

23<sup>rd</sup> ANNUAL REPORT 2009-10



*Sabse Bada Rupaiya*



Inauguration by **Dr. Kalaaignar M. Karunanidhi** Hon'ble Chief Minister of Tamil Nadu of the 'first of its kind' 100 MLD Sea Water Desalination Plant in India, a Project of IVRCL Assets & Holdings Ltd at Chennai for Chennai Metro Water Supply & Sewerage Board.

## BOARD OF DIRECTORS

E. SUDHIR REDDY  
E. SUNIL REDDY  
R. BALARAMI REDDY  
K. ASHOK REDDY  
E. ELLA REDDY  
T.N. CHATURVEDI  
T.R.C. BOSE  
P.R. TRIPATHI  
Dr. S.K. GUPTA  
Dr. L. SRINIVASA REDDY

B.SUBRAHMANYAM

### Statutory Auditors

M/s. Chaturvedi & Partners  
Chartered Accountants  
212A, Chiranjeev Towers 43,  
Nehru Place, New Delhi

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

### Registrars & Transfer Agents

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

### Registered Office

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

### Corporate Office

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

Chairman & Managing Director  
Vice Chairman  
Executive Director - Finance & Group CFO  
Executive Director  
Director  
Director  
Director  
Director  
Director  
Director

Company Secretary

### Internal Auditors

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

VCG & Co.  
Chartered Accountants  
203, Kushal Bazar, 32-33, Nehru Place,  
New Delhi - 110 019

### Bankers / Institutions

- |                         |                                |
|-------------------------|--------------------------------|
| ○ Allahabad Bank        | ○ Indian Overseas Bank         |
| ○ Andhra Bank           | ○ IndusInd Bank Ltd            |
| ○ Bank of Baroda        | ○ Karur Vysya Bank Ltd         |
| ○ Bank of India         | ○ Kotak Mahindra Bank Ltd      |
| ○ Bank of Nova Scotia   | ○ Punjab & Sind Bank           |
| ○ Barclays Bank plc     | ○ Standard Chartered Bank      |
| ○ Canara Bank           | ○ State Bank of India          |
| ○ Central Bank of India | ○ State Bank of Indore         |
| ○ Corporation Bank      | ○ State Bank of Mysore         |
| ○ DBS Bank Ltd          | ○ Syndicate Bank               |
| ○ Dena Bank             | ○ Tamilnad Mercantile Bank Ltd |
| ○ EXIM Bank Ltd         | ○ UCO Bank                     |
| ○ Federal Bank Ltd      | ○ Yes Bank Ltd                 |
| ○ HDFC Bank Ltd         | ○ LIC of India                 |
| ○ ICICI Bank Ltd        | ○ Reliance Capital Ltd         |
| ○ IDBI Bank             | ○ TATA Capital Ltd             |

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## FORWARD LOOKING STATEMENT

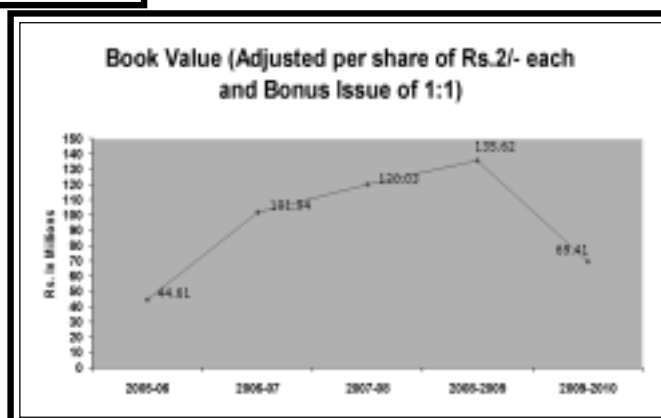
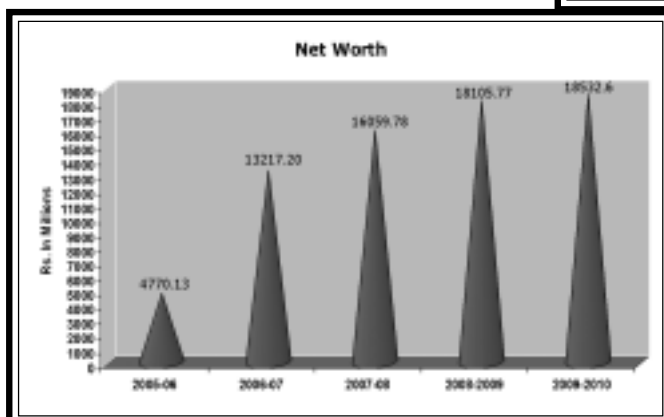
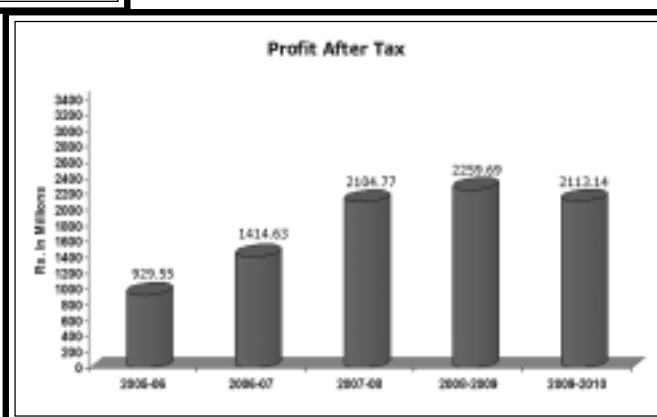
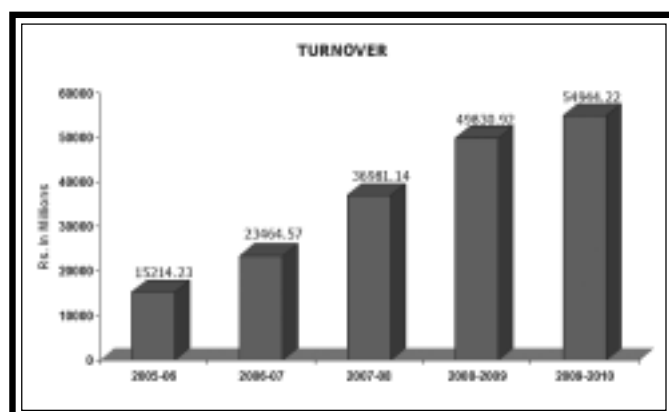
This communication contains statements that constitute “forward looking statements” including without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance.

