



14th ANNUAL REPORT 2009-10

Cover : 100 million liters per day Water Desalination Plant at Chennai in operation. An IVRCL Project.

BOARD OF DIRECTORS

E. SUDHIR REDDY
Chairman

E.SUNIL REDDY
Vice Chairman & Managing Director

T.N. CHATURVEDI
Director

S.RAMACHANDRAN
Managing Director
(BOOT Projects)

R. BALARAMI REDDY
Director

V.MURAHARI REDDY
Director

G. ANANTH SENA REDDY
Director

P.R. TRIPATHI
Director

A.S.PARDHA SARADHI
Company Secretary

STATUTORY AUDITORS

M/s. Chaturvedi & Patners
203, Kushal Bazar,
32-33, Nehru Place,
New Delhi - 110 019.

M/s.S.R.Batliboi & Associates
Oval Office, 18, Ilabs Centre,
Hi tech City, Madhapur,
Hyderabad - 500 081.

INTERNAL AUDITOR

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

REGISTRARS & TRANSFER AGENTS

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

BANKERS

- | | |
|----------------------------|------------------------|
| ○ IDBI Bank | ○ HDFC Bank |
| ○ ICICI Bank | ○ Indian Overseas Bank |
| ○ Indus Ind Bank | ○ Karnataka Bank |
| ○ Kotak Mahindra Bank | ○ State Bank of India |
| ○ Tamilnad Mercantile Bank | ○ Axis Bank |

REGISTERED OFFICE

M-22/3RT,
Vijayanagar Colony, Hyderabad – 500 057
Andhra Pradesh
Ph: 91-40-23352961
Fax: 91-40-23354482

CORPORATE OFFICE

MIHIR, 8-2-350/5/A/24/1-B&2,
Road No.2, Panchavati colony
Banjara Hills, Hyderabad- 500 034
Andhra Pradesh

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FORWARD LOOKING STATEMENT

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

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

These factors including but are not limited to, generated 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 Assets & Holdings Ltd 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 Fourteenth Annual General Meeting of the Members of IVRCL Assets & Holdings Limited will be held on Saturday the 18th day of September 2010 at 3.30 P.M. at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2010, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To appoint a Director in place of Mr. E.Sudhir Reddy, Director, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. T.N.Chaturvedi, Director, who retires by rotation 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 Chaturvedi & Partners, Chartered Accountants, and M/s. S. R. Batliboi & Associates, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next annual general meeting and that the Board of Directors of the Company be and are hereby authorised to fix the remuneration payable to them in addition to reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company .”

SPECIAL BUSINESS:

5. **To appoint Mr. S Ramachandran as Director 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 Mr. S.Ramachandran , who was appointed as an Additional Director of the Company with effect from April 14, 2010 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company.”

6. **To appoint Mr. V.Murahari Reddy as Director 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 Mr. V.Murahari Reddy, who was appointed as an Additional Director of the Company with effect from April 14, 2010 pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. **Variation in the remuneration of Mr.S.Ramachandran, Managing Director (BOOT Projects)**

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, and subject to statutory approvals if any, the terms of remuneration of Mr. S Ramachandran, Managing Director (BOOT Projects) be modified, with effect from 14th April, 2010 for the remaining period of his present term of appointment as follows

- I. SALARY: Rs. 3,16,500 /- p.m.
(Basic Salary: Rs.1,97,813/- p.m. and Allowances : Rs.1,18,687/- p.m.)
- II. Leave Travel Assistance at the rate of one month's basic salary per annum.

- III. Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- IV. Provident fund at the rate of 12% of basic salary.
- V. Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- VI. Gratuity as per rules of the Company
- VII. Free telephone facility at residence and mobile phone but personal long distance calls will be billed to the appointee.
- VIII. Provision for Car in accordance with the Employee Car Scheme formulated by the Compensation Committee and as amended from time to time.

"RESOLVED FURTHER THAT the other terms of appointment as approved by the members of the

company by way of special resolution at the Extraordinary General Meeting of the Company held on 10th May, 2010 shall remain unaltered being within the provisions of schedule XIII of the Companies Act, 1956".

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

By order of the Board of Directors

A.S.Pardha Saradhi
Company Secretary

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh
Date: 29.05.2010

NOTES:

- 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 the proxy need not be a member of the Company. The proxy forms to be valid should be deposited at the Registered office of the Company at least 48 hours before the commencement of the meeting.
- 2. 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 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 Items 5,6,7 is attached and the Statement of particulars of Directors seeking reappointment as required under Clause 49 of the listing agreement is enclosed.
- 4. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance of the Meeting Hall.
- 5. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No) for easier identification and recording of attendance at the meeting.
- 6. The Register of Members and Share Transfer Books of the Company shall be closed from 14th September, 2010 to 18th September, 2010 (both days inclusive).

- 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. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 as amended, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remains unpaid or unclaimed for a period of 7 (seven) years will be transferred to the Investor Education and Protection Fund. Shareholders/Investors who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio No. / DP ID and Client ID to the Secretarial Department, MIHIR, Road No 2, Banjara Hills, Hyderabad - 500 034. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof.

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

Item No.5,6

Appointment of Mr. S.Ramachandran and Mr. V.Murahari Reddy as Directors of the Company

The Board of Directors of the Company under Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, appointed Mr. S.Ramachandran and Mr. V.Murahari Reddy as Additional Directors of the Company with effect from 14th April, 2010.

In terms of Section 260 of the Act, Mr. S.Ramachandran and Mr. V.Murahari Reddy hold office up to the date of this Annual General Meeting. The Company has received notice(s) in writing from members along with a deposit of Rs. 500/- each, proposing the candidatures of Mr. S.Ramachandran and Mr. V.Murahari Reddy for the office of Director of the Company under Section 257 of the Act.

Mr. S.Ramachandran and Mr. V.Murahari Reddy had confirmed that they are not disqualified from being appointed as Directors under Section 274 (1) (g) of the Act.

Mr. S.Ramachandran was appointed as Managing Director (BOOT Projects) of the Company by the members at the Extra Ordinary General Meeting held on 10th May, 2010.

Approval of the shareholders is sought by way of Ordinary resolutions in the Annual General Meeting for their respective appointments as Directors. The Board recommends the resolutions for your approval.

None of the Directors except Mr. S. Ramachandran and Mr. V.Murahari Reddy are interested in the above resolution.

Item No. 7

Variation in the remuneration of Mr.S.Ramachandran, Managing Director (BOOT Projects)

At the Extraordinary General Meeting of the Company held on 10th May, 2010, Mr.S.Ramachandran was

appointed as Managing Director (BOOT Projects) of the company with effect from 14th April, 2010 for a period of three years.

The Compensation committee of the board of directors of the company at its meeting held on 29th May, 2010 made certain changes in the terms of remuneration payable to Mr. S. Ramachandran, Managing Director (BOOT Projects) for the remaining period of his present term of appointment with effect from 14th April, 2010 as stated in the resolution. Variation in the remuneration in effect results in increase in monthly remuneration from Rs.2,63,750/- p.m. to Rs. 3,16,500/- p.m.

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

In terms of Schedule XIII of the Companies Act, 1956 as required, an annexure giving the required information is enclosed along with this notice.

None of the directors except Mr. S. Ramachandran are interested in the above resolution.

By order of the Board of Directors

A.S.Pardha Saradhi
Company Secretary

Registered Office :

M-22/3RT, Vijaynagar Colony,
Hyderabad-500057, Andhra Pradesh
Date: 29.05.2010

Annexure:

Statement as required in terms of Schedule XIII of the Companies Act, 1956 annexed to the Notice calling for the Annual General Meeting for approval of variation in remuneration payable to Shri S Ramachandran, Managing Director (BOOT Projects)

I. General Information

1. Nature of Industry : Infrastructure Development and Construction
2. Date of Incorporation and date of commencement of commercial production : Incorporation of Company on 28th June, 1996
Commencement of Business on 10th July, 1996
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
4. Financial performance based on given indicators : The Key performance indicators of the Company during the previous three years are given here under:
(Rs. in Lakhs)

Particulars	2007-08	2008-09	2009-10
Sales & Other Income	61,433.25	8,106.46	14,508.18
Profit before Depreciation & Tax	24,262.44	1,467.07	(746.57)
Net Profit After Tax	17,579.49	858.56	(639.86)

Note: For further details, please refer to respective Annual Reports, available on Company's website : www.ivrclholdings.com

5. Export performance and net foreign exchange earnings : NIL
6. Foreign Investments or collaborators, if any : NIL

II. Information about the Appointee Viz Mr. S. Ramachandran

1. Background details
 - i. Age : 56 Years
 - ii. Academic Qualification : B.E. (Mechanical). PGDBM from XLRI Jamshedpur
 - iii. Experience : His experience is wide ranging from Production to Materials and now in Business Development & Corporate Strategy. His Career spans over 17 years experience with the Tata Group including Tubes Division & Tata Timken Ltd. He was with Pennar Aluminum, Hyderabad for a period of 5 years and joined IVRCL to Head the Business Development & Corporate Strategy activities in the year 1999.
 - iv. Particulars of Previous Employment : His responsibilities with IVRCL Infrastructures & Projects Limited included overall in-charge of Business Development & Corporate Strategy (BD & CS) in the Company.
2. Past Remuneration : Rs. 2,63,750/- p.m.
3. Job Profile and his suitability : Mr. S. Ramachandran has been responsible for the diversification of IVRCL Infrastructures & Projects Limited into emerging infrastructure sector such as Highways, Oil & Gas, Desalination and Metro Stations. He has a wide ranging experience in initiating strategic alliances and Joint Ventures with number of overseas Companies to bid for and implement Infrastructure projects in India.
4. Remuneration proposed : Please refer Notice and the explanatory statement attached thereto.
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person : The remuneration is comparable with that offered by similar companies.
6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any : Mr. S. Ramachandran holds 2250 Equity Shares of the Company and except employment with the Company does not have any other pecuniary relationship directly or indirectly. He is not related to any other director of the Company or managerial personnel.

III. Other Information

1. Reasons of loss or inadequate profits : Sluggish demand for Real Estate due to recession
2. Steps taken or proposed to be taken for improvement : Restructured the operations of the Company.
3. Expected increase in productivity and profit in measurable terms : Positive results are expected.

IV. Disclosures

1. Remuneration Package of the Managerial Person : Please refer Notice and the explanatory statement attached thereto

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

Name of Director	Mr. E. Sudhir Reddy	Mr. T. N. Chaturvedi	Mr. S. Ramachandran	Mr. V. Murahari Reddy
Date of Birth	13.04.1960	15.01.1959	17.05.1953	01.07.1943
Date of Appointment	28.06.1996	25.10.2006	14.04.2010	14.04.2010
Expertise in Specific functional areas	He has over 20 years of experience in construction and engineering business and he has been appointed on the board of various companies including that of our Promoter company, IVRCL Infrastructures & Projects Limited. He has been on our Board since our incorporation.	He has nearly twenty six years of experience in the field of auditing corporate and financial restructuring, public issues, mergers, taxation and other legal issues	His experience is wide ranging from production to materials and now in Business Development & Corporate Strategy. His Career spans over 17 years experience with the Tata Group including Tubes division & Tata Timken Ltd. He was with Pennar Alluminium, Hyderabad for a period of 5 years and joined IVRCL to head the Business Development & Corporate Strategy activities in the year 1999	He is a practising consultant in Roads & Bridges and Training of Highway Engineers, Procurement Training, Institutional aspects, Dispute resolution and arbitration
Qualification	B.Com	B.com, FCA	B.E. (Mechanical) PGDBM from XLRI Jamshedpur	B.E. (Hons) in Civil Engineering
List of Other companies in which Directorship is held as on 31 March, 2010	1) IVRCL Infrastructures & Projects Limited 2. Hindustan Dorr-Oliver Limited 3. Soma Hotels & Resorts limited 4. Palladium Infrastructures & Projects Ltd 5. S.V.Equities Limited 6. Indus Palms Hotels & Resorts Limited 7. Eragam Holdings Limited 8. IVR Hotels and Resorts limited 9. IVRCL Megamalls Limited 10. AP Enercon Engineers Private Limited 11. IOT Utikal Energy Services Limited	1) IVRCL Infrastructures & Projects Limited 2. Hindustan Dorr-Oliver Limited 3. Orient Abrasives Limited 4. Perfect Pac Limited 5. Rosmerta Technologies Limited 6. Punjab National Bank	1. IVR Vanaprastha Private Limited 2. IVR Prime Developers (Egmore) Private Limited 3. IVR Prime Developers (Ananthapuram) Private Limited 4. IVR Prime Developers (Retiral Homes) Private Limited 5. IVR Prime Developers (Ashram) Private Limited 6. IVRCL Indore Gujarat Tollways Limited 7. IVRCL Chengapalli Tollways Limited 8. Chennai Water Desalination Limited 9. Alkor Petroo Limited 10. IVRCL Steel Construction & Services Ltd 11. TELCON Ecoroad Resurfaces (P) Ltd 12. IVR Prime Developers (Perambalur) Private Limited 13. IOT Utikal Energy Services Limited	1. Ranky Infrastructure Limited

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

Name of Director	Mr. E. Sudhir Reddy	Mr. T. N. Chaturvedi	Mr. S. Ramachandran	Mr. V. Murahari Reddy
Chairman/Member of the Committees of the Board of the other Companies in which he is a Director as on March 31, 2010	Member of Shareholder / Investor Grievance Committee of IVRCL Infrastructures & Projects Limited, Hindustan Dorr – Oliver Limited	<p>a) IVRCL Infrastructures & Projects Limited Chairman Audit Committee Remuneration Committee</p> <p>b) Hindustan Dorr – Oliver Limited Chairman- Audit Committee Member - Remuneration Committee</p> <p>c) Orient Abrasives Limited Chairman Audit Committee, Remuneration Committee Member- Share transfer committee</p> <p>d) Rosmerta Technologies Limited Chairman- Audit Committee Member - Remuneration Committee</p> <p>e) Punjab National Bank Member Management Committee, Shareholders / Investors Grievance Committee</p>	Nil	Nil
Equity shares held in the Company	26,250	30,000	2,250	NIL

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010.

The performance of the Company for the financial year ended March 31, 2010 is summarised below:

1. FINANCIAL RESULTS:

(Rupees in Lakhs)

	Year ended 31.03.2010	Year ended 31.03.2009
Gross Income	14,508.18	8,106.46
Profit Before Interest, Depreciation & Tax	1,121.97	2,009.01
Less : Interest & Financial Charges	1,868.54	541.94
Less : Depreciation /Amortization	180.05	129.41
(Loss)/Profit Before Tax	(926.62)	1,337.66
Provision for Tax	(286.76)	479.10
(Loss)/Profit After Tax (PAT)	(639.86)	858.56
Balance brought forward from previous year	16,819.12	15,960.56
Profit available for appropriation	16,179.26	16,819.12
Appropriation : Transfer to		
General Reserve	-	-
Proposed Dividend	-	-
Corporate Dividend Tax	-	-
Balance carried to Balance Sheet	16,179.26	16,819.12
Paid-up capital	12,361.36	6,415.00
Reserves and Surplus	216,486.15	91,950.30

2. REVIEW OF PERFORMANCE:

The Gross Income of the Company was recorded at Rs. 14,508.18 Lakhs with net loss of Rs. 639.86 Lakhs in the financial year ended 31.03.2010.

3. DIVIDEND:

Your Directors regret their inability to recommend any dividend for the year 2009-10.

4. OPERATIONS OF THE COMPANY:

The continued sluggishness in the real estate markets have prompted the management to reorient the Company's operations. In the process it was decided that the Company should diversify its operations so as to include in its fold investments in projects relating to various infrastructure segments like Roads, Power, Oil and Gas, Water on Build Operate and Transfer (BOT). Build Own Operate and Transfer (BOOT) Design, Build Own Operate and Transfer (DBOOT) basis. As a first step, it was decided to take over two investment subsidiaries of IVRCL Infrastructures & Projects Ltd., having

investments in such projects. Accordingly, IVR Strategic Resources & Services Ltd., and IVRCL Water Infrastructures Ltd., which own the investments in the following Special Purpose Vehicle (SPV) Companies, were merged with your Company as per the Orders of the Hon'able High Court of Andhra Pradesh dated 26th February, 2010, effective from 1st April, 2009, and as a consequence thereof, the said SPVs have become the subsidiaries of your Company:

- 1 Salem Tollways Limited
- 2 Kumarapalayam Tollways Limited
- 3 Jalandhar Amritsar Tollways Limited
- 4 Chennai Water Desalination Limited
- 5 SPB Developers Private Limited
- 6 First STP Private Limited
- 7 Alkor Petroo Limited
- 8 IVRCL Building Products Limited
9. IVRCL Indore Gujarat Tollways Limited
10. Sion Panvel Tollways Private Limited

The Company is now gearing up to raise further resources for investments in various other sectors like coal mining, oil and gas, besides new projects in the sectors in which it is currently engaged. It is hoped that the results of the reorganization shall be visible in the current year's financials.

a. FUTURE PROSPECTS

IVRCL Assets & Holding Limited expects to emerge as a major player in developing and owning infrastructure assets in highways, oil and gas, power, ports and desalination to name some of the significant sectors that the company is currently targeting in the next few years. The Company will draw from its parent company, IVRCL, the experience and core competence built over the last two decades in executing the awarded projects and those in the pipeline into viable and successful ventures and assets.

Besides highways, the company will be bidding for build, operate and transfer (BOT) projects in power transmission, water, crude oil storage, parking lots, truck terminals and ports.

5. CHANGE OF NAME OF COMPANY

To truly reflect the activities of the Company post amalgamation of IVR Strategic Resources & Services Ltd. and IVRCL Water Infrastructures Ltd with the Company the name of the Company has been duly changed from IVR Prime Urban Developers Limited to IVRCL Assets & Holdings Limited with effect from March 31, 2010.

6. BONUS SHARES

In accordance with the approval given by the Members, 6,18,06,786 fully paid up equity shares of Rs.10/- each, were issued as Bonus shares in the ratio of 1 bonus share for every 2 equity shares held. Consequently, the paid-up share capital of your company as on date stands increased to Rs. 185,42,03,580 divided into 18,54,20,358 number of equity shares of Rs.10/- each.

7. EMPLOYEE STOCK OPTION SCHEME – 2010

The Company could not utilize the earlier approval given by the Members for implementation of Employee Stock Option Scheme of 8,50,000 options due to unfavourable market conditions within the stipulated time. Hence, fresh approval was obtained from the

Members on 10th May, 2010 for Grant of Employee Stock Options upto 8,50,000 options convertible into 8,50,000 equity shares of Rs.10/- each to the permanent employees of the Company whether in India or Overseas including executive and non-executive Directors of the Company, its subsidiaries and Holding Company but excluding the Promoter's nominee Directors. During the financial year under review, no grants were made and hence no options are outstanding.

8. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS :

The information regarding the subsidiaries as on 31st March 2010 under Section 212 is furnished in **Annexure A** to this Report.

The details of investment made by the company in the various subsidiaries during the year and the details of the investment as on 31st March 2010 have been furnished in Para 14 of Schedule 20 Notes to Accounts.

Brief financial details of the subsidiaries have been furnished in **Annexure B** to the Directors' Report forming part of the Annual Report. In terms of the Listing agreement with the Stock Exchanges and in accordance with the Accounting Standard 21, consolidated Financial statements of the Company and its subsidiaries forms part of the Annual Report and Accounts.

9. ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

Your Company issued 1,500 Secured Redeemable Non-convertible Debentures of Rs.10 lacs each, aggregating Rs.150 Crores on private placement basis, pursuant to SEBI (Issue and Listing of Debt Securities) Regulations 2008. The securities have been listed on NSE under the Whole-sale Debt Market Segment (WDM).

10. PUBLIC DEPOSITS

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

11. DIRECTORS:

Mr.E.Sudhir Reddy, Chairman & Joint Managing Director, opted to resign as Joint Managing Director and to continue only as the Chairman of the Company effective from 14th April, 2010, Mr. E.Sunil Reddy was elected to be the Vice Chairman besides being the Managing Director of the Company. Both Mr.E.Sudhir Reddy and Mr.E.Sunil Reddy have not been paid any

remuneration from the Company in the previous year.

Mr.S.Ramachandran and Mr.V.Murahari Reddy were co-opted as Additional Directors on the Board with effect from April 14, 2010 who shall hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Mr.S.Ramachandran has also been appointed as Managing Director (BOOT Projects) and the appointment has been duly approved at the Extra-ordinary General Meeting of the members of the company held on May 10, 2010.

Mr. E.Sudhir Reddy and Mr. T.N.Chaturvedi, Directors are liable to retire at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

12. AUDITORS

M/s Chaturvedi & Partners, Chartered Accountants and M/s. S.R.Batliboi & Associates, Chartered Accountants, 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 Section 224(1B) of the Companies Act, 1956. M/s.Deloitte Haskins & Sells – statutory auditors holding office along with the above have resigned effective from 22nd May, 2010.

13. STATUTORY DISCLOSURE UNDER SECTION 217

As required under the Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, there are no employees who were in receipt of remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 or more per month.

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

Conservation of Energy, which is an on going process in the company's activities, is not furnished as the relative Rule is not applicable to your Company.

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.

The Company is taking all steps to be compliant with all Environmental Laws.

The Company has insured all its properties to the extent required.

The Particulars of expenditure/Earnings in Foreign currency is furnished in item No. 2(r) of Schedule 19 Notes to Consolidated Accounts.

b. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

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

c. CORPORATE GOVERNANCE REPORT

Your directors adhere to the requirements set out in Clause 49 of the Listing Agreement with the Stock Exchanges. Report on Corporate Governance as stipulated in the said clause is annexed as **Annexure - D** hereto and forms part of this Report. The Vice Chairman and Managing Director 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 D.Hanumatha Raju & Co., Company Secretaries, Hyderabad, confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, It is hereby declared and 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 on 31st March, 2010, and 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.

ACKNOWLEDGEMENTS

The Directors wish to express their appreciation of the support and cooperation extended by the State Government, Banks, Financial Institutions, Supplier, clients and the holding company. The Directors also wish to thank all the employees for their contribution and continued cooperation throughout the year.

FOR AND ON BEHALF OF THE BOARD

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

E. SUDHIR REDDY
Chairman

The Company has since received from Central Government, exemption under Section 212(8) of the Companies Act, 1956 vide letter no. 47/507/2010 –CL-III dated May 21,2010. Accordingly, the Audited Statement of Accounts, the Reports of the Board of Directors and the Auditors of the Subsidiary companies are not annexed as required under Section 212(8) of the Companies Act,1956. As required by the said letter, we have given the information on subsidiary companies in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be available for inspection by any shareholder at the Registered Office of the Company on any working day during business hours.

