

# 12<sup>th</sup> Annual Report

2007 - 08

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**IVR PRIME**

IVR Prime Urban Developers Limited

## BOARD OF DIRECTORS

E. Sudhir Reddy	Chairman & Joint Managing Director
E. Sunil Reddy	Managing Director
R. Balarami Reddy	Director
T.N. Chaturvedi	Director
P.R. Tripathi	Director
Mahesh Madduri	Director

### Bankers

K. Krishna	Canara bank
Joint General Manager (Finance) &	HDFC Bank Limited
Company Secretary	ICICI Bank Limited
	Indian Overseas Bank Limited
	ING Vysya Bank Limited
	Karnataka Bank Limited
	Kotak Mahindra Bank Limited
	State Bank of India
	Tamilnad Mercantile Bank Limited
	Yes Bank Limited

### Statutory Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants  
Coromondal House  
1-2-10, Sardar Patel Road,  
Secunderabad – 500 003.

### Internal Auditor

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

### Registrars and Transfer Agents

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

### Registered Office

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

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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.

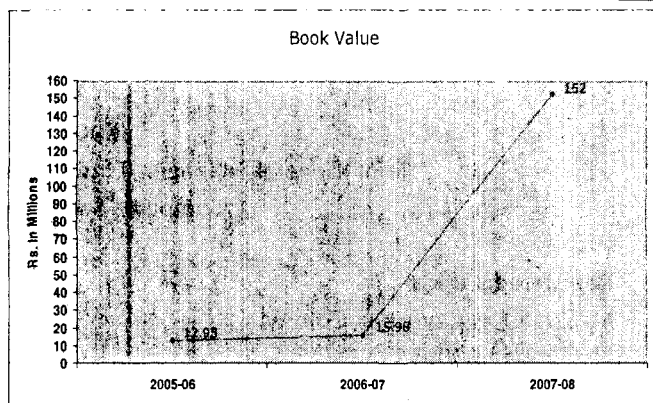
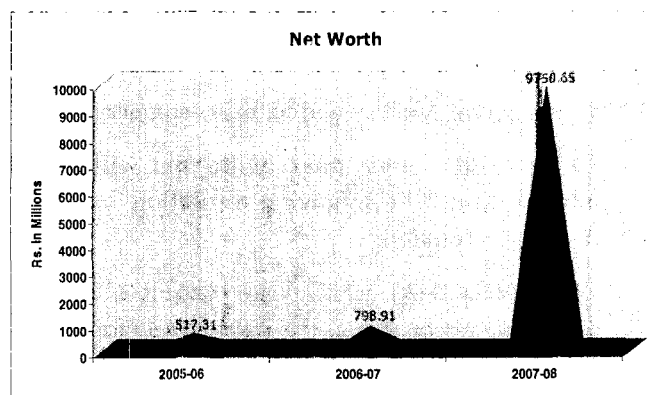
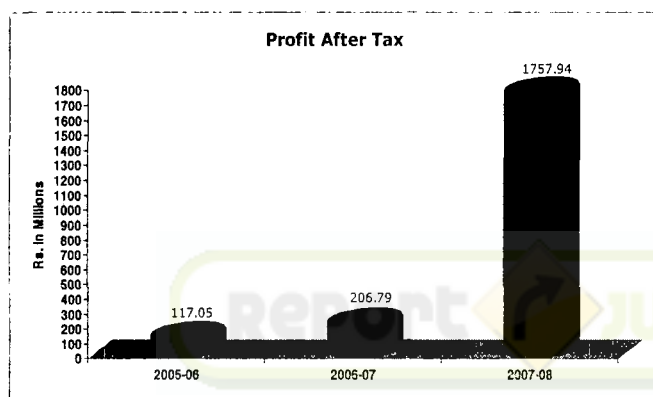
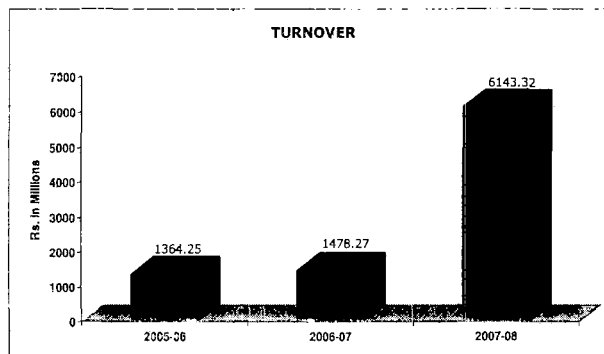
While these forward looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors including but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in 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.

