00%	India

1. Consolidated based on Management certified accounts
2. Closed during the period

32. (ii) Associates and Joint Ventures not included in consolidation

S.No	Name of the Company / Joint Venture	Share of Interest
1	Bhanu – IVRCL Associates	50.00%
2	IVRCL – Tantia (JV)	50.00%
3	IVR Prime IT SEZ Private Limited	50.00%
4	Paresh Infrastructures Private Limited	49.00%
5	VIVA Infrastructures Private Limited	50.00%
6	IVRCL International Infrastructures & Projects LLC	49.00%
7	IOTL Utkal Energy Services Limited	37.50%
8	Sushee – IVRCL Arunachal Highway Limited	26.00%

33. Related Party Disclosure

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

33.1 List of Related Parties and Relationships

**A Associate (Where the Company Exercises Significant influence)**

1	Viva Infrastructure Pvt. Limited	4	IVR Prime IT SEZ Private Limited
2	Paresh Infrastructures Private Limited	5	IVRCL International Infrastructures & Projects LLC
3	IOT Utkal Energy Services Limited	6	Sushee - IVRCL Arunachal Highway Limited

**B Joint Ventures**

1	Bhanu – IVRCL Associates	18	IVRCL – MBL (JV) Hyderabad
2	IVRCL – Tantia (JV)	19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
3	IVRCL, SEW & Prasad Hyderabad J.V	20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
4	IVRCL, Navayuga & SEW Joint Venture	21	IVRCL – CR18G Consortium (J.V)
5	Navayuga, IVRCL & SEW Joint Venture	22	MEIL IVRCL HCC & WPIL (JV)
6	IVRCL – Harsha (JV)	23	IVRCL – KIPL (JV)
7	SPCL – IVRCL JV	24	IVRCL – RAJ (JV)
8	IVRCL – JL (JV)	25	UNITY – IVRCL Joint Venture
9	UAN Raju IVRCL Construction JV	26	IVRCL SAI SUDHIR (JV)
10	IVRCL – KBL (JV) Hyderabad	27	CR18G – IVRCL (JV)
11	IVRCL – KBL – MEIL (JV) Hyderabad	28	IVRCL – SUSHEE JOINT VENTURE
12	IVRCL – CR18G (JV)	29	IVRCL – RTE Joint Venture
13	IVRCL – KMB – HDO Joint Venture	30	KMB – IVRCL Joint Venture
14	IVRCL – MEIL (NC-28) Joint Venture	31	IVRCL – BPL – UCC (JV)
15	IVRCL – MEIL (NC-33) Joint Venture	32	IVRCL – MRT (JV)
16	IVRCL – SUSHEE Consortium	33	SAPL & MBL – IVRCL (JV)
17	IVRCL SEW & WPIL (JV) Hyderabad		

**C Enterprises owned or significantly influenced by key management personnel or their relatives**

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

**D Key Management Personnel**

1	Mr. E. Sudhir Reddy	4	Mr. E. Sunil Reddy
2	Mr. K. Ashok Reddy	5	Mr. S.C. Sekaran
3	Mr. R. Balarami Reddy	6	Mr. D.P. Mishra

**E Relatives of Key Management Personnel**

1	Mr. E. Ella Reddy	Relative of Chairman & Managing Director
2	Mrs. E. Sujatha Reddy	Relative of Chairman & Managing Director
3	Mrs. E. Indira Reddy	Relative of Chairman & Managing Director
4	Mr. E. Siddhanth Reddy	Relative of Chairman & Managing Director
5	Mr. E. Sanjeeth Reddy	Relative of Chairman & Managing Director
6	Ms. E. Suha Reddy	Relative of Director
7	Ms. E. Soma Reddy	Relative of Director
8	Mrs. R. Vani	Relative of Executive Director – Finance & Group CFO

**33.2 Disclosure of transactions between the Company and related parties and the status of closing balances as on March 31, 2013**

**a) Transactions during the period** (₹ in million)

	Joint Venture		Associates & Others	
	2012-13	2011-12	2012-13	2011-12
Contract Revenue / Other Operational Income	8,933.80	7,452.81	991.09	2,031.69
Interest Income	7.41	22.55	14.52	13.57
Interest Income on Mobilisation Advance	-	-	3.61	16.28
Purchase of Construction Material	-	-	14.52	237.87
Hire Charges Income	-	-	4.37	100.38
Rent Expense	-	-	18.06	29.04
Sub-contracting Work Expenses	4,734.39	2,630.47	303.03	2,987.33
Sale of Construction Material	-	-	205.91	1,239.09
Interest Expense on Mobilisation Advance	78.88	50.44	-	-
Provision for Doubtful Advances	0.80	-	-	-
Mobilisation Advance Received	951.38	549.84	-	-