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	IVR Hotels and Resorts Limited 1	IVRCL Mega Malls Limited 2	Agaram Developers Private Limited 3	Mummidli Developers Private Limited 4	Samatteri Developers Private Limited 5	Anupampattu Developers Private Limited 6	Tirumani Developers Private Limited 7	Ilavampedu Developers Private Limited 8
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd)as at the above date:								
a) The number of equity shares of Rs. 10/- each fully paid	239,355	50,250	10,000	10,000	10,000	10,000	10,000	10,000
b) Extent of holdings in percentage terms	66.88	100.00	100.00	100.00	100.00	100.00	100.00	100.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	6,592,479	(23,135)	(22,363)	(22,164)	(22,363)	(20,998)	(22,164)	(21,911)
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	21,552,934	(218,310)	(77,048)	(78,192)	(77,049)	(77,432)	(54,572)	(77,432)

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	Chodavaram Developers Private Limited 9	Gajuwaka Developers Private Limited 10	Simhachalam Prime Developers Private Limited 11	Siripuram Developers Private Limited 12	IVR Prime Developers (Analapuram) Private Limited 13	IVR Prime Developers (Erode) Private Limited 14	IVR Prime Developers (Guntur) Private Limited 15	IVR Prime Developers (Kakinada) Private Limited 16
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd) as at the above date:								
a) The number of equity shares of Rs. 10/- each fully paid	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
b) Extent of holdings in percentage terms	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(23,520)	(21,860)	(22,022)	(22,015)	(21,611)	(21,611)	(21,611)	(21,611)
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(53,536)	(52,108)	(52,328)	(51,969)	(51,577)	(51,577)	(50,942)	(50,942)

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	IVR Prime Developers (Araku) Private Limited 17	IVR Prime Developers (Pudukkottai) Private Limited 18	Absorption Aircon Engineers Private Limited 19	IVR Prime Developers (Anakapalle) Private Limited 20	IVR Prime Developers (Rajampeta) Private Limited 21	IVR Prime Developers (Tanuku) Private Limited 22	IVR Prime Developers (Red Hills) Private Limited 23	IVR Prime Developers (Rajahmundry) Private Limited 24
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd) as at the above date:								
a) The number of equity shares of Rs. 10/- each fully paid	10,000	10,000	37,000	10,000	10,000	10,000	10,000	10,000
b) Extent of holdings in percentage terms	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(21,611)	(21,611)	(22,136)	(21,830)	(22,238)	(22,238)	(22,238)	(22,238)
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company								
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(51,999)	(50,436)	(441,373)	(30,782)	(30,107)	(30,107)	(31,034)	(30,107)

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	IVR Prime Developers (Tuni) Private Limited 25	IVR Prime Developers (Bobbili) Private Limited 26	IVR Prime Developers (Bhimavaram) Private Limited 27	IVR Prime Developers (Vasaravakkam) Private Limited 28	IVR Prime Developers (Adayar) Private Limited 29	IVR Prime Developers (Ananthapuram) Private Limited 30	IVR Prime Developers (Perambadur) Private Limited 31	IVR Prime Developers (Egmore) Private Limited 32	IVR Prime Developers (Tambaram) Private Limited 33
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd) as at the above date:									
a) The number of equity shares of Rs. 10/- each fully paid	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
b) Extent of holdings in percentage terms	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(22,034)	(21,785)	(21,377)	(22,034)	(21,977)	(21,781)	(21,330)	(21,781)	(21,985)
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(30,106)	(30,107)	(30,106)	(30,781)	(30,121)	(29,446)	(29,450)	(30,321)	(30,321)

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	IVR Vaana- prastha Private Limited 34	IVR Prime Developers (Ashram) Private Limited 35	IVR Prime Developers (Retiral Homes) Private Limited 36	IVR PUDL Resorts & Clubs Private Limited 37	IVR Prime Developers (Avadi) Private Limited 38	IVR Prime Developers (Alwarpet) Private Limited 39	IVR Prime Developers (Mylapore) Private Limited 40	IVR Prime Developers (Thandiarpet) Private Limited 41	IVR Prime Developers (Gummidipundi) Private Limited 42
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd)as at the above date:									
a) The number of equity shares of Rs. 10/- each fully paid	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
b) Extent of holdings in percentage terms	66.67	100.00	100.00	66.67	100.00	100.00	100.00	100.00	100.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(31,675)	(21,781)	(21,781)	(24,926)	(21,687)	(21,891)	(21,440)	(21,687)	(21,687)
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(80,899)	(29,815)	(29,446)	(51,609)	(29,449)	(29,449)	(29,449)	(29,449)	(29,449)

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Annexure -A

Name of the Subsidiary Company	IVR Prime Developers (Kodambakkam) Private Limited 43	IVR Prime Developers (Arumbakkam) Private Limited 44	IVR Prime Developers (Anna Nagar) Private Limited 45	IVR Prime Developers (Pallavaram) Private Limited 46	IVR Prime Developers (West Mambalam) Private Limited 47	Bibinagar Developers Private Limited 48	Kumara-palayam Tollways Limited 49	Salem Tollways Limited 50	Jalandhar Amritsar Tollways Limited 51
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd) as at the above date:									
a) The number of equity shares of Rs. 10/- each fully paid	10,000	10,000	10,000	10,000	10,000	10,000	33,353,600	51,253,160	46,848,550
b) Extent of holdings in percentage terms	100.00	100.00	100.00	100.00	100.00	100.00	99.85	99.90	99.89
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(21,891)	(21,687)	(21,891)	(21,687)	(21,891)	(22,254)	(185,069,889)	—	—
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company									
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	(29,449)	(29,449)	(29,449)	(29,449)	(29,449)	(25,833)	—	—	—

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies Annexure -A

Name of the Subsidiary Company	Chennai Water Desalination Limited 52	SPB Developers Private Limited 53	IVRCL Indore Gujarat Tollways Limited 54	First STP Private Limited 55	IVRCL Building Products Limited 56	Alkor Petroo Limited 57	Sion Panvel Tollways Private Limited 58
Number of shares held and extent of holding thereof by the holding company, IVR Assets & Holdings Ltd (Formerly known as IVR Prime Urban Developers Ltd) as at the above date:							
a) The number of equity shares of Rs. 10/- each fully paid	129,687,411	7,340,000	10,030,000	2,850,000	599,995	5,625,000	5,100
b) Extent of holdings in percentage terms	74.97	99.86	99.50	95.00	60.00	84.91	51.00
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the members of the holding company							
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	—	—	—	1,652,442	(8,150,682)	884,304	—
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the members of the holding company							
a) dealt with or provided in the accounts of the holding company	—	—	—	—	—	—	—
b) Not dealt with or provided in the accounts of the holding company (Rs.)	—	—	—	14,320,274	56,378	(32,607,604)	—

Annexure - B
Financial Information regarding subsidiary companies

Name of the Subsidiary Company	(In Rupees)						
	IVR Hotels and Resorts Limited 1	IVRCL Mega Malls Limited 2	Agaram Developers Private Limited 3	Mummidli Developers Private Limited 4	Samatterli Developers Private Limited 5	Anupampattu Developers Private Limited 6	Tirumani Developers Private Limited 7
Capital	3,578,670	502,500	100,000	100,000	100,000	100,000	100,000
Equity Support from Client (NHAI)	—	—	—	—	—	—	—
Reserves	4,539,265,581	—	—	—	—	—	—
Total Assets	4,542,844,251	502,500	100,000	100,000	100,000	100,000	100,000
Total Liabilities	4,542,844,251	502,500	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	—	—	—	—	—	—	—
Turnover/Income	35,048,646	—	—	—	—	—	—
Profit Before Taxation	13,761,429	(23,135)	(22,363)	(22,164)	(22,363)	(20,998)	(22,164)
Provision for Taxation	3,904,812	—	—	—	—	—	—
Profit After Taxation	9,856,617	(23,135)	(22,363)	(22,164)	(22,363)	(20,998)	(22,164)
Proposed Dividend	—	—	—	—	—	—	—

Name of the Subsidiary Company	(In Rupees)						
	Ilavampedu Developers Private Limited 8	Chodavaram Developers Private Limited 9	Gajuwaka Developers Private Limited 10	Simhachala Prime Developers Pvt. Limited 11	Siripuram Developers Private Limited 12	IVR Prime Developers (Amalapuram) Pvt. Limited 13	IVR Prime Developers (Erode) Pvt. Limited 14
Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Equity Support from Client (NHAI)	—	—	—	—	—	—	—
Reserves	—	—	—	—	—	—	—
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	—	—	—	—	—	—	—
Turnover/Income	—	—	—	—	—	—	—
Profit Before Taxation	(21,911)	(23,520)	(21,860)	(22,022)	(22,015)	(21,611)	(21,611)
Provision for Taxation	—	—	—	—	—	—	—
Profit After Taxation	(21,911)	(23,520)	(21,860)	(22,022)	(22,015)	(21,611)	(21,611)
Proposed Dividend	—	—	—	—	—	—	—

Annexure - B

Financial Information regarding subsidiary companies

(In Rupees)

Name of the Subsidiary Company	IVR Prime Developers (Guntur) Pvt. Limited 15	IVR Prime Developers (Kakinada) Pvt. Limited 16	IVR Prime Developers (Araku) Pvt. Limited 17	IVR Prime Developers (Pudukkottai) Pvt. Limited 18	Absorption Aircon Engineers Pvt. Limited 19	IVR Prime Developers (Anakapalle) Pvt. Limited 20	IVR Prime Developers (Rajampeta) Pvt. Limited 21
Capital	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Equity Support from Client (NHAI)	--	--	--	--	--	--	--
Reserves	--	--	--	--	--	--	--
Total Assets	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	370,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--	--
Profit Before Taxation	(21,611)	(21,611)	(21,611)	(21,611)	(22,136)	(21,830)	(22,238)
Provision for Taxation	--	--	--	--	--	--	--
Profit After Taxation	(21,611)	(21,611)	(21,611)	(21,611)	(22,136)	(21,830)	(22,238)
Proposed Dividend	--	--	--	--	--	--	--

Name of the Subsidiary Company	IVR Prime Developers (Tanuku) Pvt. Limited 22	IVR Prime Developers (Red Hills) Pvt. Limited 23	IVR Prime Developers (Rajahmundry) Pvt. Limited 24	IVR Prime Developers (Tuni) Pvt. Limited 25	IVR Prime Developers (Bobbili) Pvt. Limited 26	IVR Prime Developers (Bhimavaram) Pvt. Limited 27	IVR Prime Developers (Valasaravakkam) Pvt. Limited 28
Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Equity Support from Client (NHAI)	--	--	--	--	--	--	--
Reserves	--	--	--	--	--	--	--
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--	--
Profit Before Taxation	(22,238)	(22,238)	(22,238)	(22,034)	(21,785)	(21,377)	(22,034)
Provision for Taxation	--	--	--	--	--	--	--
Profit After Taxation	(22,238)	(22,238)	(22,238)	(22,034)	(21,785)	(21,377)	(22,034)
Proposed Dividend	--	--	--	--	--	--	--

Annexure - B

Financial Information regarding subsidiary companies

Name of the Subsidiary Company	(In Rupees)					
	IVR Prime Developers (Adyar) Pvt. Limited	IVR Prime Developers (Ananthapuram) Pvt. Limited	IVR Prime Developers (Perambalur) Pvt. Limited	IVR Prime Developers (Egmore) Pvt. Limited	IVR Prime Developers (Tambaram) Private Limited	IVR Prime Developers (Ashram) Private Limited
Capital	100,000	100,000	100,000	100,000	100,000	100,000
Equity Support from Client (NHAI)	--	--	--	--	--	--
Reserves	--	--	--	--	--	--
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--
Profit Before Taxation	(21,977)	(21,781)	(21,330)	(21,781)	(21,985)	(21,781)
Provision for Taxation	--	--	--	--	--	--
Profit After Taxation	(21,977)	(21,781)	(21,330)	(21,781)	(21,985)	(21,781)
Proposed Dividend	--	--	--	--	--	--

Name of the Subsidiary Company	(In Rupees)					
	IVR Prime Developers (Retiral Homes) Pvt. Limited	IVR PUDL Resorts & Clubs Private Limited	IVR Prime Developers (Avadi) Private Limited	IVR Prime Developers (Alwarpet) Pvt. Limited	IVR Prime Developers (Mylapore) Pvt. Limited	IVR Prime Developers (Thandiarpet) Pvt. Limited
Capital	100,000	150,000	100,000	100,000	100,000	100,000
Equity Support from Client (NHAI)	--	--	--	--	--	--
Reserves	--	--	--	--	--	--
Total Assets	100,000	150,000	100,000	100,000	100,000	100,000
Total Liabilities	100,000	150,000	100,000	100,000	100,000	100,000
Details of investment (except in case of investment in subsidiaries)	--	--	--	--	--	--
Turnover/Income	--	--	--	--	--	--
Profit Before Taxation	(21,781)	(37,389)	(21,687)	(21,891)	(21,440)	(21,687)
Provision for Taxation	--	--	--	--	--	--
Profit After Taxation	(21,781)	(37,389)	(21,687)	(21,891)	(21,440)	(21,687)
Proposed Dividend	--	--	--	--	--	--

Annexure - B
Financial Information regarding subsidiary companies (In Rupees)

Name of the Subsidiary Company	IVR Prime Developers (Kodambakkam) Private Limited 43	IVR Prime Developers (Arumbakkam) Private Limited 44	IVR Prime Developers (Anna Nagar) Private Limited 45	IVR Prime Developers (Pallavaram) Private Limited 46	IVR Prime Developers (West Mambalam) Private Limited 47	Bibinagar Developers Private Limited 48	Kumara- palayam Tollways Limited 49	Salem Tollways Limited 50
Capital	100,000	100,000	100,000	100,000	100,000	100,000	334,036,000	1,013,031,600
Equity Support from Client (NHAI)	---	---	---	---	---	---	175,000,000	1,290,000,000
Reserves	---	---	---	---	---	---	500,304,000	768,797,400
Total Assets	100,000	100,000	100,000	100,000	100,000	100,000	4,380,158,115	5,500,129,000
Total Liabilities	100,000	100,000	100,000	100,000	100,000	100,000	4,380,158,115	5,500,129,000
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---	---
Turnover/Income	---	---	---	---	---	---	188,363,363	---
Profit Before Taxation	(21,891)	(21,687)	(21,891)	(21,687)	(21,891)	(22,254)	(185,347,911)	---
Provision for Taxation	---	---	---	---	---	---	---	---
Profit After Taxation	(21,891)	(21,687)	(21,891)	(21,687)	(21,891)	(22,254)	(185,347,911)	---
Proposed Dividend	---	---	---	---	---	---	---	---

Name of the Subsidiary Company	Jalandhar Amritsar Tollways Limited 51	Chennai Water Desalination Limited 52	SPB Developers Private Limited 53	IVRCL Indore Guja- rat Tollways Limited 54	First STP Private Limited 55	IVRCL Building Products Limited 56	Alkor Petroo Limited 57	Sion Panvel Tollways Private Limited 58
Capital	468,985,500	1,729,832,160	73,500,000	100,800,000	30,000,000	10,000,000	66,250,000	51,000
Equity Support from Client (NHAI)	394,500,000	---	---	---	---	---	---	---
Reserves	542,978,250	---	110,100,000	902,700,000	16,813,386	---	2,500,000	---
Total Assets	3,797,763,750	5,942,811,510	675,600,000	1,003,500,000	46,813,386	227,009,419	673,492,594	51,000
Total Liabilities	3,797,763,750	5,942,811,510	675,600,000	1,003,500,000	46,813,386	227,009,419	673,492,594	51,000
Details of investment (except in case of investment in subsidiaries)	---	---	---	---	---	---	---	---
Turnover/Income	---	---	---	---	16,557,790	---	2,660,299	---
Profit Before Taxation	---	---	---	---	2,057,260	(20,557,175)	1,577,813	---
Provision for Taxation	---	---	---	---	317,847	6,972,592	536,299	---
Profit After Taxation	---	---	---	---	1,739,413	(13,584,583)	1,041,514	---
Proposed Dividend	---	---	---	---	---	---	---	---

ANNEXURE 'C' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

Introduction

The strategy for infrastructure development in the Eleventh Plan recognized that the resources required for bridging the deficit in infrastructure and to sustain a growth rate of 9 per cent in the economy exceeded the capacity of the public sector and hence it was necessary to attract private investment through appropriate form of Public Private Partnership (PPP) to meet the projected investments. The Economic Survey of the Government of India, Ministry of Finance has estimated the investment in physical infrastructure to be of the order of \$ 500 billion during the 11th Five Year Plan with the share of the Private sector pegged at 30.7% translating to \$ 150.35 billion. As compared to the private investment of Rs. 1,75,203 crore during the Tenth Plan period, the Eleventh Plan envisaged private investment of Rs. 6,19,591 crore constituting 30 per cent of the total investment in infrastructure. Based on the government's mid-term review of its 11th five-year plan, infrastructure investments to the tune of \$1 trillion is to be allocated for the 12th five-year plan, 50% of which is to be from the private sector.

Delivering infrastructure services through PPP has garnered substantial pace since 2000 and over the past decade, private sector has been playing a significant role in the infrastructure development in the country. Government of India have taken crucial initiatives to operational and institutionalize PPP policy to promote the flow of private capital for accelerated infrastructure development in the country. A large number of PPP projects in the highways, ports, airports, urban development, railways, power and other sectors are in different stages of implementation. PPP projects are here to stay and has come to be the key driver of India's infrastructure development.

OPPORTUNITIES IN THE NEAR FUTURE

IVRCL Assets & Holdings Limited derives its strength of development, operation & maintenance of infrastructure from its parent company IVRCL

Infrastructures & Projects Limited experience and pre-qualification in the various sectors. Over the last five years, the exponential growth of IVRCL has resulted in building up of its pre-qualifications in a very robust manner to include its ability to bid for big ticket projects in Highways, Water, Power Transmission, Metros as well in Oil & Gas storage facilities. Having successfully completed the capital construction and commenced operations in four projects in the BOT Sector, 3 in Highways and 1 in Sewerage, the company is well poised to qualify for infrastructure development works in diverse sectors as stated above.

IVRCL Assets & Holdings Limited intends to enter the sectors of Power Transmission, Oil & Gas tankages as well as Hydro power in the near future, by carefully assessing the viability of opportunities that are likely to come up in the BOT space. Highways will definitely continue to be one of the focus areas since there is a tremendous thrust by the Ministry to develop the road network at a brisk ambitious space of 20 Kilometers per day. Tenders for BOT transmission lines have already come up and the company through its parent IVRCL has applied in the Request for Qualifications for three projects. Water desalination plants are also expected to come up in various coastal locations of the country and we are well positioned to bid for such projects in the near future. In the port sector, we have been pre-qualified to bid berths for coal handling in the eastern part of the country.

Our fast track approach towards BOT project implementation in Highways

The company through its vast experience has adopted a fast track approach which ensures that all aspects of pre-construction activities are taken up simultaneously in such a way that the Special Purpose Vehicle is ready to implement the project as soon as the Appointed Date is reached. It is very important for the SPV to meet its obligations on time which

shall facilitate focused construction activity by the Contractor. The company ensures that specific teams are created to expedite progress on various issues such as land acquisition, drawings, railway clearances, forest clearances and other works such as utility shifting etc.

OUR STRATEGY FOR FUNDING EQUITY

Consequent to being successful in obtaining a number of BOT projects in Highways as well as Oil Tankage in the recent past, the company has a challenging task ahead in managing the equity required to fund the projects. We propose to adopt a strategy which entails looking at various options including inviting strategic partners at the SPV level, arranging for Non-Convertible Debentures (NCD), Cumulative Convertible Debentures (CCD) as well as going in for Qualified Institutional Buyers (QIB). In addition, the company has large land bank and since it will be selective henceforth in developing real estate projects, the balance land bank that is available is proposed to be sold in phases wherever the return on sale is found profitable.

OUR STRATEGY RELATED TO CONSTRUCTION, OPERATION & MAINTENANCE

The company has geared up itself with requisite manpower to cater to the project management, finance, accounts and operation & maintenance of the various projects on hand. The project management team essentially comprises of specialists with in-depth experience in the fields of construction management, design, contracts management, breach and structures specialist, HSE as well as procurement. A separate team is found in the site as part of the SPV which has clear cut responsibilities and obligations such that the construction company is facilitated with the requisite land fronts, drawings and related approvals for them to concentrate and focus on construction work. The Operations team at the corporate office shall oversee the pace of construction and monitor the aspects of quality, cost and time. It shall also endeavor to contribute in value engineering in terms of optimal designs that may result in savings to the company without impacting the quality of work.

The Finance & Accounts team based at the corporate office shall be fully responsible for these functions which has its inter face with the contractor, the suppliers, the lenders as well as the National Highways Authority of India.

Sector - wise Overview

Roads & Highways

The National Highway network of the country spans about 66,590 km. The National Highway Development Project (NHDP), covering a length of about 55,000 km of highway, is India's largest road development programme in its history. In many ways, this ambitious and path-breaking initiative of the Government of India, which began in the last decade acknowledged the importance of private sector in India's infrastructure development. The early success of Public-Private-Partnership in the National Highway Development Programme has perhaps provided the single largest opportunity for private financing and management of infrastructure services and set the tone for similar initiatives in other infrastructure sectors. With several key projects on the anvil, including the mega highways projects, 6-laning of 4-laned roads, expressways and port connectivity projects, and the increasing interest evinced by domestic and foreign players in the sector, the roads sector dominates the private participation in infrastructure investment. Under the NHDP-III Programme, the Government has approved four-laning of 12,109 km of high density national highways, connecting state capitals and providing connectivity to places of economic, commercial and tourist importance through the PPP mode. In addition, Public Private Partnership Assessment Committee (PPPAC) has approved 46 projects with an investment of Rs. 40,523 crore and these are at various stages of the bid process. With a view to providing balanced and equitable distribution of the improved/ widened highways network throughout the country, NHDP-IV envisages upgradation of 20,000 kms into two-lane highways. Feasibility studies have been commissioned for 52 projects (about 6,513 km) to be undertaken on PPP mode.

Within NHDP – V programme, the Government has approved 6,500 km for six-laning of the four-lane highways comprising the Golden Quadrilateral and certain other high density stretches through PPP. With the growing importance of large cities in India, particularly those located within a few hundred kilometres of each other, expressways would be both viable and beneficial. Government has approved 1,000 km of expressways to be developed on BOT basis, at an indicative cost of Rs.16, 680 crore. Process of alignment study and award of feasibility studies for another 600 km of Expressways, (Kolkata-Dhanbad, Bangalore-Chennai and Delhi-Meerut) has also been initiated.

While the Eleventh Plan emphasized the PPP approach for meeting the large financing requirements of state highways, several State Governments such as Gujarat, Madhya

Pradesh, Rajasthan, Andhra Pradesh, Karnataka, Maharashtra have taken initiatives to strengthen and upgrade the state highways through PPP. Across states and central agencies, the leading users of PPPs by number of projects have been Rajasthan, Andhra Pradesh, Karnataka and Tamil Nadu, with 37, 36, 28 and 26 awarded projects, respectively, all in the roads sector, and the National Highways Authority of India (NHAI) with about 77 projects.

Railways

The Indian Railway is one of the largest railway systems in the world under a single management and manages more than 63,000 km of railway tracks. The Government of India has decided to invest about \$5 billion to enhance the rail routes in India and has formulated a well-planned strategy to reduce bottlenecks and boost the railways capacity to match to the requirements. The Indian Railways has initiated one of the most challenging growth targets for the coming year. This has been claimed on the basis of the most innovative plans and initiatives thought out by the ministry. Over past few years Indian Railways has remarkably transformed itself to set a bench mark in the global level.

The massive investments for the proposed Railway

works including the proposed Dedicated Freight Corridor comprising 2762 km of new railway lines along the western and eastern corridors being envisaged by the Indian Railways and RVNL projects in the pipeline provide a tremendous opportunity for your Company to participate in these works either on its own or by a joint venture route and thereby enhance its credentials in the railways sector.

The Government has also taken certain initiatives which include low-cost and high-return investments with the emphasis on, port connectivity, gauge conversion, signalling and telecom, renewal of asset and modernization of passenger terminals. Until now container transport, which was a monopoly of the public sector, has now been opened to competition and private companies in order to improve infrastructure and subsequently encourage PPPs. The Rail Land Development Authority established recently to encourage and monitor PPP projects has offered over 500 acres of land to private developer across the country for the development of railway stations, freight terminals and rail link projects. Further the Indian Railways has identified about 22 railway stations which are to be modernized under the PPP model of development. Hence Railways is planning to development of new routes, plants for manufacturing locomotives and railway wagons and coaches, development of railway stations, logistics parks, cargo aggregation and warehouses on PPP mode, which offers a huge business potential for the Company.

The Delhi Mumbai Industrial Corridor project envisages development of an area of 150 kilometers on either side of the freight corridor- the Delhi-Mumbai Railway line, and creation of a strong manufacturing and trading hub supported by world-class infrastructure.