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, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial condition of third parties dealing with us, legislative developments, and other key factors that have been indicated could adversely affect our business and financial performance.

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

## FINANCIAL PERFORMANCE



## PERFORMANCE AT A GLANCE

(Rs. in million)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Turnover	54944.22	49830.92	36,981.14	23,464.57	15,214.23	10,547.33	7,734.53	4,403.49	3,919.96	2,671.93
Profit Before Tax	3288.37	2737.76	2,853.30	1,850.96	1,037.25	594.67	427.12	240.06	199.22	153.79
Profit After Tax	2113.13	2259.69	2,104.77	1,414.63	929.55	567.08	391.81	155.09	130.94	128.06
Equity Capital	534.02	267.01	266.98	259.32	213.88	169.80	106.19	105.06	104.44	104.44
Reserves & Surplus	17998.57	17838.76	15,792.80	12,957.88	4,556.25	2,406.58	1,247.87	913.82	796.05	750.71
Net Worth	18532.59	18105.77	16,059.78	13,217.20	4,770.13	2,576.38	1,354.06	1,018.88	900.49	855.15
Gross Block	7501.77	6623.50	4,175.96	2,593.35	1,580.10	1,107.10	964.34	898.60	755.18	496.44
Net Block	5663.94	5206.97	3,191.94	1,929.13	1,107.35	741.03	672.97	703.94	644.74	404.02
Book Value (Rs.)										
per share	69.41	135.62	120.31	101.94	44.61	151.74	127.50	96.98	86.22	81.88
EPS (Rs.) Basic	7.91	16.93	16.08	12.38	8.84	33.56	37.04	14.85	12.54	12.26
Dividend	40%	70%	70%	50%	50%	30%	30%	30%	30%	30%

The Book Value and EPS are per share of Rs. 2/- each for the year 2005-06 to 2009-10 while figures for 2004-05 to 2000-01 indicate per share of Rs. 10/- each. Equity share of Rs. 10/- each was sub-dividend into five equity shares of Rs 2/- each with effect from 4th March, 2006. In the financial year 2009-10, 1:1 Bonus shares have been issued.

## NOTICE TO SHAREHOLDERS



Notice is hereby given that the twenty third Annual General Meeting of the Members of IVRCL Infrastructures & Projects Limited will be held on Saturday, the 18th day of September 2010 at Hotel Fortune Katriya, Somajiguda, Hyderabad - 500 082 at 12.30 P.M 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 declare a dividend on equity shares.
3. To appoint a Director in place of Mr. R.Balarami Reddy, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K.Ashok Reddy, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Mr. T.N.Chaturvedi, Director, who retires by rotation under Art 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration. To consider and pass the following resolution with or without modification(s) as an ordinary resolution:

"RESOLVED THAT M/s Deloitte Haskins & Sells and M/s. Chaturvedi & Partners, Chartered Accountants, the retiring Joint Statutory Auditors be and are hereby reappointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting at such remuneration as may be determined by the Board of Directors of the Company".

### SPECIAL BUSINESS:

7. **To re-appoint Mr. R.Balarami Reddy, Executive Director– Finance & Group CFO and fix his remuneration**

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

RESOLVED THAT Mr. R.Balarami Reddy be and is hereby reappointed as Executive Director – Finance & Group CFO, so long as he continues to be a Director liable to retire by rotation.