**b) Closing Balances** (₹ in million)

	Joint Venture		Associates & Others	
	As at 31.03.2013	As at 30.06.2012	As at 31.03.2013	As at 30.06.2012
Advances Receivable	702.29	763.31	67.67	53.02
Other Payables	700.74	132.90	-	-
Trade Payables for Construction Expenses	1,484.73	122.68	1,351.22	2,510.21
Provision for Doubtful Advances	116.52	115.72	-	-
Trade Receivables and Retention Money	3,421.10	2,319.54	1,414.60	394.13
Mobilisation Advance Received	1,940.46	1,000.32	-	-
Mobilisation Advance Given	-	-	88.50	88.50
Retention Money Payable	499.44	377.72	226.02	214.67
Interest Accrued	-	-	25.28	12.21
Rent Deposit	-	-	6.60	6.60
Loans Given	-	-	220.00	220.00
Investment in Equity Shares	-	-	-	0.13
Corporate Guarantee	-	-	1,153.94	1,153.94



33.3 Transactions with Key Management Personnel / Relatives

120

(₹ in million)

S. No.	Key Management Personnel/ Relatives	Designation	Remuneration		Dividend		Office Rent		Rent Deposit		Advance	
			2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	As at 31.03.2013	As at 30.06.2012	As at 31.03.2013	As at 30.06.2012
1.	Mr. E. Sudhir Reddy	Chairman & Managing Director	3.60	6.00	-	8.59	1.72	2.67	0.50	0.50	16.68	11.40
2.	Mr. E. Sunil Reddy	Director	-	7.09	-	1.51	1.72	2.67	0.50	0.50	10.11	10.11
3.	Mr. K. Ashok Reddy	Executive Director	1.80	3.00	-	0.03	-	-	-	-	4.90	3.53
4.	Mr. R. Balarami Reddy	Executive Director – Finance & Group CFO	1.80	3.00	-	0.01	-	-	-	-	4.93	3.59
5.	Mr. E. Ella Reddy	Director	-	-	-	-	3.06	3.32	0.51	0.51	-	-
6.	Mr. S.C.Sekaran	Executive – Director	4.13	6.42	-	-	-	-	-	-	0.14	0.14
7.	Mr.D.P.Mishra	Manager (Subsidiary)	0.09	0.15	-	-	-	-	-	-	-	-
8.	Relatives		-	-	-	2.78	0.76	2.43	0.43	0.43	-	-
	<b>Total</b>		<b>11.42</b>	<b>25.66</b>	<b>-</b>	<b>12.92</b>	<b>7.26</b>	<b>11.09</b>	<b>1.94</b>	<b>1.94</b>	<b>36.76</b>	<b>28.77</b>

34. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

Particulars	2012-13	2011-12
<b>Components of Employer Expenses</b>		
Current service cost	30.56	49.66
Interest cost	13.90	17.32
Expected return on plan assets	(8.89)	(11.69)
Benefits Transferred	(0.98)	-
Net Actuarial (Gain) / Loss to be recognized	(10.03)	(3.86)
Total expense recognised in the Statement of Profit and Loss	24.56	51.43
<b>Actual Contribution &amp; Benefit Payments</b>		
Actual Benefit Payments	(30.17)	(19.10)
Actual Contribution	1.24	29.02
<b>Net Asset / (Liability) recognized in Balance Sheet</b>		
Liability at the end of the period	220.84	214.08
Fair value of plan assets at the end of the period	131.30	148.84
Experience Adjustment / Non-management Fund	-	-
Net Asset/ (Liability) recognised in the Balance Sheet	(89.54)	(65.24)
<b>Change in Defined Benefit Obligations (DBO)</b>		
Present Value of DBO at beginning of the period	214.08	172.96
Adjustment pursuant to Composite Scheme of Arrangement	-	(5.88)
Interest Cost	13.90	17.32
Current Service Cost	30.56	49.66
Benefits Paid	(30.17)	(19.10)
Actuarial (Gain) / Loss on obligations	(7.53)	(0.88)
Present Value of DBO at the end of period	220.84	214.08
<b>Change in Fair Value of Plan Assets during the period</b>		
Planned assets at beginning of the period	148.84	124.25
Expected return on planned assets	8.89	11.69
Contributions	1.24	29.02
Benefit paid	(30.17)	(19.10)
Actuarial Gain / (Loss) on plan assets	2.50	2.98
Fair value of plan assets at the end of the period	131.30	148.84
<b>Defined benefit plan – Gratuity Assumptions</b>		
Discount rate	8.25%	8.50%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.25%	8.50%

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

c) The expense pertaining to gratuity of ₹ 24.56 million (2011-12 : ₹ 51.43 million) has been considered in "Contribution to Provident and Other Funds" under Note 24.