High impact/market driven nodes- integrated Investment Regions (IRs) and Industrial Areas (IAs) have been identified within the corridor to provide transparent and investment friendly facility regimes. These regions are proposed to be self-sustained industrial townships with world-class infrastructure, road and rail connectivity for freight movement to

and from ports and logistics hubs, served by domestic/ international air connectivity, reliable power, quality social infrastructure, and provide a globally competitive environment conducive for setting up businesses. An Investment Region (IRs) would be a specifically delineated industrial region with a minimum area of over 200 square kilometers (20,000 hectares), while an industrial Area (IAs) would be developed with a minimum area of over 100 square kilometres (10,000 hectares).

Nine investments regions and fifteen industrial areas spanning across six states have been identified after for development in the next 4 years and the Company would be focusing on opportunities to develop projects in this corridor.

Ports

India has 12 major ports and 187 minor ports along its extensive coastline. The major ports, that handle about 74% of the total traffic handled cargo of over 463 million tonnes in the last fiscal year, which was an increase of 9.5% over the previous year. Traditionally, ports all over the world have been owned and developed by government entities. Similarly, the Government of India dominated port development in the past but presently encourages investments from the private sector and foreign entities in port development activities and operations. The Indian government having recognized the inherent importance of port projects that generally involve a long development period, high costs and budget constraints and budget overruns is encouraging flexible funding schemes to form public-private-partnerships (PPPs). Many major ports now operate largely as landlord ports with domestic and international companies being involved in BOT terminals on a revenue share basis. In addition, 100% FDI under the automatic route is permitted for port development projects and no tax is payable for a period of 10 years on such investments. In view of this, several maritime and non-maritime companies are considering investments in this sector. By way of recent developments, the Government of India's National Maritime Development Policy will facilitate enhanced private investment in port

projects at substantially higher levels to meet the medium and long term objectives.

Power

India has the fifth largest power generation capacity in the world. With an increase in private sector participation in generation, transmission and distribution, large power projects have been planned with the involvement of the private sector.

The Indian Government is keen on drawing private investment into this sector and offers 100% FDI in power generation, transmission and distribution along with some incentives that include income tax exemption for a block of 10 years in the first 15 years of operation and a waiver of capital goods import duties on mega power projects (above 1,000 MW generation capacity). Increased private sector participation is imperative in the generation and distribution of power with several distribution licenses being held by the private sector.

Additionally around 150,000 MW hydroelectric power is yet to be tapped in India and active private participation is being witnessed. Opportunities in power distribution through bidding for the privatization of distribution is expected to materialize in the next 2-3 years. With an approximate investment opportunity of about US\$ 200 billion in this sector, the Government of India aims to fulfil its ambitious "Power for All" project in the near future.

Oil & Gas

Transport infrastructure and storage facilities for oil and gas are a must to meet energy needs of our economy. India, which imports over 80% of its energy requirements, needs affordable and clean fuel if it wants to maintain about 8-9% growth in the next decade.

India has natural gas resources but it could not be utilized properly for want of proper pipeline infrastructure. Country's gas production is expected at around 44 billion cubic meter (BCM) per annum by 2011-12 and 54 BCM by 2014-15 from current level of 8 BCM per annum.

The government is planning to set up a national gas highway authority to develop pipeline infrastructure in the country. The Gas ministry is targeting a natural gas pipeline networks to 40-50 km per thousand sq km from the current 3.29 kilometre per thousand square km. in PPP mode which will help the Company to get the Gas Pipeline projects.

Urban Infrastructure -

Until recently most urban infrastructure was owned and managed by the government, however private participation in public infrastructure has given a new impetus to this sector. Several urban infrastructure projects and services are governed by concession agreements or contracts between the government and/or public authorities and private entities. Projects and services as diverse as metro and mono rail projects, ring roads and expressways, water supply schemes which in some cases involves desalination of seawater, truck terminals, Bus Stands, commercial infrastructure development have opened up huge opportunities for private investments. The assessment of the size of the Urban Water Supply potential is close to US\$ 14.6 billion in the XI plan, a CAGR of 28% from the X plan.

The potential use of PPPs in e-governance, health and education sectors remains largely untapped across India as a whole, though off late there have been some activities shaping in these sectors.

Future Prospects

IVRCL Assets & Holdings Limited (IVRCL A&H), formerly IVR Prime Urban Developers Ltd, and a subsidiary of IVRCL Infrastructures & Projects Ltd has been formed as a holding company for the infrastructure assets of IVRCL and to fund the capital requirements of its infrastructure asset ventures and transform itself purely in to an infrastructure development company. Following the amalgamation of IVR Strategic Resources & Services Limited and IVRCL Water Infrastructures Limited, the net worth of IVRCL A & H currently stands at about Rs 2,300 crore represented mainly by investments in BOT assets, which were formerly owned by its parent company IVRCL Infrastructures & Projects Limited. The higher

net worth was expected to enable the company to bid for large projects. The company currently holds assets valued over Rs 75 billion and is targeting for an exponential growth three years down the line.

National Highways:

In the BOT business, the Company currently has 6 national highway projects of which three are operational. Currently a total length of around 150 km of 4 lane highway is under the Company fold as a BOT operator wherein tolling has commenced. Three BOT projects are under development and in one project the Company is the L1 bidder. The Company's portfolio of BOT projects are as follows:

- Salem Tollways Limited
- Kumarapalayam Tollways Limited
- Jalandhar Amritsar Tollways Limited
- SPB Developers Private Limited
- IVRCL Indore Gujarat Tollways Limited
- Sion Panvel Tollways Private Limited

Chennai Desal

The prestigious Chennai Sea Water Desalination Project of 100 MLD Capacity being executed for Chennai Metro on a DBOOT basis is the first of its kind concession projects in the country and stands out as one of the most distinguished assets of IVRCL A & H. While work on this project is completed and performance trials are underway. We expect this project to go on steam in June 2010. The Company recognizes the immense potential of desalination as a major water source for the country and will spearhead the desalination drive to bring water to people and industry in the coastal states as a major contributor to the demand for desalinated water.

Gas & Oil Storage

IVRCL Assets & Holdings Limited has taken a 37.5 per cent stake in the concession project for development of crude/product tankages facilities at Paradip Refinery Project, Paradip, Orissa of Indian Oil Corporation Limited (IOC) on Build, Own, Operate and Transfer (BOOT) basis and will be the joint venture partner in

the special purpose vehicle, IOT Utkal Energy Services Ltd., which has been set up for the implementation of this project. The project involves Installation, Operation & Maintenance of approx. 1.4 million kilolitres of tankages for crude oil, petroleum products. LPG and sulphur and associated facilities at Paradip Refinery Project in Orissa which is expected to go onstream during 2012. The concession period will be 15 years after commissioning. The total project cost is estimated at around Rs. 3000 Crores.

Ports

The Company as a consortium has been pre-qualified for building two berths at Visakhapatnam port on a BOT basis and proposes to bid for these projects. Plans are being drawn up to take up similar projects including the construction and operation of a full fledged port on long term concession basis.

Power Transmission – The Company is looking towards taking up power distribution and transmission on concession basis for Power Finance Corporation and similar organizations.

Risk and Concerns

Essentially a Company like IVRCL Assets & Holdings Limited is exposed to three categories of risks market risk, credit risks and operational risks. The company is in the process of implementing a framework that adopts an integrated to approach managing all the three types of risks across all the entities in IVRCL Assets & Holdings Limited.

On market and credit risks front, IVRCL Assets & Holdings Limited is working out of strong risk management framework with a focus on loan portfolio assessment, assets liability management & loan pricing.

In addition the company has been various market risks modules.

On credit risk front, there is a comprehensive portfolio review of all the assets & equity investment of the company on a regular basis.

Internal Control systems and their adequacy

The Company installed internal control systems which are considered adequate for controlling the operations of the company. The Company is in the process of further strengthening the internal control systems through its Finance and legal functions to ensure that the operations adhere to the defined and established procedures and meet statutory requirements.

Operational Performance

The operational performance of the Company has been dealt within the Director's Report which forms part of this Annual Report.

Human Resources & Industrial Relations

Human Resources continued to be one of the biggest assets of the Company. The Management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year.

ANNEXURE D TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

1. IVRCL ASSETS & HOLDINGS LIMITED PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

- i) The Company has a Non-Executive Chairman drawing no salary during the financial year. The number of Independent Directors is 50% of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2010 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

- a. The Board of Directors of the Company as on March 31, 2010 consisted of:

Non-Executive Directors

A. Independent

Mr. T.N. Chaturvedi

Mr. P.R. Tripathi

Mr. G. Ananth Sena Reddy

Mr. V.Murahari Reddy*

B. Non-Independent

Mr. R. Balarami Reddy

Mr. E. Sudhir Reddy (Promoter)*** Chairman

Executive Directors

Mr. E. Sunil Reddy (Promoter) *** Vice Chairman & Managing Director

Mr.S.Ramachandran** Managing Director (BOOT Projects)

- b. Attendance at Board Meetings and last AGM and details of memberships of Directors in other Boards and Committees.

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

29th May, 2009, 29th July, 2009, 30th October, 2009, 9th November, 2009, and 28th January, 2010

The last Annual General Meeting was held on Monday the 8th September 2009

Name of the Director	Categories of Directorship	No. of Board Meetings attended	Attendance at last AGM	Directorship in other Companies (of only Indian co)	No. of Committees held in other Public Limited Companies	
					Chairman	Member
Mr. E. Sudhir Reddy***	Ch	5	YES	10	NIL	2
Mr. E. Sunil Reddy***	VC & MD	5	YES	12	NIL	NIL
Mr.S.Ramachandran**	MD	0	NO	12	NIL	NIL
Mr. R. Balarami Reddy	NED	5	YES	9	0	2
Mr. T.N. Chaturvedi	I & NED	3	YES	6	4	1
Mr. P.R. Tripathi	I & NED	5	NO	9	1	5
Mr. G. Ananth Sena Reddy	I & NED	3	YES	3	NIL	NIL
Mr.V.Murahari Reddy*	I & NED	0	NO	1	NIL	NIL

I & NED - Independent & Non-Executive Director

NED - Non-Executive Director

MD - Managing Director (BOOT Projects)

VC& MD - Vice Chairman and Managing Director

Ch - Chairman

* Appointed as Additional Director on 14.04.2010

** Appointed as Managing Director (BOOT Projects) on 14.04.2010

*** Re-designated on 14.04.2010

3. AUDIT COMMITTEE

A. Constitution: The Audit Committee was constituted in accordance with the requirements of Section 292A of the Companies Act, 1956. During the year, **four** Audit Committee Meetings were held. The role of committee is as conceived under clause 49 of the Listing Agreement as amended from time to time.

B. Composition, names of members and Chairman:

The composition of the Audit Committee is as follows:

Chairman	Mr. T.N. Chaturvedi
Members	Mr. R. Balarami Reddy
	Mr. P.R. Tripathi
	Mr. G.Ananth Sena Reddy

C. Meetings and Attendance:

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

Name of the Director	No. of meetings attended
Mr. T. N. Chaturvedi - Chairman	3
Mr. R. Balarami Reddy	4
Mr. P. R. Tripathi	4
Mr. G. Ananth Sena Reddy	1

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. R. Balarami Reddy
Mr. G. Ananth Sena Reddy

B. Meetings and Attendance

No Compensation Committee meetings were held during the year.

C. Remuneration Policy:

- i) The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and perquisites besides Employee Stock Options. Individual performance is measured through the half-yearly appraisal process.
- ii) The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director.
- iii) Sitting fees at the rate of Rs.5,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made.
- iv) There is at present no other component of remuneration to non-executive directors.

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

1. Non Executive Independent Directors (sitting fee only) (in Rupees)

Non Executive Directors	Rupees
Mr. T.N. Chaturvedi	30,000
Mr. P.R. Tripathi	40,000
Mr. G. Ananth Sena Reddy	15,000
Mr.V.Murahari Reddy*	0
TOTAL	85,000

2. Executive & Non Executive Non Independent Directors

There was no remuneration paid to any of the executive Directors and Non Executive Non Independent directors during the financial year 2009-10

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

A The Share Transfer Committee consists of Mr. T.N.Chaturvedi, Chairman, Mr. E.Sunil Reddy and Mr. R.Balarami Reddy who looks into the investor grievances and coordinates with the Registrars & Transfer Agents, M/s. Karvy Computershare Private Ltd. for redressal of grievances.

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

During the year, the Company received 25 complaints and all the complaints were duly resolved to the satisfaction of the Investors

The Committee met only once during the year to consider the requests for rematerialisation of shares.

6. EXECUTIVE COMMITTEE:

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

Members:

- i) Mr. E. Sudhir Reddy
- ii) Mr. E. Sunil Reddy
- iii) Mr. R. Balarami Reddy
- iv) Mr. S.Ramachandran*

*Appointed as member of the Committee with effect from 14.04.2010

Powers:

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

The Executive Committee met 15 times during the year as and when the issue under its control arises.

7 GENERAL BODY MEETINGS

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

Year	Location	Date & Time
11 th AGM – 2007	M-22/3RT, Vijayanagar Colony, Hyderabad – 500 057	At 11.00 am on July 5, 2007
12 th AGM – 2008	Prime Club House, Hill Ridge Springs, Survey No. 25, ISB Road, Gachibowli, Hyderabad – 500 032	At 4.00 P.M on September 8, 2008
13 th AGM – 2009	Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082	At 11:30 A.M on September 8, 2009

B The following special resolutions were passed at the 11th Annual General Meeting of the members of the Company held on July 5, 2007

- a. Approval of the appointment of Mr. E. Sudhir Reddy as Joint Managing Director of the Company.
- b. Approval of the remuneration payable to Mr. E.Sunil Reddy, Managing Director.

The following special resolution was passed at the 12th Annual General Meeting of the members of the Company held on September 08, 2008

- a. Variation in the remuneration of Mr. E. Sunil Reddy, Managing Director

No special resolution were passed at the 13th Annual General Meeting of the members of the Company held on September 08, 2009

The following special resolution was passed at the Court convened Meeting of the members of the Company held on 22nd January, 2010

- a. Approval of scheme of amalgamation of M/s IVR Strategic Resources & Services Limited & M/s IVRCL Water Infrastructures Limited with M/s IVR Prime Urban Developers Limited

The following special resolution was passed at the Extraordinary General Meeting of the members of the Company held on 22nd January, 2010

- a. Approval of change of Name of the Company from IVR Prime Urban Developers Limited to IVRCL Assets & Holdings Limited

The following special business was transacted at the Extraordinary General Meeting of the members of the Company held on 10th May, 2010

- a. Increase of Authorised share capital of the company
- b. Approval of the amendment made to capital clause of the Memorandum of Association of the Company
- c. Approval of issue Bonus Shares
- d. Approval of the appointment of Mr. S.Ramachandran as Managing Director (BOOT Projects)
- e. Approval of the appointment of joint Statutory Auditors of the company
- f. Further issue of capital by way of Qualified Institutional Placements (QIP)
- g. Increase in the borrowing powers of the Company from Rs.1,000 crores to Rs.2,500 crores
- h. Approval of grant of Employee Stock Option Scheme-2010

8 DISCLOSURES:

- (i) There has been no materially significant related party transactions with the Company Promoters, Directors, the Management, the Subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large. Whatever such minor transactions are there were disclosed in the accounts along with the financial impact of the same.
- (ii) There have been no major instances of non-compliance by the Company on any matters related to the Capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- (iii) The Company's financial statements are prepared as per Accounting Standard and the accounting principles generally accepted in India.
- (iv) There is no pecuniary relationship or transaction with the Non-Executive Directors.
- (v) Secretarial Audit:

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

- (vi) Risk Management:

The Board members are informed about the risk assessment procedures and these procedures are 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 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.ivrclholdings.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., investors@ivrclholdings.com for speedy redressal of investor grievances.

10 GENERAL SHAREHOLDER INFORMATION

a. 14th Annual General Meeting

Ø Date and Time

18th September, 2010 at 3.30 P.M.

Ø Venue

Hotel Fortune Katriya, Somajiguda,
Hyderabad - 500 082.

b. Financial Calendar

Un-audited financial results for
the quarter ending June 30, 2010

Will be published before 15th August, 2010

Un-audited/audited results for the
quarter / half-year ending
September 30, 2010

Will be published before 15th November, 2010

Un-audited results for the quarter
ending December 31, 2010

Will be published before 15th February, 2011

Audited results for the year ending
March 31, 2011

Will be published before 31st May, 2011

c. Book Closure:

From 14th September, 2010 to 18th September, 2010
(Both days inclusive)

d. Dividend payment date

Not Applicable

e. The equity shares of the Company are listed on

(i) Bombay Stock Exchange Limited (BSE)
(ii) National Stock Exchange of India Limited
(NSE)

f. Stock Code:

i) Trading Symbol at

The Bombay Stock Exchange,
Scrip Code: 532881

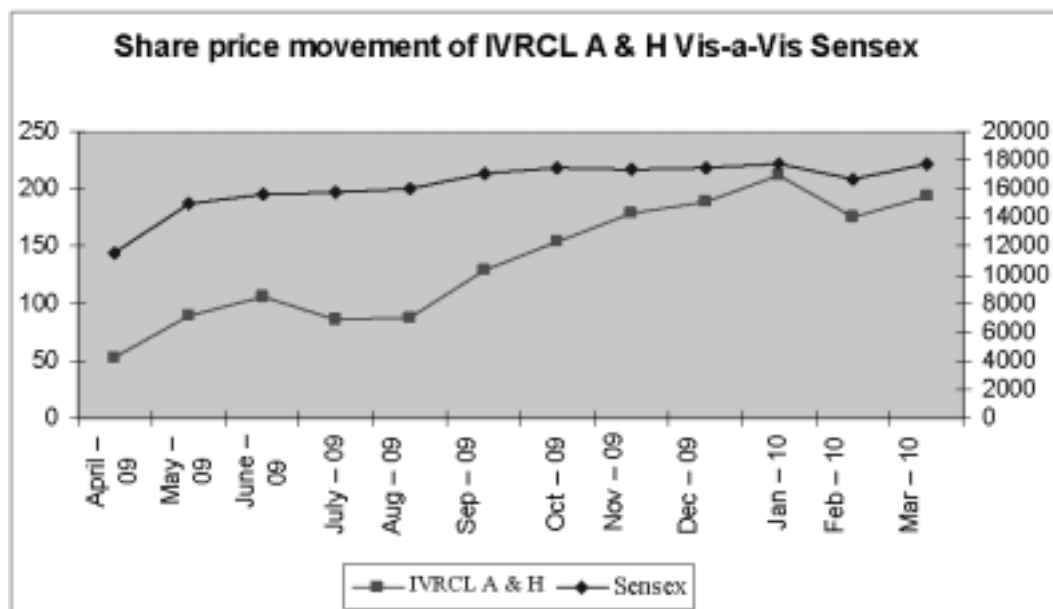
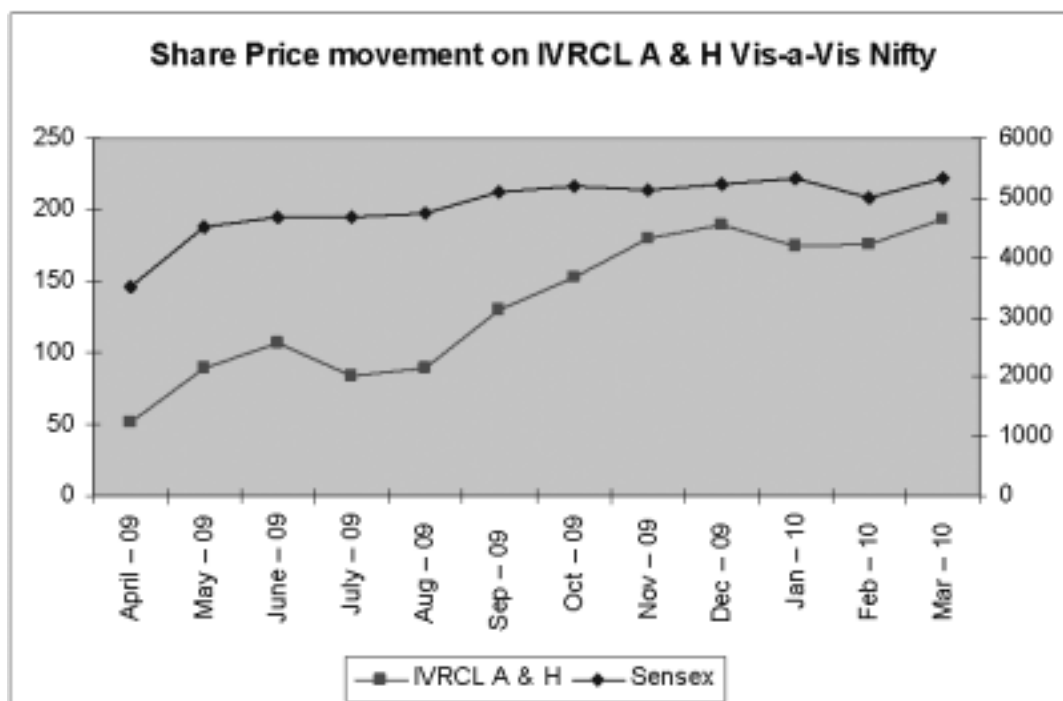
National Stock Exchange
IVRCLAH EQ

ii) Demat ISIN Numbers in NSDL
& CDSL

Equity Shares INE414I01018

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
April – 09	52.90	28.85	11492.10	11403.25	50.80	29.00	3517.25	2965.70
May – 09	89.30	42.00	14930.54	14625.25	89.45	41.00	4509.40	3478.70
June – 09	105.85	74.20	15600.30	14493.84	107.30	74.05	4657.40	4267.45
July – 09	86.65	55.40	15732.81	15670.31	84.00	55.20	4669.75	3918.75
Aug – 09	88.50	65.10	16002.46	15666.64	88.95	65.25	4743.75	4353.45
Sep – 09	129.00	79.30	17142.52	17126.84	129.90	80.00	5087.60	4576.60
Oct – 09	153.45	116.70	17493.17	15896.28	153.10	116.90	5181.95	4687.50
Nov – 09	178.70	111.65	17290.48	16926.22	180.00	112.15	5138.00	4538.50
Dec – 09	189.00	170.55	17530.94	17464.81	189.85	170.25	5221.85	4943.95
Jan – 10	211.50	161.10	17790.33	16357.96	173.65	170.50	5310.85	4766.00
Feb – 10	176.00	154.15	16669.25	16429.55	176.00	155.00	4992.00	4692.35
Mar – 10	192.90	160.00	17793.01	17527.77	193.00	160.05	5329.55	4935.35



- h. **Registrars and Share Transfer Agents :**
M/s. KARVY Computershare Private Limited
17-24, Vittalrao Nagar, Madhapur,
Hyderabad - 500 081 Andhra Pradesh

I (i) Distribution of Shareholding as on 31.03.2010

Category (Amount)	Share/Debenture Holders		Equity	
	Number	% to Total	No. of Shares	% to Total
Upto - 5000	60319	97.34%	3859001	3.12%
5001 - 10000	830	1.34%	639374	0.52%
10001 - 20000	373	0.60%	548594	0.44%
20001 - 30000	139	0.22%	347118	0.28%
30001 - 40000	54	0.09%	194760	0.16%
40001 - 50000	52	0.08%	247328	0.20%
50001 - 1 00000	89	0.14%	646181	0.52%
10001 and above	110	0.18%	117131216	94.76%
TOTAL	61966	100%	123613572	100%

(ii) Share Holding Pattern as on 31.03.2010

Category	No. of Shares	% of Shareholding
Promoter's Holding		
Indian Promoters(including persons acting in concert)	108,867,431	88.07
Foreign Promoters	0.00	0.00
Sub Total	108,867,431	88.07
Non-Promoter's Holding		
Mutual Funds	718,509	0.58
Banks, Financial Institutions and Insurance Companies	266,049	0.22
Central Government/State Government	0.00	0.00
Foreign Institutional Investors	4,392,580	3.55
Sub Total	5,377,138	4.35
Others		
Private Corporate Bodies	1,969,035	1.59
Indian Public	7,031,502	5.69
NRIs/OBCs	246,551	0.20
Clearing members	26,343	0.02
Trusts	95,572	0.08
GDRs (Shares held by depository against GDRs)	0.00	0.00
Sub Total	9,369,003	7.58
Total	123,613,572	100.00

(iii) Evolution of Capital of the Company

Sl. No.	Date of Allotment	No. Equity Shares	Face Value (Rs.)	Nature of Consideration	Mode of Allotment	Cumulative No. equity Shares	Cumulative Paid-up Share Capital
1	30.06.1996	500	10	cash	Subscribers to the Memorandum	500	5,000
2	29.01.2001	1,00,000	10	cash	Preferential Allotment to IVRCL	1,00,500	10,05,000
3	24.01.2002	9,00,000	10	cash	Allotment to IVRCL	10,00,500	1,00,05,000
4	20.01.2003	68,00,000	10	cash	Allotment to IVRCL	78,00,500	7,80,05,000
5	12.07.2004	2,21,99,500	10	cash	Allotment to IVRCL	3,00,00,000	30,00,00,000
6	31.03.2006	1,00,00,000	10	cash	Allotment to IVRCL	4,00,00,000	40,00,00,000
7	29.09.2006	1,00,00,000	10	cash	Pursuant to the conversion of equity warrants allotted to Soma Hotels & Resorts Limited, on preferential basis	5,00,00,000	50,00,00,000
8	08.08.2007	1,41,50,000	10	cash	Initial Public issue Offer	6,41,50,000	64,15,00,000
9	26.02.2010	5,94,63,572	10	Non-cash	By virtue of Amalgamation of IVR Strategic Resources & Services Limited, IVRCL Water Infrastructure Limited with the Company	12,36,13,572	123,61,35,720
10	22.05.2010	6,18,06,786	10	Non -cash	Issue of Bonus shares	18,54,20,358	185,42,03,580

j 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.

