

*IVRCL PSC Pipes Private Ltd  
Annual Report 2015-16*

## **IVRCL PSC Pipes Private Limited**

M-22/3RT, VIJAYANAGAR COLONY

HYDERABAD – 500 057. AP

CIN:U52341TG1999PTC031125

E-mail: [bs\\_cs@ivrinfra.com](mailto:bs_cs@ivrinfra.com), Tel No: +91 40 23343550, Fax No: + 91 40 23345004

**17<sup>th</sup> ANNUAL REPORT**

**2015-16**

**NOTICE TO SHARE HOLDERS**

Notice is hereby given that the Seventeenth Annual General Meeting of the members of IVRCL PSC Pipes Private Limited will be held on Thursday, the 25<sup>th</sup> August, 2016 at 11.00 A.M. at the registered office of the Company at M-22/3RT, Vijaya Nagar Colony, Hyderabad – 500 057 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint a Director in place of Mr. G.Ramakrishna Rao (DIN: 00022412), who retires by rotation being longest in office and being eligible offers himself for reappointment.
3. Ratification of appointment of Auditors.

To consider and pass the following resolution with or without modifications as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended, from time to time, the appointment of Mr. Ravi Channa, Chartered Accountant bearing membership no. 225377, as Auditor for a period of five years, be and is hereby ratified to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting to be held in the year 2017, at such remuneration as may be determined by the Board of Directors of the Company.”

By order of the Board of Directors



R. Balarami Reddy  
Director

Place: Hyderabad  
Date: 27.05.2016

**NOTES:**

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

**DIRECTORS' REPORT**

To  
The Members

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited financial statements of the Company for the financial year ended March 31, 2016.

**FINANCIAL PERFORMANCE**

(Figures in Rupees)

	Year ended 31.03.2016	Year ended 31.03.2015
Gross Revenue	-	-
Profit/(Loss) Before Tax	(30,370)	(28,243)
Profit/(Loss) After Tax	(30,370)	(28,243)
Balance as per last account	(66,23,758)	(65,95,515)
Net Profit/(Loss) carried to Balance Sheet	(66,54,128)	(66,23,758)

**REVIEW OF OPERATIONS**

For the financial year ended March 31, 2016, the Company incurred a net loss of Rs.30,370 as against Rs. 28,243 of the previous year.

During the year under review, there is no change in nature of business of the company and no material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

**DIVIDEND**

As there are accumulated losses, no dividend is recommended by the Board of Directors for the financial year ended March 31, 2016.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred as "Act"), Mr.G.Ramakrishna Rao (DIN: 00022412), Director being longest in office, retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review, there was no change in directors of the Company.

**BOARD MEETINGS**

During the year under review, six board meetings of the company were held on May 29, 2015, July 27, 2015, August 18, 2015, October 3, 2015, January 6, 2016 and March 30, 2016.

**PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES.**

The particulars of loans, investments made and guarantees issued, if any, under Section 186 of the Act, during year under review are provided in financial statements, which forms part of this Report.

**SUBSIDIARIES.**

The company does not have any Subsidiaries, Joint Ventures and Associate companies as on date of this Report and none of the companies have become or ceased to become Subsidiaries, Joint Ventures or Associate companies during the year under review.

**AUDITORS**

Mr.Ravi Chenna, Chartered Accountant, was appointed as Statutory Auditors for a period of five years at the 16th Annual General Meeting of the company, subject to ratification of their appointment at every AGM. The Board recommends the ratification of their appointment for financial year 2016-17, at the forthcoming AGM.

The Auditor's Report on the financial statements of the Company for financial year 2015-16 does not contain any adverse remark, qualifications.

**STATUTORY INFORMATION UNDER SECTION 197 OF THE ACT.**

None of the employees of the company are in receipt of remuneration in excess of the limits specified under Rule 5(2) of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules 2014.

No Salary is being paid to Directors of the Company and hence the details as required to be disclosed under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration to Key Managerial Personnel) Rules, 2014 is not applicable.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The particulars, as prescribed under Section 134(m) of the Act, read with Rule 8(3) of Companies (Accounts) Rules, 2014, are as following:

**A. Conservation Of Energy** : The requirement of energy for the Company is not substantial. However the Company is taking adequate steps for conservation of energy wherever possible.