35. The Income-tax department had carried out search and seizure operations during 2009-10 and 2011-12 at the business premises of the Company located at various places in India and the residential premises of an employee. During the proceedings before the Income-tax Settlement Commission, it was brought to the notice that an employee

had indulged in misappropriation of materials and certain expenditure on procurement of materials, contract / sub contract payments, labour, power and fuel, transportation and general administration could include possible diversion of funds for purposes other than business. During the current period, the Company filed a Settlement Application submitting additional income of ₹ 1,387.74 million (in respect of the aforesaid expenditure) and subsequently paid the tax of ₹ 426.21 million and interest on tax of ₹ 153.35 million through adjustment of refund, Tax deducted at Source etc. The aforesaid amounts have been included in the Statement of Profit and Loss under 'Current tax relating to prior years' and 'Interest – Others' under Finance Cost (Note 26) respectively.

36. The shareholders of the Company, through a special resolution, have approved the remuneration of executive directors in the Annual General Meeting held on December 24, 2012. Due to inadequate profits during the period, managerial remuneration paid to the executive directors aggregating to ₹ 15.19 million is in excess of the prescribed limits specified under Schedule XIII of the Companies Act, 1956, and is subject to the Central Government approval. Pending approval from the Central Government, the excess amount of ₹ 26.51 million (including ₹ 18.52 million relating to the previous period) has been included under due from directors in 'Short-term Loans and Advances' (Note 19).

37. **Segment Reporting**

Information about Primary Business Segments

(₹ in million)

Particulars	Engineering & Construction	Real Estate & Others	Manufacturing	Eliminations	Total
Revenue:					
Total External Sales	42,429.79	181.08	2,507.80	-	45,118.67
	<i>71,790.20</i>	<i>236.11</i>	<i>3,882.15</i>	-	<i>75,908.46</i>
Add : Inter segment sales	191.07	-	213.68	(404.75)	-
	<i>1,810.59</i>	-	<i>937.90</i>	<i>(2,748.49)</i>	-
Total Revenue	42,620.86	181.08	2,721.48	(404.75)	45,118.67
	<i>73,600.79</i>	<i>236.11</i>	<i>4,820.05</i>	<i>(2,748.49)</i>	<i>75,908.46</i>
Segment result before interest, exceptional items and tax					2,649.75
					<i>5,746.86</i>
Less: Interest	4,730.42	0.21	197.97	-	4,928.61
	<i>7,156.24</i>	<i>0.20</i>	<i>150.04</i>	-	<i>7,306.48</i>
Profit before Exceptional items and tax					(2,278.86)
					<i>(1,559.62)</i>
Exceptional items:					763.06
					-
Profit Before Tax					(3,041.92)
					<i>(1,559.62)</i>
Tax					(248.91)
					71.02
Profit After tax					(2,793.01)
					<i>(1,630.64)</i>
Segment Assets	128,531.22	10,849.56	4,847.94	(10,466.19)	133,762.53
	<i>119,395.26</i>	<i>10,614.27</i>	<i>5,172.60</i>	<i>(8,598.95)</i>	<i>126,583.18</i>
Unallocated Corporate Assets					2,795.25
					<i>2,303.13</i>
<b>Total Assets</b>					<b>136,557.78</b>
					<b><i>128,886.31</i></b>
Segment Liabilities	112,660.10	1,023.97	4,685.34	(10,257.48)	108,111.93
	<i>101,361.00</i>	<i>745.62</i>	<i>5,003.33</i>	<i>(9,227.41)</i>	<i>97,882.54</i>
Unallocated Corporate Liabilities					-
					-
<b>Total Liabilities</b>					<b>108,111.93</b>
					<b><i>97,882.54</i></b>
Segment Depreciation	1,160.65	3.55	118.00	-	1,282.20
	<i>1,885.81</i>	<i>8.30</i>	<i>205.99</i>	-	<i>2,100.10</i>
Non - Cash Expenses other than Depreciation					278.04
					<i>590.55</i>

### Geographical Segment

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

#### 38. Employee Share based Plan – ESOP 2007 Scheme

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

#### 39. Derivative Instruments

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

	As at 31.03.2013	As at 30.06.2012
No.of Instruments	5	5
USD Equivalent (million)	14.69	18.28
INR Equivalent (₹ million)	664.83	828.05

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

Particulars	Currency	As at 31.03.2013		As at 30.06.2012	
		Foreign Currency (in million)	(₹ million)	Foreign Currency (in million)	(₹ million)
Short-Term Borrowings	EURO	0.41	28.89	-	-
Trade Payables	AED	0.27	3.98	0.29	4.44
	SAR	0.35	5.11	0.24	3.52
	NPR	3.63	2.24	7.32	4.69
	KES	0.38	0.24	-	-
	KWD	0.55	104.48	-	-
Other Current Liabilities	AED	0.04	0.55	-	-
	NPR	358.52	221.17	358.64	229.71
	KWD	0.44	83.02	0.38	0.25
Trade Receivables	AED	2.15	31.79	2.46	37.23
	NPR	2.25	1.39	0.14	0.09
Loans & Advances	KWD	1.01	193.15	-	-
	AED	2.84	41.92	2.36	35.70
	SAR	-	-	0.01	0.14
	NPR	13.86	8.55	16.74	10.72
	KES	0.17	0.11	0.17	0.11
	KWD	0.01	1.16	-	-