Shares aggregating to 99.999 percent of the share capital have been dematerialized as on 31.03.2010. Shares of the Company are actively traded in The Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, and hence have good liquidity.

k Code of Conduct for Directors and Senior Management:

The Board at its meeting held on 31st October, 2007 has adopted the Code of Conduct for Directors and Senior Management ('the Code'). This Code is a comprehensive Code applicable to all Directors, Executives as well as Non-Executive and Senior Management in (G1, G2 and G3 grades). The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme –

"The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

A copy of the Code has been put on the Company's website: www.ivrclholdings.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 Vice Chairman & Managing Director is given below:

DECLARATION

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2009-10:

E. Sunil Reddy
Vice Chairman &
Managing Director

I. Investor's Correspondence:

Physical / Electronic Mode:

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

Place: Hyderabad

Date : 29.05.2010

Shareholders General Correspondence:

A.S.PARDHA SARADHI

Company Secretary & Compliance Officer
IVRCL Assets & Holdings Limited
Mihir, 8-2-350/5/A/24/1B, Road No. 2,
Panchavathi Colony,
Banjara Hills, Hyderabad – 500 034
Andhra Pradesh

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF IVRCL Assets & Holdings Limited

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

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and Management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further 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 D. Hanumanta Raju & Co.,
Company Secretaries

Hyderabad
May 29, 2010

D. Hanumanta Raju
Proprietor
FCS : 4044 C.P. No. : 1709

AUDITORS' REPORT

To
The Members of
IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited)

1. We have audited the attached Balance Sheet of IVRCL Assets & Holdings Limited (formerly known as IVR Prime Urban Developers Limited) ('the Company') as at March 31, 2010 and also the Profit and Loss account and the Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Vikas Kumar Pansari
Partner
Membership No.: 93649

Place: Hyderabad
Date: May 29, 2010

For CHATURVEDI & PARTNERS
Firm registration number: 307068E
Chartered Accountants

per R N Chaturvedi
Partner
Membership No.: 92087

Place: Hyderabad
Date: May 29, 2010

Annexure referred to in paragraph 3 of our report of even date

Re: IVRCL Assets & Holdings Limited (formerly known as IVR Prime Urban Developers Limited) ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4 (iii) (b), 4(iii) (c), 4 (iii) (d) of the Companies (Auditor's Report) Order 2003 (as amended) are not applicable to the Company.
- (b) The Company had taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,985,668,229 and the year-end balance of loans taken from such party was Rs. 1,653,854,825.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs for purchase and sale of construction contracts entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, wealth-tax, service tax, customs duty, excise duty as applicable have generally been regularly deposited with the appropriate authorities *except for income tax and sales tax where there have been slight delay in few cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year. *The Company has incurred cash loss during the year.* In the immediately preceding financial year the Company had not incurred cash loss.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to Company covered in the register maintained under section 301 of the Act. Since the allotment was done pursuant to scheme of amalgamation which was approved by Hon'ble High Court and valuation was carried out by an independent valuer, in our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 1500 debentures of Rs. 1,000,000 each. The Company has executed the debenture trust deed, however the Company is in the process of creating security charge in respect of debentures, due date for creation of which is June 10, 2010.
- (xx) The Company has not raised any money by public issue during the year ended March 31, 2010.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Vikas Kumar Pansari
Partner
Membership No.: 93649

Place: Hyderabad
Date: May 29, 2010

For CHATURVEDI & PARTNERS
Firm registration number: 307068E
Chartered Accountants

per R N Chaturvedi
Partner
Membership No.: 92087

Place: Hyderabad
Date: May 29, 2010

BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	1,236,135,720	641,500,000
Reserves and Surplus	2	21,648,615,329	9,195,029,909
		<u>22,884,751,049</u>	<u>9,836,529,909</u>
Loan funds			
Secured Loans	3	3,000,000,000	3,047,264
Unsecured Loans	4	1,653,854,825	2,600,000,000
		<u>4,653,854,825</u>	<u>2,603,047,264</u>
Total		<u>27,538,605,874</u>	<u>12,439,577,173</u>
APPLICATION OF FUNDS			
Fixed assets	5		
Gross Block		190,012,466	190,644,415
Less: Accumulated Depreciation / Amortization		42,364,171	24,909,710
Net Block		<u>147,648,295</u>	<u>165,734,705</u>
Capital Work-in-progress		-	47,410
		<u>147,648,295</u>	<u>165,782,115</u>
Investments	6	17,674,231,390	3,518,943,580
Deferred Tax Asset (Net)	20(5)	119,198,002	83,579,852
Current Assets, Loans and Advances			
Inventories	7	11,437,678,666	10,753,907,107
Sundry Debtors	8	398,889,165	338,998,782
Cash and Bank Balances	9	172,536,235	66,747,203
Other Current Assets	10	762,120,051	53,937,013
Loans and Advances	11	1,743,532,954	1,401,898,509
(A)		<u>14,514,757,071</u>	<u>12,615,488,614</u>
Less: Current liabilities and provisions			
Current Liabilities	12	4,914,919,761	3,932,241,495
Provisions	13	2,309,123	11,975,493
(B)		<u>4,917,228,884</u>	<u>3,944,216,988</u>
Net Current Assets (A-B)		<u>9,597,528,187</u>	<u>8,671,271,626</u>
Total		<u>27,538,605,874</u>	<u>12,439,577,173</u>
Notes to Accounts	20		

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

As per our report of even date attached

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W
per **Vikas Kumar Pansari**
Partner
Membership No.93649

For Chaturvedi & Partners
Chartered Accountants
Firm Registration No. 307068E
per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

PROFIT AND LOSS ACCOUNT

(All amounts in Indian rupees except as otherwise stated)

	Schedules	For the Year ended March 31, 2010	For the Year ended March 31, 2009
INCOME			
Income from operations	14	1,431,104,334	751,759,019
Other Income	15	19,713,839	58,887,061
		<u>1,450,818,173</u>	<u>810,646,080</u>
EXPENDITURE			
Cost of sales	16	1,258,413,109	510,471,451
Personnel Expenses	17	17,300,414	41,839,428
Administrative and Other Expenses	18	62,907,168	57,433,336
Financial Expenses	19	186,854,004	54,194,343
Depreciation/Amortization	5	18,005,046	12,941,321
		<u>1,543,479,741</u>	<u>676,879,879</u>
Profit/ (Loss) Before Tax		(92,661,568)	133,766,201
Provision for Tax			
Current Tax [(includes pertaining to previous years Rs. Nil (Previous year Rs. 785,672)]		-	16,506,288
Deferred Tax (credit)/charge		(28,675,733)	30,521,313
Fringe Benefit Tax		-	882,205
Total Tax Expense		(28,675,733)	47,909,806
Net Profit/ (Loss) After Tax		(63,985,835)	85,856,395
Balance brought forward from previous year		<u>1,681,912,441</u>	<u>1,596,056,046</u>
Balance carried to Balance Sheet		1,617,926,606	1,681,912,441
Earnings per Share	20(22)		
Basic and Diluted Earnings per Share (Rs.)		(0.35)	0.68
Nominal value per equity share		10	10
Notes to Accounts	20		

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date attached

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W
per **Vikas Kumar Pansari**
Partner
Membership No.93649

For Chaturvedi & Partners
Chartered Accountants
Firm Registration No. 307068E
per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

CASH FLOW STATEMENT

(All amounts in Indian Rupees except as otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
A. Cash flow from Operating Activities		
Profit/(Loss) before Taxation	(92,661,568)	133,766,200
Adjustment for :		
Depreciation and Amortisation	18,005,046	12,941,322
Loss on Sale of Assets	189,761	-
Dividend from Mutual Funds (non trade)	-	(1,556,115)
Interest Expenses	186,802,147	53,159,805
Liabilities no longer required written back	(6,790,594)	(2,627,097)
Interest Income	(2,678,925)	(54,422,171)
Operating profit before working capital changes	102,865,867	141,261,944
Movements in working capital		
Decrease / (Increase) in Inventories	(559,458,133)	(356,249,548)
Decrease / (Increase) in Sundry Debtors	(59,890,383)	(196,954,158)
Decrease / (Increase) in Loans and Advances	359,880,399	(150,441,250)
Decrease / (Increase) in Other Current Assets	(708,661,202)	(53,319,055)
Increase / (Decrease) in Current Liabilities and Provisions	1,121,659,462	(480,753,692)
Cash from/(used in) operations	256,396,010	(1,096,455,759)
Direct Taxes Paid (Net of Refunds)	(9,788,617)	(155,757,002)
Net cash from/(used in) operating activities	246,607,393	(1,252,212,761)
B. Cash flows from Investing Activities		
Purchase of Fixed Assets	(1,475,137)	(56,616,825)
Proceeds from Sale of Fixed Assets	1,414,150	-
Loan given to Subsidiary	(518,124,767)	-
Purchase of Investments in Subsidiaries	(1,186,650,735)	(640,000)
Investments in Short Term Deposits (net)	20,074,255	1,024,514,245
Interest Received	3,157,089	81,010,231
Dividends Received	-	1,556,115
Net cash from / (used in) Investing Activities	(1,681,605,145)	1,049,823,766
C. Cash flows from Financing Activities		
Refund of Share Application Money	(36,000)	-
Proceeds from Long Term Borrowings (Net of Expenses of Rs. 20,898,306)	2,979,101,694	-
Repayment of Short Term Borrowings (Net)	(3,047,264)	(677,692,871)
Proceeds from Unsecured Loan from Holding Company	1,625,502,908	-
Repayment of Unsecured Loans to Holding Company	(2,571,648,083)	(250,000,000)
Interest Paid	(469,057,775)	(186,444,717)
Dividend Paid (including Tax)	(34,292)	(299,605,690)
Net cash from / (used in) Financing Activities	1,560,781,188	(1,413,743,278)
Net Increase/(Decrease) in cash and Cash Equivalents	125,783,436	(1,616,132,273)
Cash and cash Equivalents, beginning of the year	36,361,448	1,652,493,721

CASH FLOW STATEMENT

(All amounts in Indian Rupees except as otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Add: On Amalgamation	79,851	-
Cash and Cash Equivalents at the end of the year	162,224,735	36,361,448
Components of Cash and Cash Equivalents		
Cash on Hand	50,333	47,094
Balances with Scheduled Banks on:		
- Current Accounts ¹	151,605,214	5,660,874
- Fixed Deposit Accounts	20,311,500	60,435,755
- Unpaid Dividend Account ²	569,188	603,480
Cash and Bank Balances as per Schedule 9	172,536,235	66,747,203
Less: Fixed Deposits not considered as Cash Equivalents	(10,311,500)	(30,385,755)
Cash and Cash Equivalents in Cash Flow Statement	162,224,735	36,361,448

Notes:

1. Includes Rs. 484,870 (previous year: Rs. 520,870) on account of unpaid share application money not available for use by the Company, as they represent corresponding liabilities.
2. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.
3. During the current year, the Company has undertaken a scheme of amalgamation with erstwhile IVR Strategic Resources & Services Limited (ISRSL) and erstwhile IVRCL Water Infrastructures Limited (IWIL). The total purchase consideration was discharged by issue of equity shares of the Company. (Refer note no. 3 of schedule 20)

As per our report of even date attached

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W
per **Vikas Kumar Pansari**
Partner
Membership No.93649

For Chaturvedi & Partners
Chartered Accountants
Firm Registration No. 307068E
per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

SCHEDULES TO THE BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 1:		
Share Capital		
Authorised		
160,800,000 (Previous Year: 70,000,000) equity shares of Rs.10 each	<u>1,608,000,000</u>	<u>700,000,000</u>
	<u>1,608,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid up		
123,613,572 (Previous Year - 64,150,000) Equity Shares of Rs.10 each fully paid up	<u>1,236,135,720</u>	<u>641,500,000</u>
Notes:		
1. Paid up equity shares include 59,463,572 (Previous year: Nil) shares, that were allotted as fully paid up pursuant to a Scheme of amalgamation, for consideration other than cash (Refer note no. 3 of Schedule 20)		
2. Pursuant to Scheme of amalgamation, the authorised equity share capital of the Transferor Companies has got merged with the authorised share capital of the Company (Refer note no. 3 of Schedule 20)		
3. Of the above paid up equity shares, 99,463,577 (Previous Year: 40,000,005) equity shares are held by IVRCL Infrastructures & Projects Limited, the Holding Company		
4. Refer note no. 25 of schedule 20 for disclosure on Initial Public Offer.	<u>1,236,135,720</u>	<u>641,500,000</u>
Schedule 2: Reserves and Surplus		
General Reserve	<u>175,794,872</u>	<u>175,794,872</u>
Capital Reserve (Refer note no. 3 of schedule 20)	<u>12,531,527,143</u>	<u>-</u>
Securities Premium Account		
Balance as per last Account	<u>7,337,322,597</u>	<u>7,337,322,597</u>
Less: Debenture Issue Expenses	<u>13,955,889</u>	<u>-</u>
[Net of deferred tax Rs. 6,942,417 (Previous year: Nil)]	<u>7,323,366,708</u>	<u>7,337,322,597</u>
Profit and Loss Account Balance	<u>1,617,926,606</u>	<u>1,681,912,440</u>
	<u>21,648,615,329</u>	<u>9,195,029,909</u>
Schedule 3: Secured Loans		
Debentures (Refer note no. 4 of Schedule 20)	<u>1,500,000,000</u>	<u>-</u>
(1,500 (Previous Year: Nil) 9.5% Secured Redeemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in two equal installments at the end of 2nd and 3rd year from the date of allotment viz., March 10, 2010.)		
(Secured by first ranking charge by way of equitable mortgage over vacant freehold urban land owned by the company, the subsidiaries and/or any other individual or entity acceptable to the debenture trustee and by irrevocable and unconditional corporate guarantee given by Holding Company)		
Other Loans		
- from Financial Institution	<u>1,500,000,000</u>	<u>-</u>
(Secured by pledge of 49% of shares held by the Company in equity share capital of Salem Tollways Limited, Kumarapalayam Tollways Limited and Jalandhar Amritsar Tollways Limited and by irrevocable and unconditional corporate guarantee given by Holding Company)		
Vehicle Loans	<u>-</u>	<u>3,047,264</u>
(Secured by hypothecation of Vehicles)	<u>3,000,000,000</u>	<u>3,047,264</u>
Schedule 4: Unsecured Loans		
Loan from Holding Company	<u>1,653,854,825</u>	<u>2,600,000,000</u>
[Repayable within one year Rs. 1,300,000,000 (Previous year: Rs. 650,000,000)]	<u>1,653,854,825</u>	<u>2,600,000,000</u>

SCHEDULES TO THE BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

SCHEDULE - 5 FIXED ASSETS

Name of the Asset	Gross Block at Cost			Depreciation/Amortization				Net Block	
	As at 01.04.2009	Additions	Deletions/ Adjustments	As at 31.03.2010	Upto 01.04.2009	For the year	Deletions/ Adjustments	Upto 31.03.2010	As at 31.03.2010
Freehold land	6,061,000	-	-	6,061,000	-	-	-	-	6,061,000
Buildings	64,493,313	-	-	64,493,313	2,744,661	1,041,338	-	3,785,999	60,707,314
Leasehold improvements	46,159,660	771,693	-	46,931,353	10,938,483	11,684,738	-	22,623,221	24,308,132
Plant and machinery	2,082,970	-	-	2,082,970	229,552	96,447	-	325,999	1,756,971
Furniture and fixtures	14,397,918	512,112	-	14,910,030	2,102,777	858,833	-	2,961,610	11,948,420
Office equipment	24,712,478	142,840	-	24,855,318	2,168,795	1,172,990	-	3,341,785	21,513,533
Motor vehicles	29,096,404	-	2,154,496	26,941,908	5,381,026	2,574,327	550,585	7,404,768	19,537,140
Computers	3,640,672	95,902	-	3,736,574	1,344,416	576,373	-	1,920,789	1,815,785
March 31, 2010	190,644,415	1,522,547	2,154,496	190,012,466	24,909,710	18,005,046	550,585	42,364,171	147,648,295
Previous year	127,305,756	63,338,659	-	190,644,415	11,968,389	12,941,321	-	24,909,710	165,734,705
									-

SCHEDULES TO THE BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 6:		
Investments		
<i>(Refer note no. 14.1 of schedule 20)</i>		
Long Term Investments (at cost, trade, unquoted, fully paid up)		
In Subsidiaries	17,674,231,390	3,518,943,580
	<u>17,674,231,390</u>	<u>3,518,943,580</u>
Schedule 7:		
Inventories		
<i>(At lower of cost and net realisable value)</i>		
<i>(Refer note no's 16 and 17 of schedule 20)</i>		
Residential Properties	71,151,724	71,103,162
Plots Stock	12,567,726	13,455,581
Freehold Land	117,499,979	200,556,807
Work in progress	858,692,993	893,936,548
Development Rights for Land <i>(Refer note no. 18 of schedule 20)</i>	3,322,477,747	2,909,904,666
Property Development Rights <i>(Refer note no. 19 of schedule 20)</i>	7,055,288,497	6,664,950,343
	<u>11,437,678,666</u>	<u>10,753,907,107</u>
Schedule 8:		
Sundry debtors		
<i>(Refer note no. 11 of schedule 20)</i>		
Debts outstanding for a period exceeding six months (unsecured, considered good)	44,846,232	18,801,404
Other Debts		
Secured, Considered Good	271,937,374	-
Unsecured, Considered Good ¹	82,105,559	320,197,378
Note:		
1. Includes Retention Money of Rs. 9,001,601 (Previous year: Rs. Nil)		
	<u>398,889,165</u>	<u>338,998,782</u>
Schedule 9		
Cash and Bank Balances		
Cash on Hand	50,333	47,094
Balances with Scheduled Banks		
On Current Accounts ¹	151,605,214	5,660,874
On Unpaid Dividend Account	569,188	603,480
On Fixed Deposit Accounts ²	20,311,500	60,435,755
Notes:		
1. Includes on account of unpaid share application money Rs. 484,870 (Previous year: Rs. 520,870)		
2. Deposits under lien - Rs. 4,11,500 (Previous year: Rs. 4,35,755)	172,536,235	66,747,203

SCHEDULES TO THE BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 10		
Other Current Assets		
(Unsecured, Considered Good)		
Unbilled Revenue	761,980,257	53,319,055
Interest Accrued on Fixed Deposits with Banks	139,794	617,958
	<u>762,120,051</u>	<u>53,937,013</u>
Schedule 11		
Loans and advances		
(Refer note no's 3 and 11 of schedule 20)		
(Unsecured, Considered Good)		
Loans to Subsidiaries	518,598,398	473,631
Advances recoverable in cash or in kind or for value to be received ¹	175,735,848	9,911,072
Other Deposits	5,888,225	8,162,005
Advances given for Purchase of Land		
Subsidiaries	-	222,642,592
Others	991,964,121	1,118,992,924
Advance Tax [Net of provisions Rs. 753,831,871 (Previous year: Rs. 753,831,871)]	51,346,362	41,716,285
Note: 1. Includes dues from Director Rs. Nil (Previous year: Rs. 6,647,586) Maximum amount outstanding during the year Rs. 6,647,586 (Previous year: Rs. 6,647,586)		
	<u>1,743,532,954</u>	<u>1,401,898,509</u>
Schedule 12		
Current Liabilities		
Sundry Creditors		
- total outstanding dues of Micro, Small and Medium Enterprises	-	-
- others	457,903,875	153,280,810
Dues to Holding Company	511,344,027	34,070,907
Advance from customers	140,683,634	29,155,084
Investor Education and Protection Fund shall be credited by following amounts as and when due		
(a) Unpaid Dividend	569,188	603,480
(b) Unpaid Application Money received for allotment of securities and due for refund	484,870	520,870
Interest Accrued but not due on Loans	15,631,232	173,573,434
Other Liabilities	47,254,136	52,376,188
Retention Money Payable	19,715,184	33,351,835
Amounts payable in respect of Development Rights (Refer note no. 19 of schedule 20)	3,721,333,615	3,455,308,887
	<u>4,914,919,761</u>	<u>3,932,241,495</u>
Schedule 13: Provisions		
Provision for Fringe Benefit Tax (Net of Advance Tax)	-	158,540
Provision for Gratuity (Refer note no. 15(b) of schedule 20)	702,309	4,011,492
Provision for Compensated Absences	1,606,814	7,805,461
	<u>2,309,123</u>	<u>11,975,493</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(All amounts in Indian rupees except as otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Schedule 14		
Income from Operations		
Sale of Land and Development Rights [Net of cancellations Rs. 2,520,000 (Previous year: Rs. Nil)]	654,911,673	294,875,000
Sale of Flats, Villas and Plots [Net of cancellations Rs. 391,165,678 (Previous year: Rs. 160,596,723)]	(376,374,078)	456,758,423
Construction Revenue	1,152,566,739	125,596
	<u>1,431,104,334</u>	<u>751,759,019</u>
Schedule 15		
Other Income		
Dividend from Non-Trade Current Investments (Mutual Funds)	-	1,556,115
Interest on Bank Deposits [TDS Rs. 280,000 (Previous year: Rs. 15,080,000)]	2,678,925	54,422,171
Liabilities/Provisions no longer required written back	6,790,594	2,627,097
Miscellaneous Income	10,244,320	281,678
	<u>19,713,839</u>	<u>58,887,061</u>
Schedule 16		
Cost of Sales		
Cost of Sale of Land	87,440,951	15,296,791
Cost of Development Rights [Net of cancellations Rs. 12,524,822 (Previous year: Rs. Nil)]	167,139,740	183,625,104
Decrease / (Increase) in Inventories		
<u>Opening Stock</u>		
Residential Properties	71,103,162	74,760,145
Plots Stock	13,455,581	-
Work-in-progress	893,936,548	596,044,558
<u>Closing Stock</u>		
Residential Properties	71,151,724	71,103,162
Plots Stock	12,567,726	13,455,581
Work-in-progress	858,692,993	893,936,548
	<u>36,082,848</u>	<u>(307,690,588)</u>
Cost of Development [Net of cancellations Rs. 234,470,340 (Previous year Rs. 105,629,545)]	(130,046,637)	619,083,635
Construction Cost (Sub-Contractor Expenses)	1,097,796,207	156,509
	<u>1,258,413,109</u>	<u>510,471,451</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(All amounts in Indian rupees except as otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Schedule 17:		
Personnel Expenses		
Salaries, Wages and Bonus	15,721,519	53,721,837
Less: Amount transferred to Work-in-progress	348,032	24,484,948
	<u>15,373,487</u>	<u>29,236,889</u>
Contribution to Provident and Other Funds (Refer note no. 15(a) of schedule 20)	1,148,197	2,408,656
Staff Welfare Expenses	<u>778,730</u>	<u>10,193,883</u>
	<u>17,300,414</u>	<u>41,839,428</u>
Schedule 18		
Administrative and Other Expenses		
Rent	6,736,077	18,601,295
Rates and Taxes	14,793,164	3,004,015
Insurance	868,078	972,406
Repairs and Maintenance - Others	2,461,135	9,928,603
Legal and Professional Charges	27,969,766	5,975,307
Travelling Expenses	1,264,056	3,754,273
Communication Cost	446,869	1,215,606
Vehicle Maintenance	871,771	1,594,501
Office Maintenance	2,600,311	4,101,627
Advertisement Expenses	303,017	3,236,820
Printing and Stationery	931,771	2,121,375
Business Promotion Expenses	151,268	386,775
Auditor's Remuneration (Refer note no. 23 of schedule 20)	2,877,800	1,773,040
Directors Sitting Fee	85,000	65,000
Advances Written off	-	46,640
Loss on Sale of Fixed Assets	189,761	-
Miscellaneous Expenses	357,324	656,053
	<u>62,907,168</u>	<u>57,433,336</u>
Schedule 19:		
Financial expenses		
Interest on Fixed Loans	302,316,141	333,763,415
Less: Amount transferred to Work-in-progress/ Property Development Rights	124,313,426	306,858,346
	<u>178,002,715</u>	<u>26,905,069</u>
Interest on Debentures	8,589,041	-
Interest on Banks	210,391	26,254,736
Interest on Others	266,024,727	259,062,435
Less: Amount transferred to Property Development Rights	<u>(266,024,727)</u>	<u>(259,062,435)</u>
	<u>-</u>	<u>-</u>
Bank charges	51,857	1,034,538
	<u>186,854,004</u>	<u>54,194,343</u>