**B. R&D, Technology Absorption etc.** : 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.

**C. Foreign Exchange**

Activities relating to exports	: NIL
Foreign Exchange Earnings	: NIL
Foreign Exchange Outgo	: NIL

**EXTRACT OF ANNUAL RETURN**

The extract of annual return in prescribed format has been annexed to this report as Annexure A as per provisions of Section 92(3) of the Act.

**RELATED PARTY TRANSACTIONS**

There are no related party transactions entered by the company during the year under review, in terms of Section 188 of the Act.

**RISK MANAGEMENT**

The Board, from time to time, identifies the elements of risks for the business of the company and takes appropriate actions to mitigate such risks.

**FIXED DEPOSITS**

During year under review, your company has neither invited nor accepted any Fixed Deposits from the public.

**SIGNIFICANT AND MATERIAL ORDERS.**

There are no significant and material orders passed by the regulators or orders or tribunals impacting the going concern status and Company's operations in future.

**INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls to ensure the authorized business transactions.

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Company is not required to adopt and spend any amount on Corporate Responsibility activities during the year under review, as per the provisions of the Act . So Company has not framed any CSR policy.

**DIRECTORS RESPONSIBILITY STATEMENT**

It is hereby declared and confirmed that

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

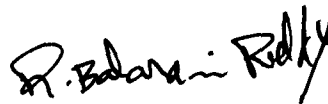
**ACKNOWLEDGMENTS**

Your Directors wish to express their thanks for the support and co-operation extended by the Bankers and the Holding Company.

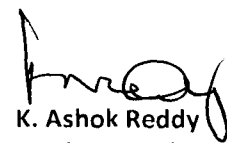
**Place: Registered Office**  
M-22/3RT,  
Vijaya Nagar Colony,  
Hyderabad – 500 057

Date: 27.05.2016

For and on behalf of the Board



R. Balarami Reddy  
(Director)



K. Ashok Reddy  
(Director)

**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

**Annexure A**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

CIN	U52341TG1999PTC031125
Registration Date	16/02/1999
Name of the Company	IVRCL PSC PIPES PRIVATE LIMITED
Category/Sub-category of the Company	India Non government company
Address of the Registered office & contact details	M-22/3RT, Vijaya Nagar colony, Hyderabad-500057
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of PSC pipes	22191	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares	Applicable Section
1	IVRCL LIMITED	L45201AP1987PLC007959	Holding Company	66.43%	Section 2(46)



**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	251400	251400	100%	0	251400	251400	100%	0

**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IVRCL Limited	167000	66.43%	66.43%	167000	66.43%	66.43%	0
2	B.Chandrasekhar Reddy	400	0.00%	0%	400	0.00%	0%	0
3	E.Sudhir Reddy	500	0.00%	0%	500	0.00%	0%	0
4	N.Sakaleswara Reddy	83500	33.21%	0%	83500	33.21%	0%	0

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	251400	100%	251400	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	251400	100%
	At the end of the year	251400	100%	251400	100%

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	EMD for land development Rights	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	0	0	0	66,845,605	66,845,605
ii) Interest due but not paid	0	0	0	0	0
iii) Interest accrued but not due	0	0	0	0	0
Total (i+ii+iii)	0	0	0	66,845,605	66,845,605
Change in Indebtedness during the financial year	0	0	0	0	0
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount	0	0	0	66,845,605	66,845,605
ii) Interest due but not paid	0	0	0	0	0
iii) Interest accrued but not due	0	0	0	0	0
Total (i+ii+iii)	0	0	0	66,845,605	66,845,605

**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SNo.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		No remuneration has been paid to any of the Directors.
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

SNo.	Particulars of Remuneration	Name of Directors	Total Amount		
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify Total (1)		No remuneration has been paid to any of the Directors.		
2	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**IVRCL PSC Pipes Private Ltd**  
**Annual Report 2015-16**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

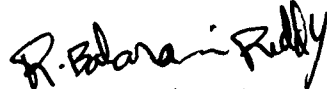
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	No remuneration has been paid to any Key Managerial Personnel of the Company.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

**Place: Registered Office**  
M-22/3RT,  
Vijaya Nagar Colony,  
Hyderabad – 500 057

**For and on behalf of the Board**

  
**R. Balarami Reddy**  
(Director)

**K. Ashok Reddy**  
(Director)

Date: 27.05.2016

**IVRCL PSC Pipes Private Limited**  
**Balance Sheet as at March 31, 2016**

(Amount in Rs.)