#### 40. Provision for resurfacing obligation

Subsidiaries, has a contractual obligation to periodically maintain, replace or restore infrastructure at the end of each five years or earlier as per the terms of the concession agreement. The Company has recognised the provision in accordance with Accounting Standard-29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(₹ in million)

Particulars	As on July 1, 2012	Additions during the Period	Amount used during the Period	Amount reversed During the Period	As on March 31, 2013
Provision for resurfacing obligation	304.12	98.53	-	-	402.65
	<b>304.12</b>	<b>98.53</b>	-	-	<b>402.65</b>

**41. Operating Lease**

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2013 are as follows:

(₹ in million)

	As at 31.03.2013	As at 30.06.2012
Payable not later than 1 year	177.87	177.87
Payable later than 1 year and not later than 5 years	283.99	417.40
Later than 5 year	-	-

- ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 133.44 million (2011-12 : ₹ 44.94 million) have been included under "Machinery Hire Charges".

- 42.** Balances with statutory / government authorities include claims filed by the Company with Director General of Foreign Trade aggregating to ₹ 248.62 million (As at 30.06.2012: ₹ 415.19 million) towards reimbursement of duty paid under the Deemed Exports Scheme.

**43. Specific Notes relating to subsidiaries**

**A. Hindustan Dorr-Oliver Limited**

- i. The Company has incurred substantial losses and accumulated losses have exceeded its free reserves. The Company has also drawn up plans to operate efficiently and to improve future operations. The ability of the Company to continue as a going concern is predominantly dependent on the improvement of the Company's future operations. The Company is confident of implementing its business plan and considering the future prospects, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- ii. The Subsidiary Companies, HDO Technologies Limited, HDO (UK) Limited, and its wholly owned subsidiary, DavyMarkham Limited, during the period, suffered losses which resulted an increase in accumulated losses. The management, considering the future business prospects believes that growth in operations of the Company, will result into increase in its revenue and consequently profitability and net worth. Accordingly, the financial statements of Subsidiary Company, which have been prepared on "Going Concern" basis, are considered for consolidation. The said Subsidiary Companies are confident of achieving the target and in the opinion of the management, the carrying value of Goodwill arising on consolidation, represents its recoverable amount and in the opinion of the management no provision for impairment is required at this stage.
- iii. Deferred Tax assets include net deferred tax assets on unabsorbed business losses aggregating to ₹ 730.28 million recognized on the basis of business plan prepared by the management. The management is confident that sufficient future taxable income will be available against which the deferred tax assets will be realized.
- iv. The shareholders of the Company, through a special resolution, have approved the remuneration of executive directors in the Annual General Meeting held on December 29, 2012. Due to inadequate profits during the period ended June 30, 2012, managerial remuneration paid to the executive directors was exceeded the prescribed limits specified under Schedule XIII of the Companies Act, 1956, by ₹ 10.26 million and is subject to the Central Government approval. Pending approval from the Central Government, the excess amount of ₹ 10.26 million (including ₹ 10.26 million relating to the previous period) has been included under due from directors in 'Short-term Loans and Advances' (Note 19).
- v. The balances in Trade Receivables, Retention Money, Sundry Creditors and Advances are subject to confirmations

and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.

- vi. Trade receivables and other non-current assets as at March 31, 2013 include amounts aggregating to ₹ 180 million and ₹ 474.71 million respectively, relating to claims receivables from certain contractee clients. The claims are on account of deviation in design, additional overheads, interest due to overstay and idle cost. In the opinion of management, the claims are considered as good and realizable based on favourable developments arising out of continuous contract management steps taken by the Company

In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

- vii. During the year, due to significant upward revision of estimated cost and in view of continuing uncertainty, exceptional items aggregating to ₹ 763.06 million comprising of provision for expected losses on ongoing projects and certain claims of vendor/sub-contractor in case of recently completed projects have been charged off to statement of profit and loss while the company continues to pursue its entitlements vigorously.

**viii. Un-hedged foreign currency exposure**

Particulars	Currency	As at 31.03.2013		As at 30.06.2012	
		(in million)	(₹ million)	(in million)	(₹ million)
Payables					
Loans	USD	20.00	1,087.79	20.00	1,116.60
Interest payable on Loan	USD	0.26	14.33	0.26	14.57

**Particulars of derivative instruments outstanding**

Particulars	Purpose	As at 31.03.2013 (in million)	As at 30.06.2012 (in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month USD LIBOR and pay a fixed rate equal to 6.50% p.a. on the notional amount. (As per agreement rate was 3 months USD LIBOR + 300 bps)	USD 20.00	USD 20.00