SCHEDULE - 20 : NOTES TO ACCOUNTS

(All amounts in Indian rupees except as otherwise stated)

1. Nature of operations

IVRCL Assets & Holdings Limited (the "Company") is a Company registered under the Companies Act, 1956. The Company, through Special Purpose Vehicles (SPV), is engaged in the business of Development, Operations & Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space in the verticals of Highways, Bridges, Water [including desalination], Tankages, Multi level parking facilities for Central and State Governments, local bodies and private sector in the country. In addition, the Company is engaged in the business of development of projects relating to townships, mega malls, real estate property development, etc

2. Significant Accounting Policies

a) Method of Accounting

The accompanying financial statements are prepared under the historical cost convention, on accrual basis, in conformity in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and results of operations during the reporting period. Examples of such estimates include computation of percentage of completion for projects in progress, project cost estimates, income taxes, provision for bad and doubtful debts and advances. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Inventories

- i) Residential properties and plots stock is valued at lower of cost and net realizable value.
- ii) Freehold land purchased for the purpose of real estate development is considered as inventory and valued at lower of cost and net realizable value.
- 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) Inventories include consideration paid towards acquisition of land/ property development rights and are valued at lower of cost and net realizable value.

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

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

d) Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation, amortisation and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

e) Depreciation

Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as estimated by the management which coincides with the rates prescribed under Schedule XIV to the Companies Act, 1956 except for leasehold improvements, which are amortized over the primary period of lease of 4 years. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

f) Revenue Recognition

i) Recognition of Revenue from Real Estate Projects

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

- **Sale of land and Development Rights**

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

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

ii) Construction Revenue

Revenue from long term construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard (AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006 (as amended). Percentage of completion is determined on the basis of work performed. 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.

iii) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividend Income

Dividend income is recognised when the shareholder's right to receive payment is established by the balance sheet date.

g) Unbilled Revenue

Unbilled revenue disclosed under Schedule 10 – "Other Current Assets" represents revenue recognized based on "Percentage of completion method over and above the amount due as per the payment plans agreed with the customers.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual basis. Long term investments are carried at cost less provision for diminution, other than temporary, if any, in the value of such investments.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)**i) Employee Benefits**

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

- i) Retirement benefits in the form of Provident and superannuation funds are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Short term compensated absences are provided for based on estimates.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

j) Income Taxes

Tax expense consists of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

k) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Segment Reporting Policies

i) Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business.

ii) Inter Segment Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv) Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

n) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

o) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

p) Provisions

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

q) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Land

Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and, on transfer of legal title to the Company, it is transferred to Inventory.

Deposits paid by the Company to the seller towards right for development of land in exchange of constructed area are recognised as land advance under loans and advances, unless they are non-refundable, wherein they are recognised under Inventory.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

3. Amalgamation

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

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

- a) The Scheme of Amalgamation became effective on April 01, 2009, the appointed date.
- b) The assets, liabilities, rights and obligations of erstwhile ISRSL and IWIL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting prescribed by Accounting Standard 14 – “Accounting for amalgamations”.
- c) In consideration of amalgamation of ISRSL and IWIL with the Company, 59,463,572 equity shares of Rs 10 each fully paid up amounting to Rs. 594,635,720 were issued to the equity share holders of ISRSL and IWIL whose names were registered in the register of members of ISRSL and IWIL respectively on record date.
- d) Excess of fair value of net assets taken over by the Company over the face value of equity shares issued amounting to Rs. 12,531,527,143 has been credited to Capital Reserve Account in accordance with the Scheme. Had the Scheme not prescribed this accounting treatment, the aggregate amount of Rs. 12,531,527,143 would have credited to Securities Premium account instead of Capital Reserve Account in accordance with Accounting Standard 14 - “Accounting for amalgamations”.
- e) From the appointed date, the authorized share capital of the Company stands increased by the authorized share capital of ISRSL and IWIL, amounting to Rs. 908,000,000 comprising of 90,800,000 equity shares of Rs. 10 each.
- f) ISRSL and IWIL shall stand dissolved without going through the process of winding up.

The Company has acquired 37.5% of share holding interest in IOT Utkal Energy Services Limited (one of the SPV’s of IWIL), on amalgamation of IWIL with the Company. As at March 31, 2010, IWIL has not invested in the equity share capital of the entity. Accordingly the fair value of the above share holding interest acquired amounting to Rs. 173,760,000 is disclosed under Schedule 11 “Loans and Advances” under “Advances recoverable in cash or in kind or for value to be received”.

The current year figures include those relating to transferor companies and therefore the figures of the previous year are not strictly comparable with those of the current year.

4. Issue of Debentures

On March 10, 2010, the Company had issued 1,500 secured redeemable non- convertible debentures of face value of Rs. 1,000,000 each, carrying an interest rate of 9.5% per annum payable on a quarterly basis with a tenor of 3 years. The Company has executed the Trust Deed as on March 31, 2010 and is in the process of creating charge on the security. The Company has 90 days time from the date of issue of information memorandum for creation of charge on the security.

The Company has not created a Debenture Redemption Reserve to the extent of Rs. 8,989,726 under Section 117C of the Companies Act, 1956 due to losses incurred during the year.

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. 13,955,889 have been debited to Securities Premium Account net of deferred tax adjustment amounting to Rs 6,942,417.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

5. Components of Deferred Tax Asset and Liability:

Particulars	As at March 31, 2010	As at March 31, 2009
Deferred Tax Liability		
Differences in depreciation as per tax books and financial books	(2,716,990)	(2,999,730)
Total Deferred Tax Liability	(2,716,990)	(2,999,730)
Deferred Tax Asset		
Provision for bonus and exgratia	137,697	297,853
Provision for gratuity and leave encashment	767,091	4,016,583
Effect of initial public offer expenses	53,601,023	82,265,146
Effect of amalgamation expenses	7,130,252	-
Unabsorbed depreciation	5,879,360	-
Carry forward business loss	54,399,569	-
Total Deferred Tax Asset	121,914,992	86,579,582
Deferred Tax Asset (net)	119,198,002	83,579,852

Based on estimated margins on unexecuted committed construction contracts in hand as on balance sheet date, the Company expects to generate sufficient taxable income in coming years, which will enable it to utilize all deferred tax assets including carried forward business loss and unabsorbed depreciation. On the above basis, the Management is confident that there is virtual certainty and accordingly the deferred tax asset has been recognized.

6. Disclosures under Accounting Standard 7 – Construction Contracts

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Contract Revenue recognised during the year	1,152,566,739	125,596
Contract costs incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	1,152,566,739	125,596
Advances received for contracts in progress	-	-
Retention due from customers for contracts in progress	9,001,601	-
Gross amounts due from customers for contract works	733,081,202	-
Gross amounts due to customers for contract works	-	-

7. Contingent Liabilities

- Claims against the Company not acknowledged as debts Rs. 294,424,976 (Previous year: Rs. Nil).
- During the year 2006, Company had entered into Joint Development Agreements (JDAs) with various individual plot owners to jointly develop a property situated at "Cyber Enclave", Hi-tech City, Hyderabad. As per JDAs, the Company was required to amalgamate all the plots pertaining to "Cyber Enclave" and complete the development per specified plan within a period of thirty months from the date of respective JDAs. As per terms and conditions of the agreement, all the plot owners have an obligation to enter into JDA to facilitate amalgamation of plots without which development cannot be completed. In case of delay in completion of the project by the Company, it would indemnify the loss occurring to the individual land owners as per agreed terms for the delayed period.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

As at March 31, 2010, certain plot owners of Cyber Enclave have still not entered into the JDA with the Company. Accordingly, development of the property could not be completed by the Company and necessary permission and clearances from various authorities are pending.

The Company, based on legal opinion, believes that plot owners will get the right to claim compensation for delayed period only when delay is caused by the Company. Since the Company has performed all the obligations on its part, payment of compensation to land owners for delay in the project is not probable. The liability, if any, that may arise on account of delay in development of the above property is not presently ascertainable.

Based on internal assessment and/ or legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on March 31, 2010.

8. Capital Commitment:

Particulars	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account	-	670,000

9. Leases:

Operating Lease Obligations: The Company has taken office premises under lease, which is in the nature of cancellable lease.

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Lease payments recognized as an expense in profit and loss account	6,736,077	18,601,295

10. Construction Material and Stores Consumed:

Particulars	For the year ended March 31, 2010		For the year ended March 31, 2009	
	Value	%	Value	%
Indigenous	341,839	100.00	22,830,746	100.00
Imported	-	-	-	-
Total	341,839	100.00	22,830,746	100.00

11. Dues from Companies under the same Management

Particulars	As at March 31, 2010		As at March 31, 2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Debtors				
IVR Hotels and Resorts Limited	73,103,958	76,410,000	Nil	Nil
IVRCL Infrastructures & Projects Limited	9,001,601	9,001,601	Nil	Nil
Loans and Advances				
IVR Hotels and Resorts Limited	Nil	Nil	473,631	56,505,591
Chennai Water Desalinated Limited	404,980,000	404,980,000	Nil	Nil
Jalandhar Amritsar Tollways Limited	110,000,000	110,000,000	Nil	Nil
IVRCL Indore Gujarat Tollways Limited	3,250,000	3,250,000	Nil	Nil
IVR Vaanaprastha Private Limited	105,801	83,901,838	83,901,778	105,900,000
IVR PUDL Resorts & Clubs Private Limited	239,763	139,430,814	138,740,814	138,740,814
Absorption Aircon Engineers Private Limited	21,916	21,916	Nil	Nil

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

12. Disclosure as per clause 32 of the Listing Agreement:

Loans and advances in the nature of loans given to subsidiaries:

Name of the Company	Relationship	As at March 31, 2010	Maximum Balance Outstanding during the year
Chennai Water Desalination Limited	Subsidiary	404,980,000	404,980,000
Jalandhar Amritsar Tollways Limited	Subsidiary	110,000,000	110,000,000
IVRCL Indore Gujarat Tollways Limited	Subsidiary	3,250,000	3,250,000
IVR Vaanaprastha Private Limited	Subsidiary	105,801	83,901,838
IVR PUDL Resorts and Clubs Private Limited	Subsidiary	239,763	139,430,814
Absorption Aircon Engineers Private Limited	Subsidiary	21,916	21,916

13. Related Party Disclosure:

Information regarding Related Party Transactions as per Accounting Standard AS-18 Related Party Disclosures notified by Companies (Accounting Standards) Rules, 2006 (as amended).

13.1 List of Related Parties:

A. Holding Company

IVRCL Infrastructure & Projects Limited

B. Subsidiary Companies – the ownership directly or indirectly through subsidiary (ies)

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
1	IVR Hotels and Resorts Limited	17	IVR Prime Developers (Tanuku) Private Limited
2	IVR Prime Developers (Alwarpet) Private Limited	18	IVR Prime Developers (Bhimavaram) Private Limited
3	IVRCL Mega Malls Limited	19	IVR Prime Developers (Rajampeta) Private Limited
4	IVR Prime Developers (Mylapore) Private Limited	20	IVR Prime Developers (Rajahmundry) Private Limited
5	Agaram Developers Private Limited	21	IVR Prime Developers (Ashram) Private Limited
6	IVR Prime Developers (Thandiarpet) Private Limited	22	Kunnam Developers Private Limited
7	Mummididi Developers Private Limited	23	Haripuram Developers Private Limited
8	IVR Prime Developers (Gummidipundi) Private Limited	24	Vedurwada Developers Private Limited
9	Samatteri Developers Private Limited	25	Rudravaram Developers Private Limited
10	IVR Prime Developers (Kodambakkam) Private Limited	26	Geo Prime Developers Private Limited
11	Annupampattu Developers Private Limited	27	Theata Developers Private Limited
12	IVR Prime Developers (Arumbakkam) Private Limited	28	Duvvda Developers Private Limited
13	Tirumani Developers Private Limited	29	Gamaa Developers Private Limited
14	Ilavampedu Developers Private Limited	30	Kasibugga Developers Private Limited
15	IVR Prime Developers (Anna Nagar) Private Limited	31	Vijayawada Developers Private Limited
16	IVR Prime Developers (Pallavaram) Private Limited	32	Geo IVRCL Engineering Limited

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
33	Chodavaram Developers Private Limited	54.	Eluru Developers Private Limited
34	Gajuwaka Developers Private Limited	55	IVR Prime Developers (Nellore) Private Limited
35	Simhachalam Prime Developers Private Limited	56	IVR Prime Developers (Ananthapuram) Private Limited
36	IVR Prime Developers (West Mambalam) Private Limited	57	IVR Prime Developers (Retiral Homes) Private Limited
37	Bibinagar Developers Private Limited	58	IVR Prime Developers (Egmore) Private Limited
38	Papankuzhi Developers Private Limited	59	IVR Prime Developers (Perambadur) Private Limited
39	Siripuram Developers Private Limited	60	IVR Prime Developers (Tambaram) Private Limited
40	IVR Prime Developers (Amalapuram) Private Limited	61	IVR Prime Developers (Adayar) Private Limited
41	IVR Prime Developers (Erode) Private Limited	62	IVR Prime Developers (Avadi) Private Limited
42	IVR Prime Developers (Guntur) Private Limited	63	IVRCL Indore Gujarat Tollways Limited
43	IVR Prime Developers (Kakinada) Private Limited	64	IVRCL Building Products Limited ¹
44	IVR Prime Developers (Araku) Private Limited	65	Jalandhar Amritsar Tollways Limited ¹
45	IVR Prime Developers (Pudukkottai) Private Limited	66	Salem Tollways Limited ¹
46	Absorption Aircon Engineers Private Limited	67	Kumarapalayam Tollways Limited ¹
47	IVR Vaanaprastha Private Limited	68	SPB Developers Private Limited ¹
48	IVR PUDL Resorts and Clubs Private Limited	69	First STP Private Limited ¹
49	IVR Prime Developers (Anakapalle) Private Limited	70	Chennai Water Desalination Limited ¹
50	IVR Prime Developers (Bobbili) Private Limited	71	Alkor Petroo Limited ¹
51	IVR Prime Developers (Tuni) Private Limited	72	Sion Panvel Tollways Private Limited ¹
52	IVR Prime Developers (Valasaravakkam) Private Limited	73	IVR Prime Developers (Palakkad) Private Limited
53	IVR Prime Developers (Red Hills) Private Limited	74	IVR Prime Developers (Guindy) Private Limited

Note :

- Investment in these subsidiaries is acquired on account of amalgamation during the year (Refer note no. 3 of schedule 20)

C. Fellow Subsidiaries :

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
1	IVRCL PSC Pipes Private Limited	8	IVRCL Chengapalli Tollways Limited
2	IVR Enviro Projects Private Limited	9	IVRCL Holdings and Services Pte. Limited
3	IVRCL Steel Construction and Services Limited	10	IVRCL - Cadagua Hogenakkal Water Treatment Company Private Limited
4	IVRCL Infrastructures and Projects (Botswana) (Pty) Limited	11	IMCO (22010) Limited
5	Hindustan Dorr-Oliver Limited	12	Davymarkham India Private Limited
6	HDO Technologies Limited	13	IVRCL Clubs Limited
7	Davymarkham Holdings Limited		

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

D. Companies owned by or where significant influence exercised by Key Management Personnel or their Relatives

Sl. No.	Name of the Company	Sl. No.	Name of the Fellow Subsidiary
1	Palladium Infrastructure and Projects Limited	2	A.P Enercon Engineers Private Limited
3.	Indus Palms Hotels & Resorts Limited	4	Soma Hotels & Resorts Limited

E. Key Management Personnel or Relatives

S.No	Name of Key Managerial Personnel or Relative	Relationship
1	Mr. E. Sudhir Reddy	Chairman
2	Mr. E. Sunil Reddy	Vice Chairman and Managing Director
3	Mr. E Ella Reddy	Relative of Chairman
4	Mrs. E Sujatha Reddy	Relative of Chairman
5	Mrs. E Indira Reddy	Relative of Chairman

13.2 Transactions with related parties

a. Holding Company

Name of Related Party	Transactions		Closing Balance Receivable/ (Payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
IVRCL Infrastructures & Projects Limited*			(2,163,931,381)	(2,834,760,896)
Sub-contract revenue	448,493,360	-		
Sub-contract expenditure	700,643,276	118,390,000		
Interest expense	261,719,976	333,763,415		
Issue of equity shares	594,635,720	-		
Rent expense	784,635	900,000		
Sale of fixed assets	1,297,169	-		
Unsecured loan received	1,625,502,908	-		
Unsecured loan repaid	2,571,648,083	250,000,000		
Dividend paid	-	160,000,000		
Reimbursement of expenses	4,174,035	17,710,000		

* The Holding company has given guarantees amounting to Rs. 1,500,000,000 towards debentures raised by the Company and Rs. 1,500,000,000 towards loan taken from IDFC Limited by the Company. The closing balance of above guarantees amount to Rs. 3,000,000,000 (Previous year: Rs. Nil)

b. Fellow Subsidiaries

Name of Related Party	Transactions		Closing Balance Receivable/ (Payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
IVRCL PSC Pipes Private Limited Acquisition/(sale) of development rights	-	16,221,356	-	-
Hindustan Dorr-Oliver Limited Acquisition/(sale) of development rights	(26,639,692)*	(72,012)	(1,073,138)	(1,073,138)
IVRCL Clubs Limited Acquisition/(sale) of development rights	-	6,842,500	-	-
IVRCL Steel Constructions and Services Limited Acquisition/(sale) of development rights	34,696,525	(3,745,285)	-	-

Notes:

* Pertains to cancellation of development rights of land.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

c. Companies owned by or where significant influence exercised by Key Management Personnel or their Relatives

Name of Related Party	Transactions		Closing Balance Receivable/ (Payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
Palladium Infrastructures & Projects Limited				
Acquisition/(sale) of development rights	-	7,000,000	(389,629)	(164,325)
Rent Expense	2,490,192	4,069,188		
Indus Palms Hotels & Resorts Limited				
Acquisition/(sale) of development rights	-	(3,701,301)	-	-
Soma Hotels & Resorts Limited				
Acquisition/(sale) of development rights	-	(2,628,201)	-	-
Dividend Paid	-	40,000,000		
A.P. Enercon Engineers Private Limited				
Rent expense	1,087,500	7,920,966	-	(476,542)

d Key managerial personnel or relatives

Name of Related Party	Transactions		Closing Balance Receivable/ (Payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
E.Sudhir Reddy				
Rent paid	-	400,000	-	-
Dividend Paid	-	100,000		
E.Sunil Reddy				
Remuneration	-	6,919,081	-	6,647,586
Rent paid	-	400,000		
E.Ella Reddy				
Rent paid	1,245,012	2,203,132	(102,306)	(86,241)
E.Sujatha Reddy				
Rent paid	1,043,613	1,846,743	(85,757)	(72,290)
Indira Reddy				
Dividend Paid	-	20,000	-	-

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

e. Subsidiaries:									
Name of Subsidiary	Acquisition/(sale) of development rights		Advance given/ (received)		Investment in equity share capital		Closing Balance receivable/Payable as at		
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	
IVR PUDL Resorts & Clubs Private Limited	123,531,309	-	(14,969,742)	138,740,814	-	-	239,763	138,740,814	
IVR Hotels and Resorts Limited ¹	(73,890,000)	-	(473,631)	473,631	-	-	73,103,958	473,631	
IVR Prime Developers (Red Hills) Private Limited	59,827,684	-	-	-	-	-	-	-	-
Tirumani Developers Private Limited	42,536,726	7,598,779	-	-	-	-	-	-	-
Simhachalam Prime Developers Private Limited	36,205,200	4,794,125	-	-	-	-	-	-	-
IVR Prime Developers (Bobbili) Private Limited	33,184,603	-	-	-	-	-	-	-	-
Gajuwaka Developers Private Limited	29,982,700	2,224,784	-	-	-	-	-	-	-
Absorption Aircon Engineers Private Limited	23,071,450	(6,295,092)	21,916	-	-	-	21,916	-	-
IVR Prime Developers (Guntur) Private Limited	26,639,692	-	-	-	-	-	-	-	-
IVR Prime Developers (Bhimavaram) Private Limited	22,971,623	-	-	-	-	-	-	-	-
IVR Prime Developers (Adayar) Private Limited	20,946,719	-	-	-	-	-	-	-	-
IVR Vaanaprastha Private Limited	14,067,298	-	(69,728,679)	83,901,778	-	-	105,801	83,901,778	
IVR Prime Developers (Tuni) Private Limited	13,974,826	11,638,240	-	-	-	-	-	-	-

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

e. Subsidiaries:									
Name of Subsidiary	Acquisition/(sale) of development rights		Advance given/ (received)		Investment in equity share capital		Closing Balance receivable/Payable as at		
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	
Theata Developers Private Limited	9,944,000	-	-	-	-	-	-	-	-
Kunnam Developers Private Limited	-	(1,703,382)	-	-	-	-	-	-	-
IOTA Developers Private Limited	-	6,498,874	-	-	-	-	-	-	-
Duvvda Developers Private Limited	-	(905,103)	-	-	-	-	-	-	-
M.M.Kuppam Developers Private Limited	-	(4,091,429)	-	-	-	-	-	-	-
Siripuram Developers Private Limited	-	14,043,000	-	-	-	-	-	-	-
First STP Private Limited	-	9,230,900	-	-	-	-	-	-	-
Chennai Water Desalination Limited	-	-	404,980,000	-	-	-	404,980,000	-	-
Jalandhar Amritsar Tollways Limited	-	25,158,118	110,000,000	-	-	-	110,000,000	-	-
IVRCL Indore Gujrat Tollways Limited	-	-	3,250,000	-	1,000,300,000	-	3,250,000	-	-
SPB Developers Private Limited ²	-	-	-	-	183,500,000	-	-	-	-
IVRCL Mega Malls Limited	-	6,080,050	-	-	-	-	-	-	-
Bibinagar Developers Private Limited	-	23,617,655	-	-	-	-	-	-	-
GEO - IVRCL Engineering Limited	-	5,200,000	-	-	-	-	-	-	-
Chodavaram Developers Private Limited	-	8,582,860	-	-	-	-	-	-	-
Notes: <ol style="list-style-type: none"> Net of cancellations of Rs. 2,520,000 during the year. 51% of the investment in the Company have been pledged (Refer note no. 14.1 of schedule 20). In respect of the subsidiaries Kumarapalayam Tollways Limited, Salem Tollways Limited and Jalandhar Tollways Limited, the Company has pledged 49% of its investment (Refer note no. 14.1 of schedule 20). 									