	Notes	March 31, 2016	March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	25,14,000	25,14,000
Reserves and Surplus	3	(49,41,208)	(49,10,838)
		<b>(24,27,208)</b>	<b>(23,96,838)</b>
<b>Non-Current Liabilities</b>			
Other Long Term Liabilities	4	6,68,45,605	6,68,45,605
		<b>6,68,45,605</b>	<b>6,68,45,605</b>
<b>Current Liabilities</b>			
Trade Payables	5	4,11,311	3,91,311
Other Current Liabilities	6	55,65,087	55,54,254
		<b>59,76,398</b>	<b>59,45,565</b>
<b>TOTAL</b>		<b>7,03,94,795</b>	<b>7,03,94,332</b>

**Assets**

**Non-current assets**

Fixed assets

Tangible assets

Other Non-Current Assets

7

6,68,54,672

6,68,54,672

**6,68,54,672**

**6,68,54,672**

**Current assets**

Trade Receivables

8

33,38,363

33,38,363

Cash and Bank balances

9

1,33,452

1,33,067

Other Current Assets

10

68,308

68,230

**35,40,123**

**35,39,660**

**TOTAL**

**7,03,94,795**

**7,03,94,332**

The accompanying notes are an integral part of the financial statements.

As per my report of even date.

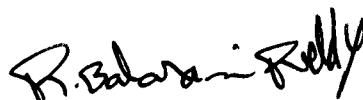
By order of the Board



Ravi Chenna

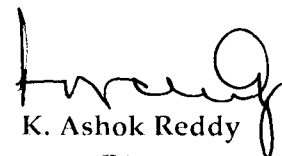
Chartered Accountant

Membership No. 225377



R. Balarami Reddy

Director

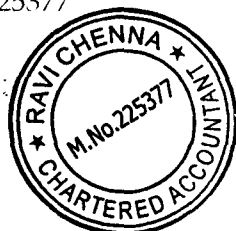


K. Ashok Reddy

Director

Place: Hyderabad

Date : 27.05.2016



# IVRCL PSC Pipes Private Limited

## Statement of Profit and Loss for the year ended March 31, 2016


(Amounts in Rs.)

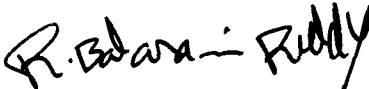
	Notes	Year ended March 31, 2016	Year ended March 31, 2015
<b>Income</b>			
Revenue from Operations	11	-	-
Other income	12	870	773
<b>Total revenue (i)</b>		<b>870</b>	<b>773</b>
<b>Expenses</b>			
Other expenses	13	30,897	28,678
Depreciation and amortisation expense	14	-	-
Finance costs	15	343	338
<b>Total (ii)</b>		<b>31,240</b>	<b>29,016</b>
<b>Profit Before Tax [(i) - (ii)]</b>		<b>(30,370)</b>	<b>(28,243)</b>
<b>Tax Expense :-</b>			
1. Current Tax		-	-
2. Deferred Tax		-	-
<b>Profit/(Loss) for the year</b>		<b>(30,370)</b>	<b>(28,243)</b>
<b>Earnings per share</b>			
Basic and Diluted		(0.01)	(0.01)
Nominal value		10	10
Weighted average number of equity shares		25,14,000	25,14,000

The accompanying notes are an integral part of the financial statements.

As per my report of even date.

By order of the Board

  
Ravi Chenna  
Chartered Accountant  
Membership No. 225377

  
R. Balarami Reddy  
Director

  
K. Ashok Reddy  
Director

Place: Hyderabad  
Date : 27.05.2016



# IVRCL PSC Pipes Private Limited


Cash flow statement for the year ended March 31, 2016

(Amounts in Rs.)