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



## FINANCIAL PERFORMANCE





## NOTICE TO SHAREHOLDERS

Notice is hereby given that the twelfth Annual General Meeting of the Members of *IVR Prime Urban Developers Limited* will be held at Prime Club House, Hill Ridge Springs, Survey No. 25, ISB Road, Gachibowli, Hyderabad - 500 032 at 4.00 PM on Monday the 8<sup>th</sup> September, 2008 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended March 31, 2008, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
2. To declare a dividend.
3. To appoint a Director in place of Mr. T.N. Chaturvedi, a Director, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. P.R.Tripathi, a Director, who retires by rotation and being eligible offers himself for reappointment.
5. To re-appoint Auditors and fix their remuneration.

To consider and pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office till the conclusion of next annual general meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to them."

### SPECIAL BUSINESS:

6. Variation in the remuneration of Mr. E. Sunil Reddy, Managing Director  
To Consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 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. E. Sunil Reddy, Managing Director of the company be modified, with effect from February 1, 2008 for the remaining period of his present terms of appointment as follows:

- (a) Commission – Not exceeding 5% of net profits as per the provisions of Section 198 and 309 of the Companies Act, 1956, including salary and perquisites
- (b) SALARY – Rs.10,00,000/- (Rupees Ten lacs only) per month including basic salary, and other allowances as may be decided by the Board and
- (c) PERQUISITES viz., contribution to Provident Fund, Superannuation Fund, Gratuity, Leave travel concession, Medical reimbursement, Leave encashment and provision of motor car as per the Rules of the Company.

FURTHER RESOLVED THAT the other terms of appointment and remuneration, as approved by the Members of the Company by way of a resolution in the 11<sup>th</sup> Annual General Meeting held on July 5, 2007, shall remain unaltered being within the provisions of Schedule XIII of the Companies Act, 1956.

By order of the Board of Directors

(K.Krishna)

Joint General Manager (Finance) &  
Company Secretary

Registered Office :

M-22/3RT, Vijaynagar Colony,  
Hyderabad:500057

Date: 28.05.2008

## IVR PRIME URBAN DEVELOPERS LIMITED

**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. The Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of Item 6 of the Notice is attached and the Statement of particulars of Directors seeking reappointment under Clause 49 of the listing agreement is enclosed (Annexure – A).
3. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance of the Meeting Hall.
4. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No) for easier identification and recording of attendance at the meeting.
5. The Register of Members and Share Transfer Books of the Company shall be closed from 03-09-2008 to 08-09-2008 both days inclusive.
6. After declaration of dividend at the Annual General Meeting, the Dividend Warrants / Pay Orders / Drafts for the dividend amount are scheduled to be posted after 9<sup>th</sup> September, 2008 to the members, whose names appear on the Register of Members on close of business hours 2<sup>nd</sup> September, 2008. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
7. The dividend will be paid through ECS in respect of shareholders having demat accounts, to the credit of relative bank accounts as furnished by the depositories. Members who desire the amounts to be credited by way of dividend warrants and would like to have their bank account details incorporated in their dividend warrants may please furnish the (i) Folio Nos. (ii) Name and address of sole/first shareholder (iii) Bank Account No. (with prefix SB/CA etc) (iv)

Name of the bank and branch (iv) Full address of the Bank with Pin Code.

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

ITEM NO: 6

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

The Board of Directors of the company at its meeting held on 31<sup>st</sup> January 2008, as approved by the Compensation committee, made certain changes in the terms of remuneration of Mr. E. Sunil Reddy, Managing Director of the company, with effect from February 1, 2008 as stated in the resolution, for the remaining period of his present term of appointment, subject to approval of the members in the General Meeting of the Company. Variation in the remuneration in effect results in increase in monthly remuneration from Rs.2,03,500/- to Rs.10,00,000/- and reduction in commission payable within the overall remuneration limit of 5% of the net profits of the company.