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

14. Investments

14.1 Long term investments (at cost)

Investments in subsidiary Companies – Unquoted, trade

Particulars	No. of equity shares of Face value of Rs.10 each fully paidup unless otherwise specified				Investment	
	As at 31st March 2009	Subscribed during the year	Sold during the year	As at 31st March 2010	As at 31st March 2010	As at 31st March 2009
IVR Hotels and Resorts Limited	239,355	-	-	239,355	3,513,856,080	3,513,856,080
IVRCL Mega Malls Limited	50,250	-	-	50,250	502,500	502,500
Agaram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Mummidhi Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Samatteri Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Anupampattu Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Tirumani Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Ilavampedu Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Chodavaram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Gajuwaka Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Simhachalam Prime Developers Private Limited	10,000	-	-	10,000	100,000	100,000
Siripuram Developers Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Amalapuram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Erode) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Guntur) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Kakinada) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Araku) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Pudukkottai) Private Limited	10,000	-	-	10,000	100,000	100,000
Absorption Aircon Engineers Private Limited	37,000	-	-	37,000	85,000	85,000
IVR Vaanaprastha Private Limited	10,000	-	-	10,000	100,000	100,000
IVR PUDL Resorts & Clubs Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Anakapalle) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Bobbili) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tuni) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Valasaravakkam) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Red Hills) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tanuku) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Bhimavaram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Rajahmundry) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Rajampeta) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Ashram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Ananthapuram) Private Limited	10,000	-	-	10,000	100,000	100,000

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

Particulars	No. of equity shares of Face value of Rs.10 each fully paidup unless otherwise specified				Investment	
	As at 31st March 2009	Subscribed during the year	Sold during the year	As at 31st March 2010	As at 31st March 2010	As at 31st March 2009
IVR Prime Developers (Retiral Homes) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Egmore) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Perambadur) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Tambaram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Adayar) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Avadi) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Alwarpet) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Mylapore) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Thandiarpet) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Gummidipundi) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Kodambakkam) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Arumbakkam) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Ann Nagar) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (Pallavaram) Private Limited	10,000	-	-	10,000	100,000	100,000
IVR Prime Developers (West Mambalam) Private Limited	10,000	-	-	10,000	100,000	100,000
Bibinagar Developers Private Limited	10,000	-	-	10,000	100,000	100,000
IVRCL Indore Gujarat Tollways Limited	-	10,030,000	-	10,030,000	1,003,000,000	-
IVRCL Building Products Limited ¹	-	599,995	-	599,995	6,029,950	-
Jalandhar Amritsar Tollways Limited ^{1, 2}	-	46,848,550	-	46,848,550	3,588,283,750	-
Salem Tollways Limited ^{1, 2}	-	51,253,160	-	51,253,160	2,208,449,000	-
Kumarapalayam Tollways Limited ^{1, 2}	-	33,353,600	-	33,353,600	4,967,070,000	-
SPB Developers Private Limited ¹	-	7,340,000	-	7,340,000	1,292,830,000	-
First STP Private Limited ¹	-	2,850,000	-	2,850,000	35,390,000	-
Chennai Water Desalination Limited ¹	-	129,687,411	-	129,687,411	285,864,110	-
Alkor Petroo Limited ¹	-	5,625,000	-	5,625,000	70,100,000	-
Sion Panvel Tollways Private Limited ¹	-	5,100	-	5,100	698,271,000	-
Total					17,674,231,390	3,518,943,580

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

Notes:

- Investments in these entities were acquired on account of amalgamation during the year. (Refer note no. 3 of schedule 20). These investments are in the process of being registered in the name of the Company.
- Subsequent to the said amalgamation, the Company has made investment in equity shares of SPB Developers Private Limited amounting to Rs. 183,500,000.
- 49% of the shares have been pledged in favour of IDFC Ltd for the loan availed by the Company from IDFC Ltd.
- 51% of the shares invested in SPB Developers Private Limited have been pledged by the Company in favour of Andhra Bank for the loan availed by SPB Developers Private Limited from Andhra Bank.

14.2 Current Investments (at lower of cost and fair value)

Investments in Liquid Mutual Funds (Quoted)

The following investments were purchased and sold during the year:

Particulars	As at March 31, 2010	As at March 31, 2009
Nil (Previous Year: 2,000,000) units of IDFC Arbitrage Plus Fund – Plan A – Dividend	-	20,000,000
Nil (Previous year: 129,973) units of IDFC Liquidity Manager – Daily Dividend	-	130,000,000
Nil (Previous year: 22,989,675) units of IDFC Floating Rate Fund	-	230,000,000

15. Gratuity and other post-employment benefit plans:

a. Disclosures related to Defined Contribution Plan:

Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 829,810

b. Disclosures related to Defined Benefit Plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This gratuity plan is un-funded.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and amounts recognised in the Balance Sheet for this gratuity plan.

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Net employee benefit expense (recognized in Employees cost)		
Current service cost	577,274	919,020
Interest cost	367,101	431,038
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized*	(3,928,703)	(1,791,387)
Total expense recognised in the Statement of Profit and Loss Account	(2,984,328)	(441,329)
Particulars	As at March 31, 2010	As at March 31, 2009
Changes in the present value of Defined Benefit Obligations		
Opening Defined Benefit Obligation	4,011,309	4,485,092
Current Service Cost	577,274	919,020
Interest Cost	367,101	431,038
Benefits Transferred	(238,317)	-
Benefits Paid	(86,538)	(32,272)
Actuarial (Gain)/ Loss on obligations	(3,928,703)	(1,791,387)
Closing Defined Benefit Obligation	702,309	4,011,492

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

Key Assumptions	As at March 31, 2010	As at March 31, 2009
Discount rate	8.00%	8.00%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* Experience adjustments Rs. Nil (March 31, 2009, 2008 and 2007: Rs. Nil)

16. The Company has acquired various land parcels and is into initial stage of project implementation. As per Company's business plan, the projects will have multiple properties consisting of integrated townships, plots, flats, residential and commercial multistoried buildings and IT Parks which will be classified under Fixed Assets, Investment Properties and Inventories, as the case may be, based on ultimate end use pattern as per final business plan of the Company. Pending such reclassification, the cost incurred on development of projects is included under the head 'Inventory'.
17. The Company has directly and through some of its subsidiaries incurred an aggregate cost of Rs. 11,437,678,666 as at March 31, 2010 on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The said land parcels/projects are being carried in the books at cost, which in the opinion of the management, is lower than the net realizable value/value in use, based on the assessment of experts engaged by the management. Accordingly, no adjustment has been made to the carrying value of these land parcels/projects.
18. **Development rights of land**
Inventories include earnest money deposits paid towards consideration for acquiring development rights of land from group companies and others as per Joint Development Agreements amounting to Rs. 3,322,477,747 (previous year: Rs. 2,909,904,666).
19. **Property Development Rights**
 - a) Property development rights under inventory include consideration paid/payable to NOIDA (New Okhla Industrial Development Authority) aggregating to Rs 5,960,637,646 towards the rights for development of 100.41 acres of leasehold land at NOIDA. Balance payable outstanding to NOIDA as on March 31, 2010 is Rs. 3,721,333,615 (Previous year: Rs. 3,455,308,887). During the year 2006-07, the Holding Company, IVRCL Infrastructures & Projects Limited had transferred these rights to the Company, vide Memorandum of Understanding dated 14th February, 2007.
 - b) Hitherto property development rights was disclosed including interest pertaining to future installments. During the year, the same has been excluded and the effect is given in comparative figures amounting to Rs. 314,641,109.

20. Managerial Remuneration:

	For the year ended March 31, 2010	For the year ended March 31, 2009
Salary and Allowances	-	6,019,081
Commission	-	-
Contribution to Provident and other funds*	-	900,000
Total	-	6,919,081

Notes:

1. The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.
2. Since the commission payable is Rs. Nil (Previous year: Rs. Nil), computation of net profit in accordance with Section 349 of the Companies Act, 1956 is not disclosed.

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

21. Dues to Micro Small and Medium Enterprises

Based on the information available with the Company, there are no vendors who are registered as Micro, small and Medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2010. Accordingly disclosures required under this Act are not given.

22. Earnings Per Share

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Profit/(Loss) available for equity shareholders (Rs.)	(63,985,835)	85,856,395
Weighted average number of equity shares outstanding *	185,420,358	125,956,786
Earnings per share (Basic and Diluted) (Rs.)	(0.35)	0.68
Nominal value of shares	10	10

* Subsequent to balance sheet date, the Company has issued 61,806,786 bonus shares of face value of Rs. 10 each. These bonus shares have been considered in computation of weighted average number of equity shares for the current and previous year.

23. Auditors' Remuneration (as Auditor's):

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Audit Fees	2,220,600	1,103,000
Limited review	661,800*	670,040
Others	10,000	-
Total	2,877,800	1,773,040

* Paid to the previous auditor.

24. Segment Information

Business segments

The Company organized its operations into two major businesses:

- a) Real estate
- b) Infrastructure and others

Geographical segments

The Company operates in a single geographical segment.

Particulars	Real estate	Infrastructure and others	Consolidated Total
Income from Operations			
External customer	278,537,595	1,152,566,739	1,431,104,334
Inter-segment	-	-	-
Total	278,537,595	1,152,566,739	1,431,104,334
Result			
Segment operating profit / (loss) ¹	(263,458,798)	54,770,532	(208,688,266)
Unallocated corporate expenses, net			(90,136,376)
Operating loss			(298,824,642)
Interest capitalised as per AS-16			390,338,153

NOTES TO ACCOUNTS (All amounts in Indian rupees except as otherwise stated)

Particulars	Real estate	Infrastructure and others	Consolidated Total
Interest expenses			(186,854,004)
Interest income			2,678,925
Income tax			28,675,733
Net loss			(63,985,835)
Other information			
Segment assets	12,924,199,321	733,081,202	13,657,280,523
Unallocated corporate assets			18,798,554,235
Total assets			32,455,834,758
Segment liabilities	3,942,555,147	385,256,198	4,327,811,345
Unallocated corporate liabilities			5,243,272,365
Total liabilities			9,571,083,710
Capital expenditures			1,522,547
Depreciation and amortization	1,041,338		1,041,338

During the previous year, company's operations fall under one segment "Real estate", hence segment disclosures for the previous year are not separately disclosed.

Note:

- Real estate segment results have been arrived after deducting interest expense of Rs. 390,338,153, which has been capitalised.
- During the year 2007-08, the Company had allotted and issued 14,150,000 fully paid equity shares of Rs. 10 each for cash at a premium of Rs.540 per equity share aggregating to Rs. 7,782,500,000 to the public.

The details of funds raised through IPO and utilization of said funds are as follows

Particulars	As at March 31, 2010	As at March 31, 2009
Funds raised through Initial Public Offer	7,782,500,000	7,782,500,000
Funds utilized till previous year	7,782,500,000	5,372,500,000
Utilization of funds during the year	-	2,410,000,000
Total funds utilized	7,782,500,000	7,782,500,000
Closing balance	-	-

- Information required under 4C, of Part-II of Schedule VI to the Companies Act, 1956 relating to the licensed capacity, installed capacity and actual production is not applicable.
- The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Associates and Chaturvedi & Partners.
- The figures of the previous year have been regrouped/ rearranged, where necessary to conform to those of the current year.

Signatures to Schedules 1 to 20 forming part of the Financial statements.

As per our report of even date attached

For S.R.Batliboi & Associates

Chartered Accountants

Firm Registration No. 101049W

per **Vikas Kumar Pansari**
Partner

Membership No.93649

For Chaturvedi & Partners

Chartered Accountants

Firm Registration No. 307068E

per **R N Chaturvedi**
Partner

Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

AUDITORS' REPORT

The Board of Directors

IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited)

1. We have audited the attached consolidated balance sheet of IVRCL Assets & Holdings Limited (formerly IVR Prime Urban Developers Limited) ('the Company') and its subsidiaries (collectively, 'the IVRCL A&H Group'), as at March 31, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 29,258,461,627 as at March 31, 2010, total revenue of Rs. 235,622,824 and net cash flows amounting to Rs. 196,513,909 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. *The accompanying consolidated financial statements include certain subsidiaries consolidated on the basis of Management certified accounts, as detailed in note 2(b) of Schedule 19, which reflect total assets of Rs. 1,041,644,644 as at March 31, 2010, total revenue of Rs. Nil and net cash flows amounting to Rs. 20,550,968 for the year then ended. The accompanying consolidated financial statements do not include adjustments if any, that may have been required had the financial statements of these entities been audited.*
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, 'Consolidated Financial Statements' notified by Companies Accounting Standards Rules, 2006.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that *subject to the adjustments, if any, that may arise on account of matters discussed in paragraph 4 above*, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the IVRCL A&H Group as at March 31, 2010;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per Vikas Kumar Pansari

Partner
Membership No.: 93649

Place: Hyderabad
Date: May 29, 2010

For CHATURVEDI & PARTNERS

Firm registration number: 307068E
Chartered Accountants

per R N Chaturvedi

Partner
Membership No.: 92087

Place: Hyderabad
Date: May 29, 2010

CONSOLIDATED BALANCE SHEET

(All amounts in Indian rupees except as otherwise stated)

	Schedules	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,236,135,720	641,500,000
Reserves and Surplus	2	21,709,855,794	8,375,623,524
		<u>22,945,991,514</u>	<u>9,017,123,524</u>
Minority Interest		2,449,815,646	1,500,986,930
Loan Funds			
Secured Loans	3	15,380,417,465	3,047,264
Unsecured Loans	4	2,475,555,838	2,600,000,000
		<u>17,855,973,303</u>	<u>2,603,047,264</u>
Total		<u>43,251,780,463</u>	<u>13,121,157,718</u>
APPLICATION OF FUNDS			
Goodwill on Consolidation			
(Refer note no. 16 of schedule 19)		8,259,465,148	504,327,242
Fixed Assets	5		
Gross Block		4,904,783,558	201,539,834
Less: Accumulated Depreciation/Amortization		<u>247,959,216</u>	<u>25,140,432</u>
Net Block		4,656,824,342	176,399,402
Capital work-in-progress including capital advances		<u>16,887,138,100</u>	<u>47,410</u>
		<u>21,543,962,442</u>	<u>176,446,812</u>
Deferred Tax Asset (Net)	19(5)	141,588,525	83,405,631
Current Assets, Loans and Advances			
Inventories	6	14,834,630,897	14,198,851,095
Sundry Debtors	7	350,232,499	338,998,782
Cash and Bank Balances	8	768,446,524	511,633,669
Other Current Assets	9	770,474,125	59,762,002
Loans and Advances	10	2,114,732,847	1,198,195,537
	(A)	<u>18,838,516,892</u>	<u>16,307,441,085</u>
Less: Current Liabilities and Provisions			
Current Liabilities	11	5,512,661,611	3,938,478,409
Provisions	12	19,090,933	11,984,643
(B)		<u>5,531,752,544</u>	<u>3,950,463,052</u>
Net Current Assets (A-B)		<u>13,306,764,348</u>	<u>12,356,978,033</u>
Total		<u>43,251,780,463</u>	<u>13,121,157,718</u>
Notes to Consolidated Accounts	19		

The Schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Balance Sheet.

As per our report of even date attached

For S.R.Batliboi & Associates

Chartered Accountants

Firm Registration No. 101049W

per **Vikas Kumar Pansari**

Partner

Membership No.93649

For Chaturvedi & Partners

Chartered Accountants

Firm Registration No. 307068E

per **R N Chaturvedi**

Partner

Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy

Vice Chairman &
Managing Director

R. Balarami Reddy

Director

A.S. Pardha Saradhi

Company Secretary

Place : Hyderabad

Date : May 29, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(All amounts expressed in Indian Rupees unless otherwise stated)

	Schedules	For the Year ended March 31, 2010	For the Year ended March 31, 2009
INCOME			
Income from operations	13	1,590,317,158	456,884,019
Other income	14	61,579,587	109,020,527
		<u>1,651,896,745</u>	<u>565,904,546</u>
EXPENDITURE			
Cost of sales	15	1,274,288,712	311,549,556
Personnel expenses	16	37,540,788	48,943,851
Administrative and other expenses	17	86,198,490	63,741,236
Financial expenses	18	403,076,144	54,507,344
Depreciation and amortization	5	187,865,611	13,172,044
		<u>1,988,969,745</u>	<u>491,914,031</u>
Profit/(loss) before tax, prior period items and minority interest		(337,073,000)	73,990,515
Provision for taxation			
Current tax [including taxes for earlier years Rs. Nil (Previous year: Rs. 785,672)]		4,628,791	24,265,321
Deferred tax (credit) / charge		(35,523,215)	30,695,534
Fringe benefit tax		-	943,584
Total tax expense		<u>(30,894,424)</u>	<u>55,904,439</u>
Profit/(loss) after tax and before prior period items and minority interest		(306,178,576)	18,086,076
Prior period items (net of tax Rs. Nil)	19(21)	9,865,120	-
Minority interest		(4,347,756)	9,793,030
Profit/(loss) for the year		<u>(311,695,940)</u>	<u>8,293,046</u>
Balance brought forward from previous year		862,506,055	854,213,009
Surplus carried to Consolidated Balance Sheet		<u>550,810,115</u>	<u>862,506,055</u>
Earnings per share (in Rs.)	19(20)		
Basic and diluted earnings per share (Rs.)		(1.68)	0.07
Nominal value per equity share	19	10	10
Notes to Consolidated Accounts	19		

The Schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date attached

For S.R.Batliboi & Associates

Chartered Accountants

Firm Registration No. 101049W

per **Vikas Kumar Pansari**

Partner

Membership No.93649

For Chaturvedi & Partners

Chartered Accountants

Firm Registration No. 307068E

per **R N Chaturvedi**

Partner

Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy

Vice Chairman &
Managing Director

R. Balarami Reddy

Director

A.S. Pardha Saradhi

Company Secretary

Place : Hyderabad

Date : May 29, 2010

CONSOLIDATED CASH FLOW STATEMENT

(All amounts expressed in Indian Rupees unless otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
A. Cash flow from operating activities		
Profit/(loss) before taxation	(337,073,000)	73,990,515
Adjustment for :		
Depreciation and amortisation	187,865,611	13,172,044
Liabilities no longer required written back	(6,790,594)	(2,627,097)
Loss on sale of assets	189,761	-
Dividend from mutual funds (non-trade)	(15,752)	(16,513,992)
Interest expenses	402,958,227	53,190,401
Interest income	(44,469,346)	(89,594,073)
Operating profit before working capital changes	202,664,907	31,617,798
Movements in working capital		
Decrease / (Increase) in inventories	(504,754,113)	(934,195,959)
Decrease / (Increase) in sundry debtors	13,493,388	(250,273,213)
Decrease / (Increase) in loans and advances	(196,054,386)	109,076,160
Decrease / (Increase) in other current assets	(708,661,202)	(53,319,055)
Increase / (Decrease) in current liabilities and provisions	1,218,889,650	(478,284,259)
Cash from/(used in) operations	25,578,244	(1,575,378,528)
Direct taxes paid (net of refunds)	(24,369,747)	(163,421,393)
Net cash from/(used in) operating activities	1,208,497	(1,738,799,921)
B. Cash flows from investing activities		
Purchase of fixed assets	(7,026,601,310)	(68,136,959)
Proceeds from sale of fixed assets	86,183,105	-
Investment in short term deposits (net)	349,034,649	589,464,245
Interest received	42,418,425	116,688,594
Dividends received	15,752	16,513,992
Net cash from / (used in) investing activities	(6,548,949,379)	654,529,872
C. Cash flows from financing activities		
Refund of share application money	(34,292)	-
Proceeds from issue of shares	1,030,328,570	-
Money received from minority shareholders	-	76,850
Grant received	1,129,543,000	-
Proceeds from long term borrowings (net of expenses of Rs. 20,898,306)	4,582,739,395	-
Repayment of long term borrowings	-	(677,692,871)
Repayment of short term borrowings	3,047,264	-
Repayment of unsecured loans to Holding company	(2,571,648,083)	(250,000,000)
Proceeds from unsecured loan from Holding company	2,029,556,945	-

CONSOLIDATED CASH FLOW STATEMENT

(All amounts expressed in Indian Rupees unless otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Interest paid	(681,639,004)	(186,475,313)
Dividend paid (including tax)	(36,000)	(299,605,690)
Net cash from / (used in) financing activities	5,521,857,795	(1,413,697,024)
Net decrease in cash and cash equivalents	(1,025,883,087)	(2,497,967,073)
Cash and cash equivalents, beginning of the year	46,197,914	2,544,164,987
Add: on Amalgamation	1,368,861,251	-
Cash and cash equivalents at the end of the year	389,176,078	46,197,914
Components of cash and cash equivalents		
Cash on hand	2,597,481	122,094
Balances with scheduled banks on:		
- on current accounts ¹	178,370,302	13,498,585
- on fixed deposits	586,909,553	497,409,510
- on unpaid dividend account ²	569,188	603,480
Cash and bank balances as per Schedule 8	768,446,524	511,633,669
Less: Fixed deposits not considered as cash equivalents	(379,270,446)	(465,435,755)
Cash and Cash Equivalents in Cash Flow Statement	389,176,078	46,197,914

Notes:

1. Includes Rs. 484,870 (Previous year: Rs. 520,870) on account of unpaid share application money not available for use by the Company, as they represent corresponding liabilities.
2. These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.
3. During the current year, the IVRCL Assets & Holdings Limited has undertaken a scheme of amalgamation with erstwhile IVR Strategic Resources and Services Limited (ISRSL) and erstwhile IVRCL Water Infrastructures Limited (IWIL). The total purchase consideration was discharged by issue of equity shares of the Company. (Refer note no. 3(a) of schedule 19)
4. During the current year, IVR Hotels and Resorts Limited has undertaken a scheme of arrangement in the nature of amalgamation with subsidiaries listed in note no. 3(b) of schedule 19. As the companies amalgamated are wholly owned subsidiaries of IVR Hotels and Resorts Limited, the amalgamation does not involve any consideration. (Refer note no. 3(b) of schedule 19)

As per our report of even date attached

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W
per **Vikas Kumar Pansari**
Partner
Membership No.93649

For Chaturvedi & Partners
Chartered Accountants
Firm Registration No. 307068E
per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