	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>		
Profit before taxation	(30,370)	(28,243)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and Amortisation Expense	-	-
Interest Expense	-	-
<b>Operating profit before working capital changes</b>	<b>(30,370)</b>	<b>(28,243)</b>
<b>Movements in Working Capital:</b>		
(Increase)/Decrease in Other Current Assets	-78	-
Increase/(Decrease) in Trade Payables	20000	20,000
Increase/(Decrease) in Other Current Liabilities	10833	8,678
<b>Cash used in operations</b>	<b>385</b>	<b>435</b>
Direct taxes paid	-	-
<b>Net cash flow generated from operating activities (A)</b>	<b>385</b>	<b>435</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Increase in Other Non-Current Assets	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from Unsecured Loans Received	-	-
Interest and Finance Charges	-	-
<b>Net cash flow used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>385</b>	<b>435</b>
Cash and cash equivalents at the beginning of the year	1,33,067	1,32,632
<b>Cash and cash equivalents at the end of the year</b>	<b>1,33,452</b>	<b>1,33,067</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	188	188
With banks on current accounts	1,33,264	1,32,879
<b>Total cash and cash equivalents</b>	<b>1,33,452</b>	<b>1,33,067</b>

As per my report of even date.

By order of the Board

  
Ravi Chenna  
Chartered Accountant  
Membership No. 235577

  
R. Balarami Reddy  
Director

  
K. Ashok Reddy  
Director

Place: Hyderabad  
Date : 27.05.2016



# IVRCL PSC Pipes Private Limited

Notes to Financial Statements for the year ended March 31, 2016

## 1 Significant accounting policies

### a. Basis of preparation of Financial Statements:

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

### b. Use of Accounting estimates

- The preparation of the financial statements in conformity with GAAP requires to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and amounts of income and expenses during the year of account. Examples of such estimates include valuation of work in progress and depreciation impairment on assets.

### c. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and amortization. Direct costs inclusive of inward freight, duties and taxes and incidental expenses including interest relating to acquisition and cost of improvement thereon are capitalized until fixed assets are ready for use.

### e. Recognition of Revenue and Expenses

Revenue from supply and laying of pipes is recognised based on the terms of agreement with Principals. Revenue from lease of machineries is accounted on accrual basis.

### Taxes on Income

Current tax in respect of income for the year has been provided as per the provisions of Income Tax Act. Deferred tax assets and liabilities are recognized, subject to prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date.

# IVRCL PSC Pipes Private Limited

Notes to Financial Statements for the year ended March 31, 2016

(Amounts in Rs.)

## 2. Share capital

	March 31, 2016	March 31, 2015
<b>Authorised shares</b>		
5,00,000 (2015: 5,00,000) equity shares of ₹ 10/- each	50,00,000	50,00,000
<b>Issued, subscribed and fully paid-up shares</b>		
2,51,400 (2015: 2,51,400) equity shares of ₹ 10/- each	25,14,000	25,14,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>25,14,000</b>	<b>25,14,000</b>

### (a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	March 31, 2016		March 31, 2015	
	No's	Amount	No's	Amount
<b>Equity shares of ₹ 10/- each fully paid</b>				
At the beginning of the year	2,51,400	25,14,000	2,51,400	25,14,000
Add: Addition during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>2,51,400</b>	<b>25,14,000</b>	<b>2,51,400</b>	<b>25,14,000</b>

### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholder in ensuing Annual General Meeting. The Company has not declared any dividend in the current and previous year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of share holders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2016		March 31, 2015	
	No's	% holding	No's	% holding
<b>Equity shares of ₹ 10/- each fully paid</b>				
IVRCL Limited, the holding company	1,67,000	66.43%	1,67,000	66.43%
Mr. N. Sakalewara Reddy	83,500	33.21%	83,500	33.21%

## 3. Reserves and Surplus

	March 31, 2016	March 31, 2015
<b>Industry Subsidy</b>	<b>17,12,920</b>	<b>17,12,920</b>
<b>Deficit in the statement of profit and loss</b>		
Balance, at the beginning of the year	(66,23,758)	(65,95,515)
Add: Profit for the year	(30,370)	(28,243)
<b>Balance, at the end of the year</b>	<b>(66,54,128)</b>	<b>(66,23,758)</b>
	<b>(49,41,208)</b>	<b>(49,10,838)</b>

## 4. Other Long Term Liabilities

	March 31, 2016	March 31, 2015
Earnest Money Deposit received for development rights	6,68,45,605	6,68,45,605
	<b>6,68,45,605</b>	<b>6,68,45,605</b>

(The Development rights of the land stated in Note no:7 below, are vested with M/s RIHIM Developers Private Limited and M/s IVR Hotels & Resorts Limited to the extent of 17.39 acres and 9.95 acres respectively and the company has received Earnest Money Deposits of ₹ 3,79,68,245 and ₹ 2,88,77,360 respectively from the above referred companies)

## 5. Trade Payables

	March 31, 2016	March 31, 2015
Trade Payables*	4,11,311	3,91,311
	<b>4,11,311</b>	<b>3,91,311</b>

\*Refer note 21 for details of dues to micro and small enterprises.