In the Extraordinary General Meeting held on 27<sup>th</sup> March, 2006, Mr. E. Sunil Reddy was appointed Managing Director of the company with effect from March 27, 2006 for a period of five years.

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

**Memorandum of Interest:** None of the Directors except a) Mr. E. Sunil Reddy directly and b) Mr. E. Sudhir Reddy, indirectly as relative of Mr. E. Sunil Reddy, is interested in the resolution.

An abstract of the terms of variation in the remuneration of Mr. E. Sunil Reddy pursuant to Section 302 of the Companies Act, 1956, has already been communicated to the members of the Company

By order of the Board of Directors

(K.Krishna)  
Joint General Manager (Finance) &  
Company Secretary

Registered Office :  
M-22/3RT, Vijaynagar Colony,  
Hyderabad:500057  
Date: 28.05.2008

## Annexure - A to the Notice to Shareholders

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

Name of Director	Mr. T. N. Chaturvedi	Mr. P.R. Tripathi
Date of Birth	15.01.1959	24.06.1943
Date of Appointment	25.10.2006	23.01.2007 as Additional Director
Expertise in Specific functional areas	He has nearly twenty two years of experience in the field of auditing corporate and financial restructuring, public issues, mergers, taxation and other legal issues	He is an expert in the areas of mine planning, operation and management of mineral projects and has 41 years of experience in the mining industry
Qualification	B.Com, FCA	B.Sc (Hon.), A.I.S. M(Mining), F.C.C. (Coal & Metal)
List of other companies in which Directorship is held as on 31st March, 2008	a) Hindustan Dorr-Oliver Limited b) Orient Abrasives Limited c) Perfect Pac Limited d) Universal Cylinders Limited e) IVRCL Infrastructures Projects Ltd., f) IVRCL Road Toll Holdings Limited	a) Minman Consultancy Services Private Ltd., b) Sarda Energy & Minerals Limited c) Jhagadia Copper Limited d) IVRCL Infrastructures & Projects Ltd., e) Hindustan Dorr-Oliver Limited f) HDO Technologies Limited g) Eastern Coal Fields Limited h) Premier Explosives Limited i) Taurian Resources Private Limited j) POL India Agencies Limited
Chairman / Member of the Committees of the Board of the other Companies in which he is a Director as on 31st March, 2008	a) Orient Abrasives Limited Chairman Audit Committee Compensation Committee Member Share Transfer Committee b) Hindustan Dorr-Oliver Limited Chairman Audit Committee Member Compensation Committee c) IVRCL Infrastructures & Projects Limited Chairman Audit Committee Compensation Committee	a) Hindustan Dorr-Oliver Limited Member Audit Committee b) Premier Explosives Limited Member Audit Committee c) IVRCL Infrastructures & Projects Limited Member Audit Committee
Equity shares held in the Company	20,000	Nil



## DIRECTORS' REPORT

To  
The Members,

The Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

The performance of the Company for the financial year ended March 31, 2008 is summarised below:

### Financial Results:

	Rs. in Millions	
	Year ended 31.03.2008	Year ended 31.03.2007
Income from Operations	6,143.32	1,478.27
Profit before Interest, Depreciation & Tax	2,509.27	357.69
Less: Interest	83.04	56.85
Less: Depreciation	7.50	4.01
Profit Before Tax	2,418.73	314.83
Provision for Tax	660.79	108.04
Profit After Tax (PAT)	1,757.94	206.79
Balance brought forward from previous year	314.10	107.31
Profit available for appropriation	2,072.04	314.10
Transfer to General Reserve	175.79	—
Proposed Dividend	256.60	—
Corporate Dividend Tax	43.61	—
Balance carried to Balance Sheet	1,596.04	314.10

### Dividend:

Your Directors have pleasure in recommending a maiden dividend of 40% i.e. Rs.4/- per share of Rs.10/- each on 6,41,50,000 equity shares of Rs. 10/- each for the financial year ended 31.03.2008, which if approved at the ensuing annual general meeting, will be paid to all those members whose names appear in the Register of members as on the close of business hours on 2<sup>nd</sup> September, 2008 and to all those shareholders whose names appear on that date as beneficial owners in the list furnished by National Depository Services limited (NSDL) and Central Depository Services Limited (CDSL). The dividend payable will result in an outgo of Rs. 300.21 million including the corporate dividend tax of Rs. 43.61 million.