CONSOLIDATED SCHEDULES

(All amounts expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 1: Share capital		
Authorised		
160,800,000 (Previous year: 70,000,000) equity shares of Rs.10 each	<u>1,608,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up		
123,613,572 (Previous year: 64,150,000) equity shares of Rs.10 each fully paid up	<u>1,236,135,720</u>	<u>641,500,000</u>
Notes:		
1. Paid up equity shares include 59,463,572 (Previous year: Nil) shares, that were allotted as fully paid up pursuant to a Scheme of amalgamation, for consideration other than cash (Refer note no. 3(a) of Schedule 19)		
2. Pursuant to Scheme of amalgamation, the authorised equity share capital of the Transferor Companies has got merged with the authorised share capital of the Company (Refer note no. 3(a) of Schedule 19)		
3. Of the above paid up equity shares, 99,463,577 (Previous year: 40,000,005) equity shares are held by IVRCL Infrastructures & Projects Limited, the Holding Company		
	<u>1,236,135,720</u>	<u>641,500,000</u>
Schedule 2: Reserves and surplus		
General reserve	175,794,872	175,794,872
Capital reserve (Refer note no. 3(a) of schedule 19)	12,531,527,143	-
Securities premium account (Refer note no. 16 of schedule 19)		
Balance as per last account	7,337,322,597	7,337,322,597
Less: Debenture issue expenses	13,955,889	-
[net of deferred tax Rs. 6,942,417 (Previous year: Rs. Nil)]		
	<u>7,323,366,708</u>	<u>7,337,322,597</u>
Government grant	1,128,356,956	-
Profit and loss account balance	550,810,115	862,506,055
	<u>21,709,855,794</u>	<u>8,375,623,524</u>
Schedule 3: Secured Loans (Refer note no. 6 of schedule 19)		
Debentures (Refer note no. 4 of schedule 19)	1,500,000,000	-
(1,500 (Previous year - Nil) 9.5% Secured reedemable non-convertible debentures of Rs. 1,000,000 each redeemable at par in two equal installments at the end of 2nd and 3rd year from the date of allotment viz., March 10, 2010.)		
Term Loans		
- from Banks	10,814,654,459	-
- from Financial Institutions	1,565,763,006	-
Other Loans		
- from Financial Institution	1,500,000,000	-
Vehicle Loans	-	3,047,264
	<u>15,380,417,465</u>	<u>3,047,264</u>
Schedule 4: Unsecured Loans		
Loan from Holding Company	2,475,555,838	2,600,000,000
(Repayable within one year Rs. 1,300,000,000)		
(Previous year: Rs. 650,000,000)	<u>2,475,555,838</u>	<u>2,600,000,000</u>

CONSOLIDATED SCHEDULES

(All amounts expressed in Indian Rupees unless otherwise stated)

SCHEDULE - 5

FIXED ASSETS

Name of the Asset	Gross Block at Cost					Depreciation and Amortization					Net Block	
	As at 01.04.2009	Additions on amalgamation	Additions during the year	Deletions/ Adjustments	As at 31.03.2010	Upto 01.04.2009	Additions on Amalgamation	For the year ¹	Deletions/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets:												
Land												
-Freehold	6,061,000	203,752,434	-	-	209,813,434	-	-	-	-	-	209,813,434	6,061,000
-Leasehold	-	7,975,682	-	-	7,975,682	-	-	-	-	-	7,975,682	-
Buildings	72,800,318	1,756,283	-	-	74,556,601	2,745,032	1,066,481	1,439,524	-	5,251,037	69,305,564	70,055,286
Leasehold Improvements	46,159,660	-	771,693	-	46,931,353	10,938,483	-	11,684,738	-	22,623,221	24,308,132	35,221,177
Plant and Machinery	2,100,407	157,922,084	1,298,687	104,038,325	57,282,853	229,586	44,401,663	11,886,441	14,936,912	41,580,778	15,702,075	1,870,821
Furniture	15,058,268	123,410	606,550	-	15,788,228	2,212,459	52,265	949,558	-	3,214,282	12,573,946	12,845,809
Office Equipment	25,602,991	797,942	1,385,929	-	27,786,862	2,217,664	134,443	1,485,138	-	3,837,245	23,949,617	23,385,327
Vehicles	29,985,218	1,261,460	6,752,374	2,154,496	35,844,556	5,439,540	243,381	2,950,102	550,585	8,082,438	27,762,118	24,545,678
Computers	3,771,972	900,747	441,166	-	5,113,885	1,357,668	281,110	762,577	-	2,401,355	2,712,530	2,414,304
Total Tangible Assets	201,539,834	374,490,042	11,256,399	106,192,821	481,093,454	25,140,432	46,179,343	31,158,078	15,487,497	86,990,356	394,103,098	176,399,402
Intangible Assets:												
Toll collection rights ²	-	-	4,423,690,104	-	4,423,690,104	-	-	160,968,860	-	160,968,860	4,262,721,244	-
Total Intangible Assets	-	-	4,423,690,104	-	4,423,690,104	-	-	160,968,860	-	160,968,860	4,262,721,244	-
Total	201,539,834	374,490,042	4,434,946,503	106,192,821	4,904,783,558	25,140,432	46,179,343	192,126,938	15,487,497	247,959,216	4,656,824,342	176,399,402
Previous Year	127,305,756	-	74,234,078	-	201,539,834	11,968,389	-	13,172,044	-	25,140,432	176,399,402	-
Capital work in progress including capital advances³											16,887,138,100	47,410

Notes:

- Depreciation amounting to Rs. 4,261,327 (Previous year: Rs. Nil) for the year ended March 31, 2010 transferred to expenditure incurred during construction period pending allocation.
- Remaining amortisation period of toll collection rights as at March 31, 2010 is 16 years 4 months (approx).
- Includes capital advance of Rs. 1,504,187,723 (Previous year: Rs. Nil) and expenditure during construction period pending allocation of Rs. 2,445,245,975 (Previous year: Rs. Nil), (Refer note no 7 of schedule 19).

CONSOLIDATED SCHEDULES

(All amounts expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 6:		
Inventories		
(At lower of cost and net realisable value)		
(Refer note no's 12 and 13 of schedule 19)		
Residential properties	71,151,724	71,103,162
Plots stock	12,567,726	13,455,581
Freehold land	3,741,082,889	3,208,809,035
Work in progress	975,808,446	938,812,832
Development rights for land (Refer note no. 14 of schedule 19)	2,978,731,615	3,301,720,142
Property development rights (Refer note no. 15 of schedule 19)	7,055,288,497	6,664,950,343
	<u>14,834,630,897</u>	<u>14,198,851,095</u>
Schedule 7:		
Sundry Debtors		
Outstanding for a period exceeding six months		
(Unsecured, considered good)	64,637,790	18,801,404
Other debts		
Secured, considered good	271,937,374	-
Unsecured, considered good	13,657,335	320,197,378
	<u>350,232,499</u>	<u>338,998,782</u>
Schedule 8:		
Cash and bank balances		
Cash on hand	2,597,481	122,094
Balances with scheduled banks on :		
- On Current Accounts ¹	178,370,302	13,498,585
- On unpaid Dividends Account	569,188	603,480
- On Fixed Deposits	586,909,553	497,409,510
Note:		
1. Includes on account of unpaid share application money Rs. 484,870 (Previous year: Rs. 520,870)	<u>768,446,524</u>	<u>511,633,669</u>
Schedule 9:		
Other current assets (Unsecured, considered good)		
Unbilled revenue	761,980,257	53,319,055
Interest accrued on fixed deposits with banks	8,493,868	6,442,947
	<u>770,474,125</u>	<u>59,762,002</u>

CONSOLIDATED SCHEDULES

(All amounts expressed in Indian Rupees unless otherwise stated)

	As at March 31, 2010	As at March 31, 2009
Schedule 10:		
Loans and advances		
<i>(Refer Note No . 3(a) of Schedule 19)</i>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	1,031,009,592	27,899,651
Deposits	29,044,911	8,162,005
Advance for purchase of land	991,964,121	1,118,992,924
Advance tax (net of provision)	62,714,223	43,140,957
	<u>2,114,732,847</u>	<u>1,198,195,537</u>
Schedule 11		
Current liabilities		
Sundry creditors		
- total outstanding dues of Micro, Small and Medium Enterprises	-	-
- others	486,882,840	156,409,744
Advance received from customer	140,683,634	29,155,084
Dues to holding company	910,965,919	34,082,823
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
(a) Unpaid dividend	569,188	603,480
(b) Unpaid application money received for allotment of securities and due for refund	484,870	520,870
Retention money payable	20,671,292	33,351,835
Interest accrued but not due on loans	19,206,083	173,573,434
Other liabilities	211,864,170	55,472,252
Amounts payable in respect on development rights <i>(Refer note no. 15 of schedule 19)</i>	3,721,333,615	3,455,308,887
	<u>5,512,661,611</u>	<u>3,938,478,409</u>
Schedule 12		
Provisions		
Provisioin for fringe benefit tax (net of advance tax payments)	-	167,690
Provision for resurfacing obligation <i>(Refer note no. 22 of schedule 19)</i>	16,102,137	-
Provision for gratuity <i>(Refer note no. 17(b) of schedule 19)</i>	1,381,982	4,011,492
Provision for compensated absences	1,606,814	7,805,461
	<u>19,090,933</u>	<u>11,984,643</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts expressed in Indian Rupees unless otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Schedule 13		
Income from operations		
Sale of land and development rights	578,501,673	-
Sale of flats, villas and plots [net of cancellations Rs. 391,165,678 (Previous year: Rs. 160,596,723)]	(376,374,078)	456,758,423
Construction revenue	1,187,987,892	125,596
Sewage treatment revenue	16,557,790	-
Income from toll collection	183,643,881	-
	<u>1,590,317,158</u>	<u>456,884,019</u>
Schedule 14		
Other income		
Dividend from non-trade current investments (mutual funds)	15,752	16,513,992
Interest on bank deposits	44,469,346	89,594,073
Liabilities/provisions no longer required written back	6,790,594	2,627,097
Miscellaneous income	10,303,895	285,365
	<u>61,579,587</u>	<u>109,020,527</u>
Schedule 15		
Cost of sales		
Cost of sale of land	87,440,951	-
Cost of development rights [Net of cancellations Rs. 12,524,822 (Previous year: Rs. Nil)]	124,703,135	-
Decrease / (increase) in inventories:		
Opening stock		
Residential properties	71,103,162	74,760,145
Plots stock	13,455,581	-
Work-in-progress	938,812,832	603,556,558
Closing stock		
Residential properties	71,151,724	71,103,162
Plots stock	12,567,726	13,455,581
Work-in-progress	975,808,446	938,812,832
	<u>(36,156,321)</u>	<u>(345,054,872)</u>
Cost of development [Net of cancellations Rs. 234,470,340 (Previous year Rs. 105,629,545)]	(57,807,468)	656,447,919
Construction cost (sub-contractor expenses)	1,119,287,877	156,509
Operating and maintenance expenses	36,820,538	-
	<u>1,274,288,712</u>	<u>311,549,556</u>
Schedule 16		
Personnel expenses		
Salaries, wages and bonus	30,819,291	60,815,362
Less : Amount transferred to work-in-progress	(348,032)	(24,484,948)
	<u>30,471,259</u>	<u>36,330,414</u>
Contribution to provident and other funds (Refer note no. 17(a) of schedule 19)	1,888,455	2,408,656
Staff welfare expenses	5,181,074	10,204,781
	<u>37,540,788</u>	<u>48,943,851</u>

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(All amounts expressed in Indian Rupees unless otherwise stated)

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Schedule 17		
Administrative and other expenses		
Rent	7,295,794	18,765,195
Rates and taxes	17,072,974	4,328,970
Insurance	968,960	1,039,822
Repairs and maintenance - others	2,900,993	9,928,603
Legal and professional charges	34,603,687	7,901,373
Travelling expenses	3,507,747	4,708,155
Communication cost	797,648	1,389,181
Vehicle maintenance	1,677,744	1,930,645
Office maintenance	3,448,163	4,399,552
Advertisement expenses	793,330	3,236,820
Printing and stationery	1,285,025	2,220,514
Business promotion expenses	151,268	386,775
Auditor's remuneration (Refer note no. 19 of schedule 19)	2,877,800	1,773,430
Directors sitting fee	85,000	65,000
Loss on sale of fixed assets	189,761	-
Preliminary expenses written off	5,664,913	687,802
Miscellaneous expenses	2,877,683	979,399
	<u>86,198,490</u>	<u>63,741,236</u>
Schedule 18:		
Financial expenses		
Interest on fixed loans	302,540,535	333,763,415
Less: Amount transferred to work-in-progress/property development rights	<u>(124,313,426)</u>	<u>(306,858,346)</u>
	178,227,109	26,905,069
Interest on term loans	1,281,651,479	-
Less: Amount transferred to expenditure during construction pending allocation	<u>(1,089,201,424)</u>	<u>-</u>
	192,450,055	-
Interest on debentures	8,589,041	-
Interest on banks	23,692,022	26,285,332
Interest on others	266,024,727	259,062,435
Less: Amount transferred to property development rights	<u>(266,024,727)</u>	<u>(259,062,435)</u>
	-	-
Bank charges	117,917	1,316,943
	<u>403,076,144</u>	<u>54,507,344</u>

SCHEDULE 19: NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

1. Nature of operations

IVRCL Assets & Holdings Limited (the "Company") is a Company registered under the Companies Act, 1956 together with its subsidiaries (collectively termed as "The Group") is engaged in the business of Development, Operations & Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space in the verticals of Highways, Bridges, Water [including desalination], Tankages, Multi level parking facilities for Central and State Governments, local bodies and private sector in the country. In addition, the Group is engaged in the business of development of projects relating to townships, mega malls, real estate property development, etc

2. Significant Accounting Policies

a) Method of accounting

The accompanying consolidated financial statements have been prepared under the historical cost convention, on accrual basis, in conformity in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Principles of Consolidation

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.

Investments in Consolidated Financial Statements are accounted in accordance with accounting principles as defined in the AS 21 "Consolidated Financial Statements" notified by Companies Accounting Standards Rules, 2006 (as amended). The Consolidated Financial Statements are prepared on the following basis:

- i) Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
- ii) The difference between the cost to the Group of investments in subsidiaries and the proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.
- iii) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.
- iv) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2010.
- v) The Consolidated Financial Statements for the year ended March 31, 2010 have been prepared on the basis of the financial statements of the following subsidiaries:

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

Name of the Consolidated Entities	Country of Incorporation	% of Interest as at March 31,	
		2010	2009
Subsidiaries including step down subsidiaries			
IVR Hotels and Resorts Limited	India	66.88%	66.88%
Mummidi Developers Private Limited	India	100.00%	100.00%
Samatteri Developers Private Limited	India	100.00%	100.00%
IVR Prime Developers (Amalapuram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Guntur) Private Limited	India	100.00%	100.00%
Absorption Aircon Engineering Private Limited	India	100.00%	100.00%
IVR Prime Developers (Thandiarpet) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Gummidipundi) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Kodambakkam) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Arumbakkam) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Anna Nagar) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Pallavaram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (West Mambalam) Private Limited	India	100.00%	100.00%
Bibinagar Developers Private Limited	India	100.00%	100.00%
IVR Prime Developers (Anakapalle) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Rajampeta) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Tanuku) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Red Hills) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Rajahmundry) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Tuni) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Bobbili) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Bhimavaram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Valasaravakkam) Private Limited	India	100.00%	100.00%
Simhachalam Prime Developers Private Limited	India	100.00%	100.00%
Agaram Developers Private Limited	India	100.00%	100.00%
Siripuram Developers Private Limited	India	100.00%	100.00%
IVR Prime Developers (Araku) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Erode) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Kakinada) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Pudukkottai) Private Limited	India	100.00%	100.00%
Anupampattu Developers Private Limited	India	100.00%	100.00%
Ilavampedu Developers Private Limited	India	100.00%	100.00%
IVRCL Mega Malls Limited	India	100.00%	100.00%
Chodavaram Developers Private Limited	India	100.00%	100.00%
Gajuwaka Developers Private Limited	India	100.00%	100.00%
Tirumani Developers Private Limited	India	100.00%	100.00%
IVR Prime Developers (Adayar) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Ananthapuram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Perambadur) Private Limited	India	100.00%	100.00%

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

Name of the Consolidated Entities	Country of Incorporation	% of Interest as at March 31,	
		2010	2009
IVR Prime Developers (Egmore) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Tambaram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Ashram) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Retiral Homes) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Avadi) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Alwarpet) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Mylapore) Private Limited	India	100.00%	100.00%
IVR Vaanaprastha Private Limited	India	66.67%	66.67%
IVR PUDL Resorts & Clubs Private Limited	India	66.67%	66.67%
IVR Prime Developers (Nellore) Private Limited	India	100.00%	100.00%
IVR Prime Developers (Godavari) Private Limited ¹	India	-	100.00%
Duvvda Developers Private Limited	India	100.00%	100.00%
Gamaa Developers Private Limited	India	100.00%	100.00%
Kasibugga Developers Private Limited	India	100.00%	100.00%
Vedurwada Developers Private Limited	India	100.00%	100.00%
M.M. Kuppam Developers Private Limited ¹	India	-	100.00%
Eluru Developers Private Limited	India	100.00%	100.00%
Geo Prime Developers Private Limited	India	100.00%	100.00%
Theata Developers Private Limited	India	100.00%	100.00%
Vijayawada Developers Private Limited	India	100.00%	100.00%
Kunnam Developers Private Limited	India	100.00%	100.00%
Papankuzhi Developers Private Limited	India	100.00%	100.00%
Velursantha Developers Private Limited ¹	India	-	100.00%
Annaram Developers Private Limited ¹	India	-	100.00%
ETA Developers Private Limited ¹	India	-	100.00%
Haripuram Developes private Limited	India	100.00%	100.00%
IOTA Developers Private Limited ¹	India	-	100.00%
Kappa Developers Private Limited ¹	India	-	100.00%
Lamda Developers Private Limited ¹	India	-	100.00%
Rudravaram Developers Private Limited	India	100.00%	100.00%
Geo IVRCL Engineering Limited	India	100.00%	100.00%
First STP Private Limited ³	India	95.00%	-
IVRCL Building Products Limited ³	India	80.00%	-
Alkor Petroo Limited ³	India	84.91%	-
Kumarapalayam Tollways Limited ³	India	99.85%	-
Salem Tollways Limited ³	India	99.90%	-
Jalandhar Amritsar Tollways Limited ³	India	99.89%	-
SPB Developers Private Limited ³	India	99.86%	-
Chennai Water Desalination Limited ³	India	74.97%	-
Sion Panvel Tollways Private Limited ²	India	51%	-
IVRCL Indore Gujarat Tollways Limited ²	India	99.50%	-

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

Notes

- 1 These companies were amalgamated with IVR Hotels and Resorts Limited with effect from April 01, 2009. (Refer Note no 3(b) of schedule 19).
- 2 Consolidated based on Management certified accounts.
- 3 Investments acquired on account of amalgamation during the year (Refer Note no 3(a) of Schedule 19)

c) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and results of operations during the reporting period. Examples of such estimates include computation of percentage of completion for projects in progress, project cost estimates, income taxes, provision for bad and doubtful debts and advances. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d) Inventories

- i) Residential properties and Plots stock is valued at lower of cost and net realizable value.
- ii) Freehold land purchased for the purpose of real estate development is considered as inventory and valued at lower of cost and net realizable value.
- 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) Inventories include consideration paid towards acquisition of land/ property development rights and are valued at lower of cost and net realizable value.

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

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

e) Fixed Assets

i) Tangible Assets

Fixed Assets are stated at cost, less accumulated depreciation, amortisation and impairment losses (if any). Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.

ii) Toll collection rights

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

iii) Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets

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(All amounts are expressed in Indian Rupee unless otherwise stated)

acquired of the Subsidiary Companies as on the date of investment. Goodwill is not amortized but is tested for impairment on a periodic basis and impairment losses are recognized where applicable.

f) **Expenditure incurred during construction period pending allocation**

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

g) **Depreciation and Amortization**

i) **Depreciation**

Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as estimated by the management which coincides with the rates prescribed under Schedule XIV to the Companies Act, 1956 except for leasehold improvements, which are amortised over the primary period of lease of 4 years. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

ii) **Amortization**

Toll Collection Rights are amortised over the period of 15 to 20 years representing the concession period over which the Group has right to collect tolls.

h) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i) **Recognition of revenue from real estate projects**

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

- **Sale of land and development rights**

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

- **Sale of flats, villas, plots**

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

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

ii) **Construction Revenue**

Revenue from long term construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard (AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006 (as amended). Percentage of completion is determined on the basis of work performed. 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.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

- iii) **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.
- iv) **Interest Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- v) **Dividend Income**

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- i) **Unbilled Revenue**

Unbilled revenue disclosed under Schedule 9 – "Other Current Assets" represents revenue recognized based on "Percentage of completion method over and above the amount due as per the payment plans agreed with the customers.
- j) **Government grants**

Grants from the government are recognized 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.
- k) **Employee benefits**

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

 - i) Retirement benefits in the form of Provident and superannuation funds are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
 - ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
 - iii) Short term compensated absences are provided for based on estimates.
 - iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.
- l) **Income taxes**

Tax expense consists of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations

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(All amounts are expressed in Indian Rupee unless otherwise stated)

where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

m) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

n) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment Reporting Policies

i) Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business.

ii) Inter segment Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

iii) Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

iv) Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

p) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

q) Leases

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated Profit and Loss account on a straight-line basis over the lease term.

r) Foreign currency translation

Foreign currency transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

s) Provisions

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

t) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Land

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and, on transfer of legal title to the Group, it is transferred to inventory.

Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognised as land advance under loans and advances, unless they are non-refundable, wherein they are recognized under inventory.

3. Amalgamation

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

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

- i) The Scheme of Amalgamation became effective on April 01, 2009, the appointed date

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

- ii) The assets, liabilities, rights and obligations of erstwhile ISRSL and IWIL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting prescribed by Accounting Standard 14 – “Accounting for amalgamations”.
- iii) In consideration of amalgamation of ISRSL and IWIL with the Company, 59,463,572 equity shares of Rs 10 each fully paid up amounting to Rs. 594,635,720 were issued to the equity share holders of ISRSL and IWIL whose names were registered in the register of members of ISRSL and IWIL respectively on record date.
- iv) Excess of fair value of net assets taken over by the Company over the face value of equity shares issued amounting to Rs. 12,531,527,143 has been credited to Capital Reserve Account in accordance with the Scheme. Had the Scheme not prescribed this accounting treatment, the aggregate amount of Rs. 12,531,527,143 would have credited to Securities Premium account instead of Capital Reserve Account in accordance with Accounting Standard 14 - “Accounting for amalgamations”.
- v) From the appointed date, the authorized share capital of the Company stands increased by the authorized share capital of ISRSL and IWIL, amounting to Rs. 908,000,000 comprising of 90,800,000 equity shares of Rs. 10 each.
- vi) ISRSL and IWIL shall stand dissolved without going through the process of winding up.
The Company has acquired 37.5% of share holding interest in IOT Utkal Energy Services Limited (one of the SPV's of IWIL), on amalgamation of IWIL with the Company. As at March 31, 2010, IWIL has not invested in the equity share capital of the entity. Accordingly the fair value of the above share holding interest acquired amounting to Rs. 173,760,000 is disclosed under Schedule 11 “Loans and Advances” under “Advances recoverable in cash or in kind or for value to be received”.
- b) During the current year, the following subsidiaries of IVR Hotels and Resorts Limited, which are engaged in real estate business, have entered into Scheme of Arrangement in the nature of amalgamation with IVR Hotels and Resorts Limited. Scheme of Arrangement was sanctioned by the Hon'ble High Court of Judicature at Hyderabad vide its Orders dated June 23, 2009 and March 19, 2010.