## 6. Other Current Liabilities

	March 31, 2016	March 31, 2015
Advance from Holding Company	55,65,087	55,54,254
	<b>55,65,087</b>	<b>55,54,254</b>

**IVRCL PSC Pipes Private Limited**

Notes to Financial Statements for the year ended March 31, 2016

(Amounts in Rs. )

**7. Other Non-Current Assets**

	March 31, 2016	March 31, 2015
<b>Unsecured, considered good</b>		
Land held for development*	6,68,45,605	6,68,45,605
Other Deposits	9,067	9,067
	<b>6,68,54,672</b>	<b>6,68,54,672</b>

\*The Company holds land for development admeasuring 27.34 acres in Sriperumbudur and Vayalur, Tamilnadu

**8. Trade Receivables**

	March 31, 2016	March 31, 2015
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the date they are due for payment	33,38,363	33,38,363
Other Receivables	-	-
	<b>33,38,363</b>	<b>33,38,363</b>

**9. Cash and Bank Balances**

	March 31, 2016	March 31, 2015
<b>Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts	1,33,264	1,32,879
Cash on hand	188	188
	<b>1,33,452</b>	<b>1,33,067</b>

**10. Other Current Assets**

	March 31, 2016	March 31, 2015
Advances recoverable in cash or kind	-	64
Minimum Alternate Tax	68,166	68,166
Interest Accrued	142	-
	<b>68,308</b>	<b>68,230</b>

**11. Revenue from Operations**

	March 31, 2016	March 31, 2015
Gross Work Bills / Other Operational Income	-	-

**12. Other income**

	March 31, 2016	March 31, 2015
Interest on Fixed Deposit with bank	870	773
	<b>870</b>	<b>773</b>

**13. Other Expenses**

	March 31, 2016	March 31, 2015
Rates and Taxes	5,215	8,678
Professional Charges	5,618	-
Office Expenses	64	-
Loss on Sale of Assets	-	-
Payment to auditors	20,000	20,000
	<b>30,897</b>	<b>28,678</b>

**14. Depreciation and Amortisation Expense**

	March 31, 2016	March 31, 2015
Depreciation of tangible assets	-	-
	<b>-</b>	<b>-</b>

**IVRCL PSC Pipes Private Limited**

Notes to Financial Statements for the year ended March 31, 2016

(Amounts in Rs. )

**15. Finance Costs**

	March 31, 2016	March 31, 2015
Bank Charges	343	338
	343	338

**16. Payment to Auditor**

	March 31, 2016	March 31, 2015
<b>As auditor:</b>		
Audit fee	20,000	20,000
Add: Service Tax	-	-
	20,000	20,000

**17. Earnings per Share**

	March 31, 2016	March 31, 2015
i) Profit after tax	(30,370.00)	(28,243)
<b>Basic &amp; Diluted</b>		
ii) Weighted average number of equity shares of ₹ 10/- each outstanding during the year	25,14,000	25,14,000
<b>Earning Per Share</b>		
Basic & Diluted	(0.01)	(0.01)

# IVRCL PSC Pipes Private Limited

Notes to financial statements for the year ended 31<sup>st</sup> March 2016

18. As per Accounting Standard 18, the disclosures of related parties as defined in the Accounting Standard are given below