### Review of performance:

Your Company achieved income from operations of Rs. 6,143.32 million as against Rs.1,478.27 million for the previous year.

The Profit before Tax (PBT) has substantially increased from Rs. 314.83 million of the previous year to Rs.2418.73 million for the current year ended 31<sup>st</sup> March 2008. The Earnings per share (EPS) improved significantly from Rs.4.60 in the previous year to Rs.29.72 for the year ended 31<sup>st</sup> March 2008, on the expanded capital arising out of the initial public offering.

Your Company acquired lands in its name and in the name of its wholly owned subsidiaries. Besides, the Company entered into Joint Development Agreements with other Companies and Individuals owning lands. Your Company is having a land bank of 3,244 acres as on 31<sup>st</sup> March 2008, located in and around Hyderabad, Chennai, Nagpur, Bangalore, Pune and Visakhapatnam. The Company acquired development rights from the parent company for housing development in Sectors 119,118 and 121 and commercial development by way of IT SEZ in Sector



## IVR PRIME URBAN DEVELOPERS LIMITED

144 of New Okhla Industrial Development Authority (NOIDA).

During the year under review, your company made arrangements for development of lands in and around Sriperumbudur near Chennai, jointly with Kotak Alternate Opportunities (India) Limited and its associates through an SPV Company i.e. IVR Hotels and Resorts Limited. Your company holds 67% of controlling interest in the said SPV Company.

The plans for development of all the lands mentioned above are likely to result in around 90 million square feet of saleable area during the next few years.

The Company's residential projects at Jigani, Begur in Bangalore, Kukatpally and Madhapur in Hyderabad, Bhajgoan, Dongeragoan, Viman Nagar in Pune and Nagpur are in progress, besides the Commercial project (Mall) at Gachibowli, Hyderabad.

#### Subsidiary Companies and Consolidated Financial statements :

The Company has 42 subsidiaries as on 31<sup>st</sup> March 2008. Information regarding subsidiaries under Section 212 in respect of companies which are subsidiaries as on 31.03.2008 is furnished in Annexure A to this Report.

The details of investment made by the company in its various subsidiaries during the year and the value of the investment as on 31<sup>st</sup> March 2008 have been furnished in Para 15 A (i) 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, a consolidated Financial statement of the Company and its subsidiaries forms part of the Annual Report.

#### Statutory Disclosures:

##### Particulars of Employees

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, the names and other particulars of 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 are set out in the Annexure C to this report.

#### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/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. B – 8 of Schedule 20 – Notes to Accounts.

#### 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 – D hereto and forms part of this report.

#### Corporate Governance Report

Your Directors adhere to the requirements set out in Clause 49 of the Listing Agreements with the Stock Exchanges. Report on Corporate Governance as stipulated in the said clause is annexed as Annexure – E hereto and forms part of this Report. The Chairman & Joint Managing Director's declaration regarding the compliance of Code of Business Conduct and Ethics for Board Members and Senior Management personnel forms part of Report on Corporate Governance.

Certificate from M/s D.Hanumanta Raju & Co, Compay Secretaries, confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

#### 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:

**IVR PRIME URBAN DEVELOPERS LIMITED**

- 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 31<sup>st</sup> March, 2008, 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.

**Directors:**

Mr. T. N. Chaturvedi and Mr. P.R.Tripathi, Directors retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Brief resume of the Directors seeking re-appointment together with the nature of their expertise in specific functional areas and names of the companies in which they hold directorship and membership of Board/

Committee and number of shares held as stipulated under clause 49 of the Listing Agreement are stated in the Notice, forming part of this Annual Report.

**Auditors**

M/s. Deloitte Haskins & Sells, the Statutory Auditors, retire at the conclusion of 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.

**Acknowledgements**

The Directors wish to express their appreciation of the support and cooperation extended by the State Government, banks, suppliers, 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

E. Sudhir Reddy  
Chairman & Joint Managing Director

Place : Hyderabad  
Date : May 28, 2008