**B. Chennai Water Desalination Limited**

- i) Income from Operations: The income in respect of Water Capacity Charges (WCC) has been recognized in the books of account on accrual basis, and an amount of ₹ 111.40 million (₹ 281.15 million) representing differential amount of WCC from July 01, 2012 to March 31, 2013, to be received as per Schedule V of Bulk Water Purchase agreement, has been considered as receivable pending receipt of the amount from CMWSSB. The total amount receivable on this account from CMWSSB up to March 31, 2013 is ₹ 552.52 million.
- ii) Net notional loss on Mark to Market (MTM) Valuation of Derivative Contracts:

Date	Name of the Bank	Currency (\$ million)	Conversion Rate	(₹ million)	Gain/Loss
<b>Currency swap:</b>					
31.03.2013	ICICI Bank Limited	-	-	13.26	Notional loss
31.03.2013	Standard Chartered Bank Ltd.	0.14	54.39	(7.35)	Notional gain
<b>Net loss on Currency swap</b>				<b>5.91</b>	

iii) Un-hedged foreign currency exposure

Particulars	Currency	As at 31.03.2013		As at 30.06.2012	
		(in million)	(₹ million)	(in million)	(₹ million)
Payables					
Loans	EURO	9.13	635.52	10.54	747.67
Interest payable on Loan	EURO	-	-	0.08	5.67

Particulars of derivative instruments outstanding

Particulars	Purpose	As at	As at
		31.03.2013	30.06.2012
		(in million)	(in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month EURIBOR and pay a fixed rate equal to 2.46% p.a. on the notional amount.	EURO 9.13	EURO 10.54
Currency Swap	Hedge against principal instalment outflow on foreign currency loan. Swap the EURO principal payments to USD.	EURO 0.35	EURO 0.35
	Hedge against principal instalment outflow on foreign currency loan. Swap the USD payments to INR	USD 0.45	USD 0.45

- iv) Interest of ₹ 342.80 million calculated at Indian lenders' interest rates applicable to the company, on the claims receivable from EPC contractor, has not been accounted, pending final documentation.
- v) In terms of clause no.4 of the O&M agreement (as amended) date January 05, 2007, the O&M contractor is liable to pay liquidated damages @ 7.5% on their annual O&M contract price, on account of any shortfall in the quantity produced by them from the date of commercial operations (COD). The same amounting to ₹ 41.96 million (INR equivalent to Euros 0.61 million) for the period from 25.07.2011 to 24.07.2012 [₹ 35.42 million (INR equivalent to Euros 0.56 million) for the period from 25.07.2010 to 24.07.2011], has been accounted as receivable from the contractor.

**C. IVR Hotels & Resorts Limited**

The Company has incurred an aggregate cost of ₹ 3,882.74 million as at March 31, 2013 (₹ 3,867.18 million June 30, 2012), on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The Company has acquired various land parcels and is into initial stage of project implementation. As per the Company's business plan, the projects will have multiple properties consisting of integrated townships, golf course, golf club, service apartments and mega malls which will be classified under fixed assets, investment properties and inventories as the case may be, based on ultimate end use pattern as per final business plan of the Company. Pending such reclassification, the cost incurred on development of projects in respect of balance land parcels is included under the head 'inventory'.

The said land parcels / projects are being carried in the books at cost, which in the opinion of the Management is lower than the Net Realisable Value / Value in use, based on the assessment carried out by the Management. Accordingly, no adjustment has been made to the carrying value of these land parcels / projects.

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

Name of the Company	No. of Shares as at 31.03.2013	No. of Shares as at 30.06.2012	Pledged in favour of
(a) Salem Tollways Limited	26,164,612	26,164,612	IDBI Trusteeship Limited
(b) Kumarapalyam Tollways Limited	17,035,836	138,639,269	IDBI Trusteeship Limited
(c) IVRCL Indore Gujarat Tollways Limited	10,564,518	8,680,374	IDBI Trusteeship Limited
	10,150,222	8,339,966	IFCI Limited
(d) IVRCL Chengapalli Tollways Limited	6,615,598	6,416,698	IDBI Trusteeship Limited
	6,356,162	6,165,062	IFCI Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450	4,886,723	IDBI Trusteeship Limited
(f) SPB Developers Private Limited	8,281,800	8,281,800	Andhra Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
(h) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
(i) Sushee – IVRCL Arunachal Highway Limited	6,630	-	IDBI Trusteeship Limited

45. **Development rights for land**

Inventories include Earnest Money Deposits paid towards consideration for acquiring development rights of land as per Development Agreements amounting to ₹ 2,699.70 million (₹ 2,571.56 million).

46. **Details of purchase and sale of traded goods:**

	2012-13	2011-12
Purchase:		
Solar material	-	138.64
Construction equipment	5.83	67.02
Sale:		
Solar material	-	143.17
Construction equipment	6.61	69.30

47. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current period.