**i) Holding Company**

IVRCL Limited

**ii) Fellow subsidiary companies [The ownership, directly or indirectly through subsidiary (ies)]**

S.No.	Name of the Company	S.No.	Name of the Company
1	Hindustan Dorr-Oliver Limited	37	RIHIM Developers Private Limited
2	IVR Prime Developers (Tambaram) Private Limited	38	Agaram Developers Private Limited
3	IVR Enviro Projects Private Limited	39	Mummidi Developers Private Limited
4	Chennai Water Desalination Limited	40	Samatteri Developers Private Limited
5	Salem Tollways Limited	41	Tirumani Developers Private Limited
6	Kumarapalyam Tollways Limited	42	Ilavampedu Developers Private Limited
7	IVRCL Steel Construction & Services Limited	43	Gajuwaka Developers Private Limited
8	Jalandhar Amritsar Tollways Limited	44	IVR Vaanaprastha Private Limited
9	IVRCL Indore Gujarat Tollways Limited	45	Simhachalam Prime Developers Private Limited
10	IVRCL Chengapalli Tollways Limited	46	Siripuram Developers Private Limited
11	IVRCL Mega Malls Limited	47	Bibinagar Developers Private Limited
12	IVRCL-Patalganga Truck Terminals Private Limited	48	IVR Prime Developers (Erode) Private Limited
13	Alkor Petroo Limited	49	IVR Prime Developers (Guntur) Private Limited
14	IVRCL Building Products Limited	50	IVR Prime Developers (Araku) Private Limited
15	IVRCL Chandrapur Tollways Limited	51	Absorption Aircon Engineer Private Limited
16	Sapthashva Solar Limited	52	Annupampattu Developers Private Limited
17	IVRCL Cadagua Hogenekkal Water Treatment Co. Pvt. Ltd.	53	IVR PUDL Resorts & Clubs Private Limited
18	IVRCL TLT Private Limited	54	IVRCL Solar Energy Private Limited
19	IVRCL Raipur Bilaspur Tollways Limited	55	IVR Prime Developers (Amalapuram) Private Limited
20	IVRCL Narnual Bhiwani Tollways Limited	56	IVR Prime Developers (Red Hills) Private Limited
21	IVR Hotels and Resorts Limited	57	IVR Prime Developers (Tuni) Private Limited
22	SPB Developers Private Limited	58	IVR Prime Developers (Bobbilli) Private Limited
23	IVR Prime Developers (Guindy) Private Limited	59	IVR Prime Developers (Bhimavaram) Private Limited
24	IVRCL Lanka (Private) Limited	60	Chodavaram Developers Private Limited
25	First STP Private Limited	61	IVR Prime Developers (Adayar) Private Limited
26	IVRCL Gundugolanu Rajahmundry Tollways Limited	62	Geo IVRCL Engineering Limited
	IVRCL Patiala Bathinda Tollways Limited	63	Duvvda Developers Private Limited
28	IVR Prime Developers (Egmore) Private Limited	64	Kunnam Developers Private Limited
29	HDO Technologies Limited	65	Vedurwada Developers Private Limited
30	HDO (UK) Limited	66	Rudravaram Developers Private Limited
31	Eluru Developers Private Limited	67	Geo Prime Developers Private Limited
32	Davy Markham India Private Limited	68	Theata Developers Private Limited
33	HDO Zambia Limited	69	Kasibugga Developers Private Limited
34	IVR Prime Developers (Palakkad) Private Limited	70	Vijayawada Developers Private Limited
35	IVRCL Multilevel Car Parking Private Limited*	71	Chengapalli Road Infra Private Limited
36	IVRCL Goa Tollways Limited*		

**Associate Companies**

1	Sushee-IVRCL Arunachal Highway Limited	2	IVRCL International Infrastructures & Projects LLC
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\* Applications have been filed by the Companies before Registrar of Companies, Andhra Pradesh to "Strike off" of names under "Fast Track Exit Scheme" formulated by the MCA, but the process is yet to be completed and cleared by the Registrar of Companies, Andhra Pradesh.

## IVRCL PSC Pipes Private Limited

Notes to Financial Statements for the year ended March 31, 2016

iii) The following are the details of transactions with Related Parties for the year ended 31st March, 2016

	March 31, 2016	March 31, 2015
<b>Advance taken from holding company</b>	<b>Rs.</b>	<b>Rs.</b>
IVRCL Limited	55,65,087	55,54,254
<b>Earnest Money Deposit received for development rights</b>		
RIHIM Developers Private Limited	3,79,68,245	3,79,68,245
IVR Hotels & Resorts Limited	2,88,77,360	2,88,77,360

iv) Key management personnel :

S. no.	Name of the Official	Designation
1	R. Balarami Reddy	Director
2	K. Ashok Reddy	Director
3	G. Krishna Rao	Director

### 19. Mortgage of Land

a. The land held by the Company, on which the development rights were given to RIHIM Developers Private Limited, has been mortgaged as collateral security to the lenders of IVRCL Limited, the Holding Company and to its subsidiaries to the extent of 12.90 acres for securing the loans availed by them.

b. The land held by the Company, on which the development rights were given to IVR Hotels & Resorts Limited, has been mortgaged as primary security to Central Bank of India to the extent of 4.19 acres for securing the loan availed by IVR Hotels and Resorts Limited. Further, 1.13 acres of land held by the Company was mortgaged as security to the lenders of IVRCL Ltd, the ultimate Holding Company for securing the loans availed by IVRCL Limited.

