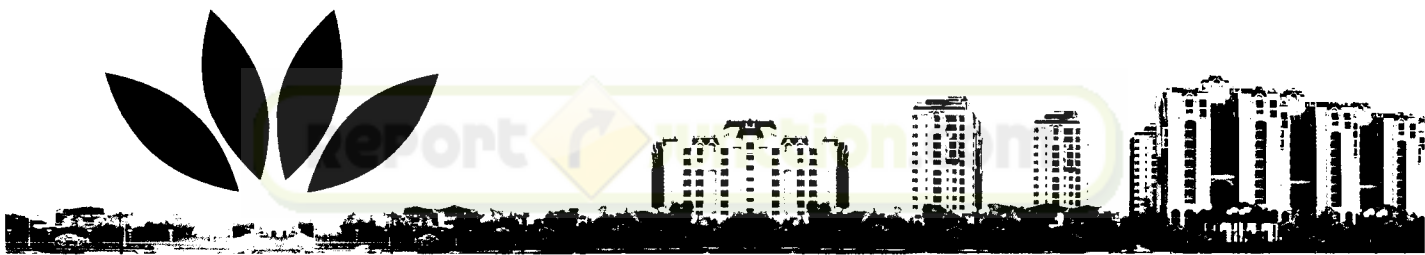


## 13<sup>th</sup> Annual Report 2008 - 09



IVR Prime Urban Developers Limited

## BOARD OF DIRECTORS

**E. SUDHIR REDDY**  
 Chairman & Joint Managing Director

**T.N. CHATURVEDI**  
 Director

**E. SUNIL REDDY**  
 Managing Director

**P.R. TRIPATHI**  
 Director

**R. BALARAMI REDDY**  
 Director

**G. ANANTH SENA REDDY**  
 Director

**P. VIJAYA BHASKAR**  
 Company Secretary

### STATUTORY AUDITORS

**M/s. Deloitte Haskins & Sells**  
 Chartered Accountants  
 1-8-384 & 385, 3rd Floor,  
 Gowra Grand, Sardar Patel Road,  
 Begumpet, Secunderabad – 500 003.

### 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**  
 Karvy House, 46, Avenue 4, Street No.1  
 Banjara Hills, Hyderabad – 500 034

### BANKERS

- Canara bank • HDFC Bank Limited • 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

### REGISTERED OFFICE

M-22/3RT,  
 Vijayanagar Colony  
 Hyderabad – 500 057  
 Tel : +91 - 40 - 2334 3678 / 3550 / 5130 / 8467  
 3093 1999 (30 Lines),  
 Fax: + 91 - 40 - 2334 5004

### CORPORATE OFFICE

Mihir, 8-2-350/5/A/24/1-B& 2,  
 Road No. 2, Panchavathi Colony,  
 Banjara Hills, Hyderabad – 500 034  
 Tel : +91 - 40 - 2335 6613 / 15 / 18 / 21 / 51 to 55  
 3093 1111 / 1444 (60 Lines),  
 Fax: + 91 - 40 - 2335 6693

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### FORWARD LOOKING STATEMENT

This communication contains statements that constitute "forward looking statements" including without limitations, 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 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.

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the thirteenth Annual General Meeting of the Members of **IVR Prime Urban Developers Limited** will be held on Tuesday the 8<sup>th</sup> September, 2009 at 11.30 A.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, 2009, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors attached thereto.
  2. To appoint a Director in place of Mr. R. Balarami Reddy, a Director, who retires by rotation and being eligible offers himself for reappointment.
  3. To appoint a Director in place of Mr. G. Ananth Sena Reddy, a Director, who retires by rotation and being eligible offers himself for reappointment.
  4. To re-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** 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 from the conclusion of this annual general meeting until 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."

**By order of the Board of Directors**

#### Registered Office :

M-22/3RT,  
Vijaynagar Colony,  
Hyderabad - 500057  
Date: 29.05.2009

**P. Vijaya Bhaskar**  
Company Secretary

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company. 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 Statement of particulars of Directors seeking reappointment 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 03.09.2009 to 08.09.2009 both days inclusive.

**By order of the Board of Directors**

#### Registered Office :

M-22/3RT,  
Vijaynagar Colony,  
Hyderabad - 500057  
Date: 29.05.2009

**P. Vijaya Bhaskar**  
Company Secretary

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

<b>Name of Director</b>	<b>Mr. R. Balarami Reddy</b>	<b>Mr. G. Ananth Sena Reddy</b>
Date of Birth	01.07.1954	30.08.1969
Date of Appointment	02.05.2001	30.01.2009
Expertise in Specific functional areas	He is a fellow member of the Institute of Chartered Accountants of India, and Associated member of the Institute of Cost and Works Accountants of India, Institute of Company Secretaries of India. He practiced as a Chartered Accountant for a period of 7 years earlier.	He is having rich experience in the areas of real estate, mine planning operations etc.,
Qualification	B.Com, FCA, AICWA, ACS	B.Com
List of other companies in which Directorship is held as on 31st March, 2009	a) IVRCL Infrastructures & Projects Ltd b) Hindustan Dorr-Oliver Limited c) IVR Strategic Resources & Services Ltd d) IVRCL Water Infrastructures Ltd e) First STP Private Limited f) IVRCL PSC Pipes Private Ltd g) IVR Enviro Projects Private Ltd h) IVRCL Building Products Ltd i) IVR Hotels and Resorts Ltd j) AP Enercon Engineers Private Ltd k) CSS Technergy Ltd	Sun Mining Private Limited
Chairman / Member of the Committees of the Board of the other Companies in which he is a Director as on 31st March, 2009	<b>Audit Committee Chairman</b> 1. IVRCL Water Infrastructures Ltd 2. IVR Strategic Resources & Services Ltd <b>Audit Committee Member</b> 1. Hindustan Dorr- Oliver Ltd <b>Investor Grievance Committee Member</b> 1. IVRCL Infrastructures & Projects Ltd	NIL
Equity shares held in the Company as on 31.03.2009	1,31,700	Nil