**For and on behalf of the Board of Directors**

**E.Sudhir Reddy**  
Chairman &  
Managing Director

**R.Balarami Reddy**  
Executive Director -  
Finance & Group CFO

**B. Subrahmanyam**  
Company Secretary

Place : Hyderabad  
Date : May 30, 2013



**Financial Information of Subsidiary Companies**

128

(₹ in million)

S. No.	Name of the Subsidiary Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1 & 2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Hindustan Dorr-Oliver Limited	144.01	531.69	11,493.09	10,817.39	16.52	2,402.47	(1,785.07)	(575.62)	(1,209.45)	-
2	IVRCL PSC Pipes Private Limited	2.51	(2.22)	78.52	78.23	-	-	(0.15)	-	(0.15)	-
3	IVR Enviro Projects Private Limited	30.00	(22.22)	54.63	46.85	-	-	(1.31)	-	(1.31)	-
4	IVRCL Steel Construction & Services Limited	0.50	-	190.12	189.62	-	0.05	0.02	0.01	0.01	-
5	IVRCL Patalaganga Truck Terminals Private Limited	0.10	7.75	157.30	149.45	-	12.90	7.43	2.44	4.99	-
6	Alkor Petroo Limited	87.85	(48.03)	1,855.66	1,815.84	-	2.55	2.17	0.67	1.50	-
7	IVRCL Building Products Limited	10.00	(152.42)	121.26	263.68	-	0.04	(26.19)	-	(26.19)	-
8	Saphasha Solar Limited	1.02	(11.70)	51.71	62.39	-	1.67	(14.15)	0.07	(14.22)	-
9	RIHIM Developers Private Limited	0.10	5,278.06	5,765.73	487.57	-	43.69	(42.53)	-	(42.53)	-
10	IVRCL TLT Private Limited	0.10	61.69	757.17	695.38	-	486.48	(30.21)	3.41	(33.62)	-
11	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	0.10	10.94	98.16	87.12	-	403.51	3.45	1.07	2.38	-
12	IVR Hotels and Resorts Limited	3.58	4,551.02	4,993.03	438.43	-	138.40	1.06	0.07	0.99	-
13	First STP Private Limited	30.00	31.04	142.58	81.54	-	12.61	7.56	1.44	6.12	-
14	Jalandhar Amritsar Tollways Limited	468.99	427.86	4,996.93	4,100.08	-	291.37	(33.70)	-	(33.70)	-
15	Chennai Water Desalination Limited	1,729.83	(1,207.51)	5,242.99	4,720.67	-	1,368.59	(255.46)	-	(255.46)	-
16	Kumarapalayam Tollways Limited	334.04	(171.99)	3,900.68	3,738.63	-	310.66	(115.46)	-	(115.46)	-
17	Salem Tollways Limited	1,013.03	1,399.00	6,026.88	3,614.85	-	286.46	(106.91)	-	(106.91)	-
18	SPB Developers Private Limited	276.06	1,276.65	3,184.13	1,631.42	-	-	-	-	-	-
19	IVRCL Indore-Gujarat Tollways Limited	217.45	1,952.58	14,037.89	11,867.86	-	-	-	-	-	-
20	IVRCL Chengapalli Tollways Limited	129.98	1,165.34	7,157.58	5,862.26	-	-	-	-	-	-
21	IVRCL Goa Tollways Limited	0.50	-	10.98	10.48	-	-	-	-	-	-
22	IVRCL Chandrapur Tollways Limited	222.95	2,002.05	4,119.62	1,894.62	-	-	-	-	-	-
23	IVRCL Multilevel Car Parking Pvt Limited	0.10	-	1.19	1.09	-	-	-	-	-	-
24	IVRCL Raipur Bilaspur Tollways Limited	0.50	-	997.17	996.67	-	-	-	-	-	-
25	IVRCL Narnaul Bhiwani Tollways Limited	0.50	-	0.63	0.13	-	-	-	-	-	-
26	IVRCL Gundugolanu Rajahmundry Tollways Limited	0.50	-	1.24	0.74	-	-	-	-	-	-
27	IVRCL Patiala Bathinda Tollways Limited	0.50	-	16.92	16.42	-	-	-	-	-	-
28	IVRCL Lanka Private Limited	265.73	(4.34)	707.59	446.20	-	0.39	(0.04)	-	(0.04)	-
29	HDO Technologies Limited	10.50	1,191.74	3,648.27	2,446.03	-	1,260.04	(9.45)	(7.87)	(1.58)	-
30	HDO (UK) Limited	73.51	(655.67)	989.34	1,571.50	-	1,262.47	(73.88)	-	(73.88)	-
31	Davynarkham India Private Limited	0.10	(0.03)	0.10	0.03	-	-	-	-	-	-
32	HDO Zambia Limited	0.05	(26.11)	0.05	26.11	-	2.13	2.13	-	2.13	-
33	Mummididi Developers Private Limited	0.10	(0.16)	64.87	64.93	-	-	(0.02)	-	(0.02)	-
34	Samatteri Developers Private Limited	0.10	(0.16)	54.67	54.73	-	-	(0.02)	-	(0.02)	-
35	IVR Prime Developers (Amalapuram) Private Limited	0.10	(0.14)	0.57	0.61	-	-	(0.02)	-	(0.02)	-
36	IVR Prime Developers (Cuntur) Private Limited	0.10	(0.14)	36.38	36.42	-	-	(0.02)	-	(0.02)	-
37	Absorption Aircon Engineer Private Limited	0.37	(0.53)	110.46	110.62	-	-	(0.03)	-	(0.03)	-