### 20. Contingent Liability

a. The Company has given a corporate guarantee to the lenders of IVRCL Limited, the Holding Company.

b. The Company has also given a corporate guarantee to Central Bank of India for the loan availed by IVR Hotels and Resorts Limited, the fellow subsidiary Company.

### 21. Other Matters

Based on the information available with the Company, there are no dues/interest outstanding to micro and small enterprises, as defined under the Micro Small and Medium Enterprises Development Act, 2006, as at 31 March 2016 (2015: Nil).

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

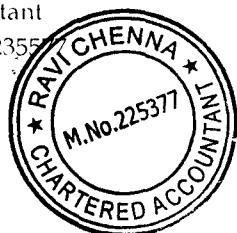
As per my report of even date.

By order of the Board

  
Ravi Chenna

Chartered Accountant  
Membership No. 23557

Place: Hyderabad  
Date : 27.05.2016



  
R. Balarami Reddy  
Director

  
K. Ashok Reddy  
Director

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of IVRCL PSC Pipes Private Limited

### Report on the Financial Statements

I have audited the accompanying financial statements of IVRCL PSC Pipes Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I 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 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 of the financial statements that give true and fair view 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 company's directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

## **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, 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:

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2016;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, I give in the Annexure A, a statement on the matter specified in paragraphs 3 & 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b. in my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in my opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in the "Annexure B" and

g. With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

Place: Hyderabad  
Date: 27.05.2016



**Ravi Chenna**  
Chartered Accountant  
Membership no. 225377

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure referred to in Paragraph 1 under "Report on Other Legal and regulatory Requirements" section of my report of even date).

1. (a) & (b) Based on my scrutiny of the company's books of account and other records and according to the information and explanations received by me from the management, I am of the opinion that the question of commenting on maintenance of proper records of fixed assets and physical verification of fixed assets does not arise since the company had no fixed assets as on 31<sup>st</sup> March, 2016 nor at any time during the financial year ended 31<sup>st</sup> March, 2016.
- (c) According to the information and explanations received by me, none of the immovable properties of the company are held as fixed assets. Therefore, in my opinion the requirement on reporting whether title deeds of immovable properties were held in the name of the company is not applicable.
2. As the Company has not purchased or sold goods during the year nor is there any opening stock, requirement of reporting on physical verification of stocks or maintenance of inventory records, in my opinion, does not arise.
3. In my opinion and according to information and explanations given to me, the company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to information and explanations given to me, and on the basis of my examination of the records of the company, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. In my opinion and according to information and explanations given to me the company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of sections 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
6. In my opinion and according to the information and explanations given to me, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
7. According to the information and explanations given to me, in respect of statutory dues:
  - (a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

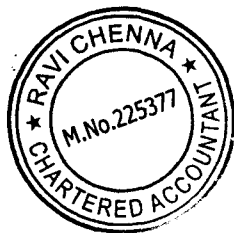
There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax,

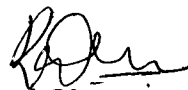
duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31, 2016 for period of more than six months from the date they became payable.

(b) There are no dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise which have not been deposited on account of any disputes.

8. In my opinion and according to the information and explanation given to me, the company has not obtained any loans from banks, financial institutions and debenture holders.
9. The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year.
10. To the best of my knowledge and according to the information and explanations given to me, no material fraud by the company or on the Company by its officers or employees has been noticed were reported during the course of my audit.
11. In my opinion and according to the information and explanation given to me, the company has not paid or provided any managerial remuneration during the year.
12. In my opinion and according to the information and explanation given to me, the Company is not a Nidhi Company.
13. The transactions entered into with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to me and based on my examination of records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on my examination of records of the company, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

Place: Hyderabad  
Date: 27.05.2016



  
**Ravi Chenna**  
Chartered Accountant  
Membership No. 225377

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

I have audited the internal financial controls over financial reporting of IVRCL PSC Pipes Private Limited ("the Company") as of March 31, 2016 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting


Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date : 27.05.2016



  
**Ravi Chenna**  
Chartered Accountant  
Membership no. 225377