Following are the names of the Transferor Companies:

- i) Velursantha Developers Private Limited
- ii) M.M.Kuppam Developers Private Limited
- iii) Lamda Developers Private Limited
- iv) Kappa Developers Private Limited
- v) IOTA Developers Private Limited
- vi) Annavaram Developers Private Limited
- vii) IVR Prime Developers (Godavari) Private Limited
- viii) ETA Developers Private Limited

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

- i) The Scheme of Amalgamation became effective on April 01, 2009, the appointed date.
- ii) The assets, liabilities, rights and obligations of erstwhile above mentioned subsidiaries have been transferred to and vested with the IVR Hotels & Resorts Limited with effect from 1st April, 2009 and have been recorded at their book values, under the pooling of interests method prescribed

NOTES TO CONSOLIDATED ACCOUNTS

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by Accounting Standard 14 – “Accounting for amalgamations”.

iii) As the transferor companies are wholly owned subsidiaries of IVR Hotels & Resorts Limited, the amalgamation does not involve any consideration.

iv) The transferor companies shall stand dissolved without going through the process of winding up.

The current year figures include those relating to transferor companies and therefore the figures of the previous year are not strictly comparable with those of the current year.

4. Issue of Debentures

On March 10, 2010, the Company had issued 1,500 secured redeemable non- convertible debentures of face value of Rs. 1,000,000 each, carrying an interest rate of 9.5% interest per annum payable on a quarterly basis with a tenor of 3 years. The Company has executed the Trust Deed as on March 31, 2010 and is in the process of creating charge on the security. The Company has 90 days time from the date of issue of information memorandum for creation of charge on the security.

The Company has not created a Debenture Redemption Reserve to the extent of Rs. 8,989,726 under Section 117C of the Companies Act, 1956 due to losses incurred during the year.

As per Section 78 of the Companies Act, 1956, expenses incurred on issue of Debenture of Rs. 13,955,889 have been debited to Securities Premium Account net of deferred tax adjustment amounting to Rs 6,942,417.

5. Components of Deferred Tax Asset and Liability:

Particulars	As at March 31, 2009	On account of Amalgamation	As at March 31, 2010
Deferred Tax Liability:	(3,173,951)	(24,991)	(3,304,979)
Difference between book and tax depreciation	(3,173,951)	(24,991)	(3,304,979)
Total Deferred Tax Liability			
Deferred Tax Asset:			
Provision for bonus and exgratia	297,853	-	318,739
Provision for gratuity and leave encashment	4,016,583	-	1,358,747
Effect of Initial public offer expenses	82,265,146	-	53,601,023
Effect of Amalgamation expenses	-	-	7,130,252
Unabsorbed depreciation	-	-	5,879,360
Carry forward loss	-	10,420,739	71,283,869
Capital loss	-	5,321,514	5,321,514
Total Deferred Tax Asset	86,579,582	15,742,253	144,893,504
Deferred Tax Asset (net)	83,405,631	15,717,262	141,588,525

Based on estimated margins on unexecuted committed construction contracts in hand as on balance sheet date, management expect to generate sufficient taxable income in coming years, which will enable it to utilize all Deferred tax assets including carried forward business loss and unabsorbed depreciation. On the above basis, the Management is confident that there is virtual certainty and accordingly the deferred tax asset has been recognized.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

6. Secured Loans

Security details for secured loans taken by the Group are given below

S No	Name of the entities to which secured loans pertains	As at March 31, 2010	As at March 31, 2009
a)	IVRCL Assets & Holdings Limited	3,000,000,000	3,047,264
b)	Kumarapalayam Tollways Limited	3,370,818,115	-
c)	Salem Tollways Limited	2,428,300,000	-
d)	Jalandhar Amritsar Tollways Limited	2,281,300,000	-
e)	SPB Developers Limited	492,000,000	-
f)	Chennai Water Desalination Limited	3,807,999,350	-
	Total	15,380,417,465	3,047,264

The details of the security are as follows:

a) IVRCL Assets & Holdings Limited

Debentures

Secured by first ranking charge by way of equitable mortgage over vacant freehold urban land owned by the company, the subsidiaries and/or any other individual or entity acceptable to the debenture trustee and by irrevocable and unconditional guarantee given by Holding Company.

Other loans

Secured by pledge of 49% of shares held by the Company in equity share capital of Salem Tollways Limited, Kumarapalayam Tollways Limited and Jalandhar Amritsar Tollways Limited and by irrevocable and unconditional corporate guarantee given by Holding Company, IVRCL Infrastructures & Projects Limited.

Vehicle loan

Vehicle loan is secured by hypothecation of vehicles held by the Company.

b) Kumarapalayam Tollways Limited

The term loan is secured by pari pasu 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 including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of kumarapalayam Chengapalli section of NH-47 from km 48.510 km 100.000 to in the state of Tamil Nadu 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.

c) Salem Tollways Limited

The term loan is secured by pari pasu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets(present and future), operating cashflows, bookdebts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Salem -Kumarapalayam section of NH-47 from km 00.000 to km 53 in the state of Tamil Nadu on BOT 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.

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(All amounts are expressed in Indian Rupee unless otherwise stated)

d) Jalandhar Amritsar Tollways Limited

The term loan is secured by pari pasu first charge on all the borrowers movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets(present and future), operating cashflows, bookdebts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Jalandhar-Amritsar section of NH-I from km 407.100 to km 456.100 in the state of Punjab on a BOT 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.

e) SPB Developers Private Limited

- i) A First Charge of all the Book Debts, Operating Cash Flows, Revenues and Receivables of SPB Developers Private Limited, present and future including by way of a charge on the Escrow Accounts, Retention Accounts, Debt Service Reserve Accounts and Other reserves and Bank Accounts of SPB Developers Private Limited, wherever maintained.
- ii) A First Charge on the Escrow Accounts, Debt Service Reserve Accounts and Other Reserves and any other bank Accounts of SPB Developers Private Limited, wherever maintained.
- iii) A First Charge on all Intangibles of SPB Developers Private Limited including but not limited to Goodwill, Uncalled Capital, Present and Future.
- iv) Pledge of 51% shares of SPB Developers Private Limited held by the Sponsors upto the third anniversary of the COD and 26% of the shares of SPB Developers Private Limited 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 19/2 of BR Act to be ensured.

f) Chennai Water Desalination Limited

- i) A First Charge by way of mortgage of all the immovable properties of Chennai Water Desalination Limited, present and future.
- ii) A 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 Chennai Water Desalination Limited, 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 Chennai Water Desalination Limited subject only to the charge of working capital lenders for their loans to the extent of Rs.10 Crores to the project on the operating cash flows.

7. Expenditure incurred during construction period pending allocation

Particulars	As at March 31, 2010	As at March 31, 2009
Opening balance	-	-
Acquired on account of amalgamation (Refer note no. 3(a) of schedule 19)	1,803,347,131	-
Expense incurred during the year		
Salary, wages and other benefits	19,326,520	-
Rent	124,635	-

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(All amounts are expressed in Indian Rupee unless otherwise stated)

Particulars	As at March 31, 2010	As at March 31, 2009
Rates and taxes	1,194,974	-
Insurance	4,191,544	-
Repairs and maintenance – others	1,656,543	-
Legal and professional charges	64,911,193	-
Travelling expense	2,841,826	-
Communication cost	241,150	-
Printing and stationery	753,047	-
Survey expenses	4,613,972	-
Fees and license	1,234,203	-
Depreciation	4,261,327	-
Interest on term loans	1,089,201,424	-
Bank charges	7,622,200	-
Miscellaneous expenses	7,578,064	-
Sub total – (A)	3,013,099,753	-
Less: Income earned during the year		
Interest income	28,414,572	-
Foreign exchange gain	101,482,041	-
Miscellaneous income	576,112	-
Add:		
Income Tax	9,035,192	-
Sub total – (B)	121,437,533	-
Less: Capitalized during the year (C)	446,416,245	-
Balance carried to Balance Sheet – (A-B-C)	2,445,245,975	-

8. Contingent Liabilities

- Bank guarantees issued by banks Rs. 2,408,260,000 (Previous year: Rs. Nil)
- Direct and indirect taxes under dispute Rs. 30,631,116 (Previous year: Rs. Nil)
- Claims against the Company not acknowledged as debts Rs. 294,424,976 (Previous year: Rs. Nil)
- During the year 2006, Company had entered into Joint Development Agreements (JDAs) with various individual plot owners to jointly develop a property situated at “Cyber Enclave”, Hi-tech City, Hyderabad. As per JDAs, the Company was required to amalgamate all the plots pertaining to “Cyber Enclave” and complete the development per specified plan within a period of thirty months from the date of respective JDAs. As per terms and conditions of the agreement, all the plot owners have an obligation to enter into JDA to facilitate amalgamation of plots without which development cannot be completed. In case of delay in completion of the project by the Company, it would indemnify the loss occurring to the individual land owners per agreed terms for the delayed period.

As at March 31, 2010, certain plot owners of Cyber Enclave have still not entered into the JDA with the Company. Accordingly, development of the property could not be completed by the Company and necessary permission and clearances from various authorities are pending.

The Company, based on legal opinion, believes that plot owners will get the right to claim compensation for delayed period only when delay is caused by the Company. Since the Company has performed all the obligations on its part, payment of compensation to land owners for delay in the project is not probable. The liability, if any, that may arise on account of delay in development of the above property is not presently ascertainable.

Based on internal assessment and/ or legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on March 31, 2010.

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9. Capital Commitment:

Particulars	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital Account	15,088,948,020	1,645,645

10. Disclosures under Accounting Standard 7 – Construction Contracts:

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Contract revenue recognized as revenue during the year	1,187,987,892	125,596
Contract costs incurred and recognised profits (less recognised losses) for contracts in progress up to the reporting date	1,187,987,892	125,596
Advances received for contracts in progress	-	-
Retention due from customers for contracts in progress	9,001,601	-
Gross amount due from customers for contract works	733,081,202	-
Gross amounts due to customers for contract works	-	-

11. Related Party Disclosure:

Information regarding Related Party Transactions as per Accounting Standard AS-18 – “Related Party Disclosures” notified by Companies (Accounting Standards) Rules, 2006, (as amended).

11.1 List of Related Parties

a. Holding Company

IVRCL Infrastructures & Projects Limited

b. Fellow Subsidiary

Sl. No.	Name of the Fellow Subsidiary	Sl. No.	Name of the Fellow Subsidiary
1	IVRCL PSC Pipes Private Limited	8	IVRCL Chengapalli Tollways Limited
2	IVR Enviro Projects Private Limited	9	IVRCL Holdings and Services Pte. Limited
3	IVRCL Steel Construction and Services Limited	10	IVRCL - Cadagua Hogenakkal Water Treatment Company Private Limited
4	IVRCL Infrastructures and Projects (Botswana) (Pty) Limited	11	IMCO (22010) Limited
5	Hindustan Dorr-Oliver Limited	12	Davymarkham Limited
6	HDO Technologies Limited	13	IVRCL Clubs Limited
7	Davymarkham Holdings Limited		

c. Companies owned by or where significant influence exercised by Key Management Personnel or Relatives

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	A.P Enercon Engineers Private Limited	2	Palladium Infrastructure and Projects Limited
3	Indus Palms Hotels & Resorts Limited	4	Soma Hotels & Resorts Limited

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

d. Key Management Personnel or Relatives

S.No	Name of Key Managerial Personnel or Relative	Relationship
1	Mr. E. Sudhir Reddy	Chairman
2	Mr. E. Sunil Reddy	Vice Chairman and Managing Director
3	Mr. E Ella Reddy	Relative of Chairman
4	Mrs. E Sujatha Reddy	Relative of Chairman
5	Mrs. E Indira Reddy	Relative of Chairman

11.2 Transactions with related parties:

a. Holding Company

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
IVRCL Infrastructures & Projects Limited*			(1,881,015,043)	(2,834,760,896)
Capital Works	4,261,835,253	-		
Subcontractor Revenue	448,493,360	-		
Subcontractor expenditure	700,643,276	118,390,000		
Interest Expense	386,974,355	333,763,415		
Issue of equity Shares	594,635,720	-		
Rent expense	844,635	900,000		
Sale of fixed assets	86,066,124	-		
Unsecured loans received	1,949,819,250	-		
Unsecured loan repaid	2,571,648,083	250,000,000		
Dividend paid	-	160,000,000		
Reimbursement of expenses	24,252,291	17,710,000		
Utility Shifting	87,618,687	-		
Sale of goods	7,664,510	-		
Advance given	1,504,187,723	-		

* The Holding company has given guarantees amounting to Rs. 5,055,000,000 towards fund and non-fund based requirements of the Group. The closing balance of above guarantees amount to Rs. 5,055,000,000 (previous year :Rs. Nil)

b. Fellow Subsidiaries:

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
IVRCL PSC Pipes Private Limited				
Acquisition / (sale) of development rights	-	16,221,356	-	-
Hindustan Dorr-Oliver Limited				
Acquisition / (sale) of development rights	(26,639,692)*	(72,012)	1,073,138	1,073,138
IVRCL Clubs Limited				
Acquisition / (sale) of development rights	-	6,842,500	-	-
IVRCL Steel Construction and Services Limited				
Acquisition / (sale) of development rights	34,696,525	(3,745,285)	-	-

* Pertains to cancellation of Development rights of land

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

c. Companies owned by or where significant influence exercised by Key Management Personnel or their Relatives

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
Palladium Infrastructures & Projects Limited				
Acquisition / (sale) of development rights	-	7,000,000	(389,629)	(164,325)
Rent Expense	2,490,192	4,069,188		
Indus Palms Hotels & Resorts Limited				
Acquisition / (sale) of development rights	-	(3,701,301)	-	-
Soma Hotels & Resorts Limited				
Acquisition / (sale) of development rights	-	(2,628,201)	-	-
Dividend Paid	-	40,000,000		
Sumedha Estates Private Limited				
Acquisition / (sale) of development rights	-	-	-	-
A.P. Enercon Engineers Private Limited				
Rent expense	1,087,500	7,920,966	-	(476,542)

d. Key managerial personnel or relatives

Name of Related Party	Transactions		Closing balance receivable/ (payable)	
	March 31, 2010	March 31, 2009	As at March 31, 2010	As at March 31, 2009
E.Sudhir Reddy				
Rent paid	-	400,000	-	-
Dividend Paid	-	100,000		
E.Sunil Reddy				
Remuneration	-	6,919,081	-	6,647,586
Rent paid	-	400,000		
E.Ella Reddy				
Rent paid	1,245,012	2,203,132	(102,306)	(86,241)
E.Sujatha Reddy				
Rent paid	1,043,613	1,846,743	(85,757)	(72,290)
Indira Reddy				
Dividend Paid	-	20,000	-	-

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

12. The Group has acquired various land parcels and is into initial stage of project implementation. As per Group's business plan, the projects will have multiple properties consisting of integrated townships, plots, flats, residential and commercial multistoried buildings and IT Parks which will be classified under Fixed Assets, Investment Properties and Inventories, as the case may be, based on ultimate end use pattern as per final business plan of the Group. Pending such reclassification, the cost incurred on development of projects is included under the head 'Inventory'.
13. The Group has directly and through some of its subsidiaries incurred an aggregate cost of Rs. 14,834,630,897 as at March 31, 2010 on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The said land parcels/projects are being carried in the books at cost, which in the opinion of the management, is lower than the net realizable value/value in use, based on the assessment of experts engaged by the management. Accordingly, no adjustment has been made to the carrying value of these land parcels/projects.
14. **Development rights for land**
Inventories include Earnest Money Deposits for paid towards consideration for acquiring development rights of land from group companies and others as per Joint Development Agreements amounting to Rs. 2,978,731,615 (Previous year: Rs. 3,301,720,142) towards "rights for development" of land.
15. **Property Development Rights**
 - a) Property development rights under inventory include consideration paid/payable to NOIDA (New Okhla Industrial Development Authority) aggregating to Rs 5,960,637,646 towards the rights for development of 100.41 acres of leasehold land at NOIDA. Balance payable outstanding to NOIDA as on March 31, 2010 is Rs. 3,721,333,615 (Previous year: Rs. 3,455,308,887). During the year 2006-07, the Holding Company, IVRCL Infrastructures & Projects Limited had transferred these rights to the Company, vide Memorandum of Understanding dated 14th February, 2007.
 - b) Hitherto property development rights was disclosed including interest pertaining to future installments. During the year, the same has been excluded and the effect is given in comparative figures amounting to Rs. 314,641,109.
16. Hitherto goodwill on consolidation included an amount of Rs. 410,199,998 representing securities premium of a subsidiary. During the year, the same has been netted off against securities premium and the effect is given in comparative figures.
17. **Gratuity and other post-employment benefit plans**
 - a) Disclosures related to Defined Contribution Plan
Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 1,570,068
 - b) Disclosures related to Defined Benefit Plan
The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This gratuity plan is un-funded.
The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and amounts recognised in the Balance Sheet for this gratuity plan.

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Components of Employer Expenses		
Current service cost	867,900	919,020
Interest cost	396,428	431,038
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognized	(3,807,120)	(1,791,387)
Total expense recognized in the Statement of profit and loss account	(2,542,972)	(441,329)

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Changes in the present value of Defined Benefit Obligations		
Opening Defined Benefit Obligation	4,011,492	4,485,092
Current service cost	867,900	919,020
Interest cost	396,248	431,038
Benefits paid	(86,538)	(32,271)
Benefits transferred	-	-
Actuarial (gain)/ loss on obligations	(3,807,120)	(1,791,387)
Closing defined benefit obligation	1,381,982	4,011,492
Key Assumptions	As at March 31, 2010	As at March 31, 2009
Discount rate	8.00%	8.00%
Salary escalation rate	5.00%	5.00%
Rate of return on plan assets	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* Experience adjustments Rs. Nil (March 31, 2009, 2008 and 2007: Rs. Nil)

18. Managerial Remuneration:

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Salary and Allowances	-	6,019,081
Commission	-	-
Contribution to Provident and other funds	-	900,000
Total	-	6,919,081

Notes:

- The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.

Since the commission payable is Rs. Nil (Previous year: Rs. Nil), computation of net profit in accordance with Section 349 of the Companies Act, 1956 is not disclosed

19. Auditors' Remuneration (as Auditors)

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Audit Fees	2,220,600	1,103,000
Limited review	661,800*	670,040
Others	10,000	-
Total	2,877,800	1,773,040

* Paid to the previous auditor.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

20. Earnings Per Share

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Profit/(loss) available for equity shareholders	(311,695,940)	8,293,046
Weighted average number of equity shares outstanding*	185,420,358	125,956,786
Earnings per share (Basic and Diluted) (Rs) (Face value of Rs.10 each)	(1.68)	0.07

* Subsequent to the balance sheet date, the Company has issued 61,806,786 bonus shares of face value of Rs. 10 each. These bonus shares have been considered in computation of weighted average number of equity shares for the current and previous year.

21. Prior period items:

Item	For the year ended March 31, 2010	For the year ended March 31, 2009
Rates & taxes	3,648,903	-
Business Promotion	4,795,797	-
Advertisement	1,420,420	-
Total	9,865,120	-

22. Provision for resurfacing obligation

The Group 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 Group has recognized the provision in accordance with Accounting Standard-29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Particulars	As on April 1, 2009	Additions during the Year	Amount used during the Year	Amounts reversed during the Year	Total
Provision for resurfacing obligation	-	16,102,137	-	-	16,102,137
	-	16,102,137	-	-	16,102,137

23. Un-hedged foreign currency exposure

Particulars	Currency	Amount	Closing	As at March 31, 2010	As at March 31, 2009
Payables					
Loans	Euro	13,356,050	60.50	807,995,988	-
Interest payable on Loan	Euro	65,482	60.50	3,961,670	-

24. Segment Reporting

Business segments

The Group organized its operations into two major businesses:

- Real estate: Comprises development of projects relating to townships, mega malls, real estate property development etc.
- Infrastructure and others: Comprises development, Operations & Management and Execution of infrastructure projects, predominantly in the Build, Operate and Transfer (BOT) space.

NOTES TO CONSOLIDATED ACCOUNTS

(All amounts are expressed in Indian Rupee unless otherwise stated)

Geographical segments

The Company operates in a single geographical segment.

Particulars	Real estate	Infrastructure and others	Elimination	Consolidated Total
Income from operations				
External customer	278,537,595	1,388,189,563	(76,410,000)	1,590,317,158
Inter-segment	-	-	-	-
Total	278,537,595	1,388,189,563	(76,410,000)	1,590,317,158
Result				
Segment operating profit / (loss) ¹	(285,888,095)	41,091,697	(33,946,908)	(278,743,306)
Unallocated corporate expenses, net				(90,061,049)
Operating loss				(368,804,355)
Interest capitalised as per AS-16				390,338,153
Interest expense				(403,076,144)
Interest income				44,469,346
Tax income				30,894,424
Net loss				(306,178,576)
Other information				
Segment assets	18,368,541,082	31,162,818,814	(1,872,149,733)	47,659,210,163
Unallocated corporate assets				1,124,322,845
Total assets				48,783,533,008
Segment liabilities	5,178,106,110	14,804,499,480	(1,838,152,108)	18,144,453,482
Unallocated corporate liabilities				7,693,088,011
Total liabilities				25,837,541,493
Capital expenditures	3,642,797	5,381,481,541		
Depreciation and amortization	1,493,497	169,408,406		

During the previous year, Group's operations fall under one segment "Real estate", hence segment disclosures for the previous year are not separately disclosed.

Note:

- Real estate segment results have been arrived after deducting interest expense of Rs. 390,338,153, which has been capitalised.
- The figures of previous year were audited by firm of Chartered accountants other than S.R. Batliboi & Associates and Chaturvedi & Partners.
- The figures of the previous year have been regrouped/ rearranged, where necessary to conform to those of the current year.

As per our report of even date attached

For S.R.Batliboi & Associates
Chartered Accountants
Firm Registration No. 101049W
per **Vikas Kumar Pansari**
Partner
Membership No.93649

For Chaturvedi & Partners
Chartered Accountants
Firm Registration No. 307068E
per **R N Chaturvedi**
Partner
Membership No.92087

For and on Behalf of the Board of Directors
of **IVRCL Assets & Holdings Limited**

E. Sunil Reddy
Vice Chairman &
Managing Director

R. Balarami Reddy
Director

A.S. Pardha Saradhi
Company Secretary

Place : Hyderabad
Date : May 29, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet Date

II. Capital Raised during the year

(Rs. in thousands)

Public Issue

Rights Issue

Bonus Issue

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

III. Position of Mobilisation & Deployment of Funds

(Rs. in thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves
& Surplus

Secured Loans

Unsecured Loans

Deferred Tax
Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Deferred. Tax Asset

Accumulated Losses

Mis Expenditure

IV. Performance of Company

(Rs. in thousands)

Turnover

Total Expenditure

Profit/(Loss)
before Tax

Profit/(Loss)
after Tax

Earnings Per
Share in Rs.

Dividend Rate (%)

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

Item Code (ITC Code)

Not allotted

Product Description

Real Estate, Construction & Engineering



IVRCL ASSETS & HOLDINGS LIMITED

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

PROXY FORM

14TH ANNUAL GENERAL MEETING

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

I/Weof.....in
the district ofbeing a member/members of the above named
company, hereby appoint Mr/Ms/Kum.....of.....in
the district ofas my/our proxy to vote
for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Saturday
the 18th September, 2010 at 3.30 p.m. at Hotal Fortune Katriya, Somajiguda, Hyderabad - 500 082 and at any
adjournment thereof.

Signed thisday of 2010

Address

.....

Signature

Affix
Re.1
Revenue
Stamp

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

IVRCL ASSETS & HOLDINGS LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the Fourteenth Annual General Meeting of the Company to be held at Hotel
Fortune Katriya, Somajiguda, Hyderabad - 500 082 on Saturday the 18th September, 2010 at 3.30 p.m.

.....

.....

Full Name of the Shareholder
(in block Letters)

Signature

Full Name of the Proxy
(in block Letters)

Signature

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

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

[illegible]

[illegible]



IVRCL Assets & Holdings Ltd.

Registered Office:

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Hyderabad-500 057, A.P. India.
Tel: +91-40-2334 3550/3678/5130/8467
Fax: +91-40-2334 5004

Corporate Office:

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