**Financial Information of Subsidiary Companies**

(₹ in million)

S. No.	Name of the Subsidiary Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1 & 2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
38	IVR Prime Developers (Thandiarpet) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
39	IVR Prime Developers (Gummidipundi) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
40	IVR Prime Developers (Kodambakkam) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
41	IVR Prime Developers (Arumbakkam) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
42	IVR Prime Developers (Anna Nagar) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
43	IVRCL Solar Energy Private Limited	0.50	(0.13)	0.39	0.02	-	-	(0.02)	-	(0.02)	-
44	Bibinagar Developers Private Limited	0.10	(0.11)	22.81	22.82	-	-	(0.02)	-	(0.02)	-
45	IVR Prime Developers (Anakapalle) Private Limited	0.10	(0.12)	0.02	0.04	-	-	(0.02)	-	(0.02)	-
46	IVR Prime Developers (Rajampeta) Private Limited	0.10	(0.12)	0.02	0.04	-	-	(0.02)	-	(0.02)	-
47	IVR Prime Developers (Tanuku) Private Limited	0.10	(0.12)	0.02	0.04	-	-	(0.02)	-	(0.02)	-
48	IVR Prime Developers (Red Hills) Private Limited	0.10	(0.12)	59.85	59.87	-	-	(0.02)	-	(0.02)	-
49	IVR Prime Developers (Rajahmundry) Private Limited	0.10	(0.12)	0.02	0.04	-	-	(0.02)	-	(0.02)	-
50	IVR Prime Developers (Tuni) Private Limited	0.10	(0.12)	28.20	28.22	-	-	(0.02)	-	(0.02)	-
51	IVR Prime Developers (Bobbili) Private Limited	0.10	(0.12)	33.19	33.21	-	-	(0.02)	-	(0.02)	-
52	IVR Prime Developers (Bhimavaram) Private Limited	0.10	(0.11)	22.98	22.99	-	-	(0.02)	-	(0.02)	-
53	Simhachalam Prime Developers Private Limited	0.10	(0.14)	91.07	91.11	-	-	(0.02)	-	(0.02)	-
54	Agaram Developers Private Limited	0.10	(0.17)	34.92	34.99	-	-	(0.02)	-	(0.02)	-
55	Siripuram Developers Private Limited	0.10	(0.14)	35.78	35.82	-	-	(0.02)	-	(0.02)	-
56	IVR Prime Developers (Araku) Private Limited	0.10	(0.14)	0.93	0.97	-	-	(0.02)	-	(0.02)	-
57	IVR Prime Developers (Erode) Private Limited	0.10	(0.14)	1.15	1.19	-	-	(0.02)	-	(0.02)	-
58	IVR Prime Developers (Kakinada) Private Limited	0.10	(0.14)	0.01	0.05	-	-	(0.02)	-	(0.02)	-
59	IVR Prime Developers (Pudukottai) Private Limited	0.10	(0.14)	0.01	0.04	-	-	(0.02)	-	(0.02)	-
60	IVR Vaanaprastha Private Limited	0.15	(0.29)	14.09	14.23	-	-	(0.02)	-	(0.02)	-
61	IVR PUDL Resorts & Clubs Private Limited	0.15	(0.23)	113.13	113.22	-	-	(0.02)	-	(0.02)	-

**Financial Information of Subsidiary Companies**

(₹ in million)