## DIRECTORS' REPORT

To  
The Members,

Your Directors present the Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

The performance of the Company for the financial year ended March 31, 2009 is summarised below:

### 1. FINANCIAL RESULTS:

(Rs.in million)

	Year ended 31.03.2009	Year ended 31.03.2008
Gross Turnover	810.65	6,143.32
Profit: Before interest, depreciation & tax	200.90	2,509.27
Interest	54.19	83.04
Less : Depreciation	12.94	7.50
Profit before tax	133.77	2,418.73
Provision for tax	47.91	660.79
Profit after tax (PAT)	85.86	1,757.94
Balance brought forward from previous year	1,596.04	314.10
Profit available for appropriation	1,681.90	2,072.04
Transfer to general reserve	NIL	175.79
Proposed dividend	NIL	256.60
Corporate dividend tax	NIL	43.61
Balance carried to balance sheet	1,681.90	1,596.04
Paid-up capital	641.50	641.50
Reserves and Surplus	9,195.01	9,109.15

### 2. REVIEW OF PERFORMANCE:

Your Company achieved a turnover of Rs. 810.65 millions in the financial year ended 31.03.2009 as against Rs.6,143.32 million for the previous financial year.

The Profit Before Tax (PBT) has come down from Rs.2418.73 million to Rs.133.77 million. The EPS has decreased from Rs.29.72 per share to Rs.1.34 per share.

### 3. DIVIDEND:

Your Directors regret their inability to recommend any dividend for the year 2008-09, due to the decreased profits.

### 4. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

The Company has 48 subsidiaries as on 31st March 2009 and the information regarding subsidiaries under Section 212 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 31st March 2009 have been furnished in Para 14 A (i) of Schedule - 19 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.

### 5. DIRECTORS:

Mr. R. Balarami Reddy and Mr. G. Ananth Sena Reddy, Directors are liable to retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Mahesh Madduri resigned as Director with effect from 07.06.2008 due to his other engagements. Mr. G. Ananth Sena Reddy was appointed Director on 30.01.2009 in the above vacancy.

### 6. AUDITORS:

M/s. Deloitte Haskins & Sells, the 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.

**7. 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, 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.

**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.

There is neither expenditure nor Earnings in Foreign currency during the year 2008-09.

**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-D** hereto and forms part of this report.

**c. FUTURE PROSPECTS:**

Your company acquired lands directly and through its wholly owned subsidiaries and also entered into Joint Development Agreements with some companies and individuals owning lands at Chennai, Hyderabad, Pune, Bangalore and Visakhapatnam. The plans for development of these lands are likely to result in around 70 million square feet of salable area during the next few years. However, the fortunes of the Company are linked to strong revival of the markets.

The recent trend indicates that the market has witnessed the lowest levels of demand and prices from the foreign investment point of view. India is a promising destination especially compared with so called developed US and Europe.

However, your management desires to take a cautious approach in respect of fresh investments in new projects and it is expected that the market would revive to its advantage.

**d. 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, Company Secretaries, confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49, is also annexed to the Report on Corporate Governance.

**8. 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, 2009, 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, 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**

**Registered Office :**

M-22/3RT, Vijaynagar Colony,  
Hyderabad - 500057  
Date: 29.05.2009

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



**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	Mummidhi 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 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.)	30,288,921	(89,953)	(27,878)	(28,372)	(27,917)	(27,878)	(31,961)	(27,921)
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.)	1,935,532	(128,357)	(49,170)	(49,820)	(49,132)	(49,554)	(22,611)	(49,511)



**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	Gajuwaka Developers Private Limited	Simhachalam Prime Developers Private Limited	Siripuram Developers Private Limited	IVR Prime Developers (Amalapuram) Private Limited	IVR Prime Developers (Erode) Private Limited	IVR Prime Developers (Guntur) Private Limited	IVR Prime Developers (Kakinada) Private Limited
	9	10	11	12	13	14	15	16
Number of shares held and extent of holding thereof by the holding company, 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.)	(30,930)	(29,788)	(30,059)	(29,835)	(29,554)	(29,554)	(29,046)	(29,046))
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.)	(22,606)	(22,320)	(22,269)	(22,134)	(22,023)	(22,023)	(21,896)	(21,896)

**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 (Pudukottai) 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	Theata Developers (Rajahmundry) Private Limited 24
Number of shares held and extent of holding thereof by the holding company, 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.)	(29,841)	(28,540)	(29,091)	(30,782)	(30,107)	(30,107)	(31,034)	(30,107)
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.)	(22,158)	(21,896)	(412,282)	—	—	—	—	—