S. No.	Name of the Subsidiary Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1 & 2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
62	IVRCL Megamalls Limited	0.50	(0.31)	32.48	32.28	-	-	(0.02)	-	(0.02)	-
63	Annapampattu Developers Private Limited	0.10	(0.16)	23.89	23.95	-	-	(0.02)	-	(0.02)	-
64	Ilavampedu Developers Private Limited	0.10	(0.16)	20.08	20.14	-	-	(0.02)	-	(0.02)	-
65	Chodavaram Developers Private Limited	0.10	(0.14)	28.46	28.50	-	-	(0.02)	-	(0.02)	-
66	Gajuwaka Developers Private Limited	0.10	(0.14)	176.57	176.61	-	-	(0.02)	-	(0.02)	-
67	Tirumani Developers Private Limited	0.10	(0.14)	91.75	91.79	-	-	(0.02)	-	(0.02)	-
68	IVR Prime Developers (Adayar) Private Limited	0.10	(0.12)	20.95	20.97	-	-	(0.02)	-	(0.02)	-
69	IVR Prime Developers (Ananthapuram) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
70	IVR Prime Developers (Perambalur) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
71	IVR Prime Developers (Egmore) Private Limited	0.10	(0.11)	24.83	24.84	-	-	(0.02)	-	(0.02)	-
72	IVR Prime Developers (Ashram) Private Limited	0.10	(0.12)	-	0.02	-	-	(0.02)	-	(0.02)	-
73	IVR Prime Developers (Retiral Homes) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
74	IVR Prime Developers (Mylapore) Private Limited	0.10	(0.11)	0.01	0.02	-	-	(0.02)	-	(0.02)	-
75	Duvvda Developers Private Limited	0.10	(0.14)	130.89	130.93	-	-	(0.02)	-	(0.02)	-
76	Eluru Developers Private Limited	0.10	(0.14)	104.85	104.89	-	-	(0.02)	-	(0.02)	-
77	Geo IVRCL Engineering Limited	0.50	(0.10)	43.23	42.83	-	0.05	0.02	-	0.02	-
78	Geo Prime Developers Private Limited	0.10	(0.14)	178.53	178.57	-	-	(0.02)	-	(0.02)	-
79	Kasibugga Developers Private Limited	0.10	(0.13)	127.66	127.69	-	-	(0.02)	-	(0.02)	-
80	Kunnam Developers Private Limited	0.10	(0.17)	143.72	143.79	-	-	(0.02)	-	(0.02)	-
81	Rudravaram Developers Private Limited	0.10	(0.15)	142.86	142.91	-	-	(0.02)	-	(0.02)	-
82	Theata Developers Private Limited	0.10	(0.13)	172.29	172.32	-	-	(0.02)	-	(0.02)	-
83	Vedurwada Developers Private Limited	0.10	(0.14)	164.95	164.99	-	-	(0.02)	-	(0.02)	-
84	Vijayawada Developers Private Limited	0.10	(0.14)	212.56	212.60	-	-	(0.02)	-	(0.02)	-
85	IVR Prime Developers (Tambaram) Private Limited	0.10	(0.12)	23.31	23.33	-	-	(0.02)	-	(0.02)	-
86	IVR Prime Developers (Palakkad) Private Limited	0.10	(1.84)	2.99	4.73	-	-	(0.02)	-	(0.02)	-
87	IVR Prime Developers (Guindy) Private Limited	0.10	(1.52)	3.28	4.70	-	-	(0.02)	-	(0.02)	-



# IVRCL LIMITED

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

## PROXY FORM

### 26<sup>th</sup> ANNUAL GENERAL MEETING

Folio No:..... DP ID:.....Client ID:..... No. of Shares .....

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 .....as my/our proxy to vote for me/us on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Thursday the 26<sup>th</sup> September, 2013 at 3.30 p.m. at "K.L.N. Prasad Auditorium" The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500004 and at any adjournment thereof.

Signed this .....day of ..... 2013

Address .....

Signature .....



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 LIMITED

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

## ATTENDANCE SLIP

Folio No:..... DP ID:.....Client ID:..... No. of Shares .....

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company to be held at "K.L.N. Prasad Auditorium", The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500004 on Thursday, the 26<sup>th</sup> September, 2013 at 3.30 p.m.

Full Name of the Shareholder  
(in block Letters)

Signature

Full Name of the Proxy  
(in block Letters)  
(To be filled if the Proxy attends  
instead of the member)

Signature

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



*Our 'can do' spirit is the cause for our celebration.*

*We have laid over 25,000 kms of water pipelines,  
2300 kms of canals.*

*Well over 150 million hectares are irrigated  
through our engineering expertise.*

*In this odyssey,  
we have laid 3400 kms of roads and are laying  
another 4009 kms right now. What's more?*

*100 kms of tunnels,  
28 million sft of buildings are completed and  
yet another 24.20 million are under execution.*

*We own India's largest desalination plant.*

*A testimonial to our globetrotting spree comes in the form of construction,  
completion and maintenance of irrigation water tanks in Kuwait;  
hydro-electric station in Nepal; irrigation projects in Kenya; and  
4100 apartments for a mass housing project in Sri Lanka. The eternal saga  
of IVRCL is built on our engineering which is born from our vision.*

*We call it Engi-visioning™*

## **IVRCL LIMITED**

**Registered Office:** M-22/3 RT, Vijayanagar Colony, Hyderabad - 500 057

**Tel:** +91-40-2334 3550/3678/8467, 3093 1999. **Fax:** +91-40-2334 5004

**Corporate Office:** 'Mihir', 8-2-350/5/A/24/1B

Road No. 2, Banjara Hills, Hyderabad - 500 034, A. P., INDIA

**Tel:** +91-40- 2335 6613/15/18, 3093 1111/1444. **Fax:** +91-40-2335 6693

**Email:** [Info@ivrinfra.com](mailto:Info@ivrinfra.com) **web:** [www.ivrcl.com](http://www.ivrcl.com)