FURTHER RESOLVED that the remuneration paid to him for the period 01.04.2010 to 31.08.2010 as detailed hereunder be and is hereby confirmed.

- i) Salary – Rs.3,49,250/- p.m  
(Basic Salary – Rs.2,18,281/- p.m and Allowances - Rs.1,30,969/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to 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.
- ix) Leave as per rules of the Company.

RESOLVED FURTHER THAT Mr. R.Balarami Reddy be paid the following remuneration for the period from 01.09.2010 to 31.03.2011 and that his remuneration be increased from 01.04.2011 till such time he continues to be a Director liable to retire by rotation as may be decided by the Compensation Committee subject to the confirmation of the Members at the immediately following General Meeting.

- i) Salary – Rs. 3,49,250/- p.m  
(Basic Salary – Rs.2,18,281/- p.m and Allowances - Rs.1,30,969/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to 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
- ix) Leave as per rules of the Company.

**8. To re-appoint Mr. K.Ashok Reddy, Executive Director and fix his remuneration**

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

**RESOLVED THAT** Mr. K.Ashok Reddy be and is hereby reappointed as Executive Director, so long as he continues to be a Director liable to retire by rotation.

**FURTHER RESOLVED** that the remuneration paid to him for the period 01.04.2010 to 31.08.2010 as detailed hereunder be and is hereby confirmed.

- i) Salary – Rs.3,45,700/- p.m  
(Basic Salary – Rs.2,16,063/- p.m and Allowances - Rs.1,29,637/- p.m)
- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to 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.
- ix) Leave as per rules of the Company.

**RESOLVED FURTHER THAT** Mr. K.Ashok Reddy be paid the following remuneration for the period from 01.09.2010 to 31.03.2011 and that his remuneration be increased from 01.04.2011 till such time he continues to be a Director liable to retire by rotation as may be decided by the Compensation Committee subject to the confirmation of the Members at the immediately following General Meeting.

- i) Salary – Rs.3,45,700/- p.m  
(Basic Salary – Rs.2,16,063/- p.m and Allowances - Rs.1,29,637/- p.m)

- ii) Leave Travel Assistance at the rate of one month's basic salary per annum.
- iii) Reimbursement of medical expenses at the rate of one month's basic salary per annum.
- iv) Provident Fund at the rate of 12% of basic salary.
- v) Super-annuation benefits equivalent to one month's basic salary per annum at the discretion of the Compensation Committee of the Board of Directors.
- vi) Gratuity as per rules of the Company
- vii) Free telephone facility at residence and mobile phone but personal long distance calls will be billed to 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.
- ix) Leave as per rules of the Company.

**9. To consider increase in the borrowing powers of the Company from Rs.75,000 Million to Rs.85,000 Million**

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

**RESOLVED THAT** in supercession of the resolution limiting the borrowing powers of the Board of Directors of the Company upto Rs.75,000 millions passed at the Annual General Meeting held on 15<sup>th</sup> September, 2008, the Board of Directors of the Company be and is hereby authorised under Section 293(1)(d) of the Companies Act, 1956, to borrow moneys from time to time upto a limit not exceeding in the aggregate of Rs.85,000 millions including foreign borrowings like Foreign Currency Convertible Bonds, Foreign Currency Bonds etc. notwithstanding that monies to be borrowed, together with the moneys already borrowed by the Company apart from temporary loans obtained from the Company's Bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

By order of the Board of Directors  
of **IVRCL Infrastructures & Projects Limited**

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

**B. Subrahmanyam**  
Company Secretary



## NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy 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 Items 7 to 9 of the Notice is attached. The Statement of particulars of Directors seeking reappointment, as required 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 and DIPID 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 10.09.2010 to 18.09.2010 both days inclusive.
6. In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund.

### **Due Date for Transfer of dividend unclaimed to IEPF:**

Financial year	Date of declaration	Due for Transfer to IEPF
2003-04	17.09.2004	21.11.2011
2004-05	30.09.2005	03.12.2012
2005-06	29.09.2006	04.12.2013
2006-07	07.09.2007	10.11.2014
2007-08	15.09.2008	20.11.2015
2008-09	09-09-2009	14.11.2016

7. Members are requested to furnish bank details, change of address etc. to M/s. KARVY Computershare Pvt. Ltd., (Unit : IVRCL Infrastructures & Projects Ltd, 17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 who are the Company Registrar and Share

Transfer Agents so as to reach them latest by 31<sup>st</sup> August 2010, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the book closure date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.

8. All documents referred to in the accompanying Notice and the Explanatory Statement 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. up to the date of the Annual General Meeting.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM NO. 7**

To re-appoint Mr. R.Balarami Reddy, Executive Director– Finance & Group CFO and fix his remuneration

Mr. R.Balarami Reddy is retiring at the ensuing Annual General Meeting being longest in office. As decided by the Compensation Committee and the Board at their meetings held on 29<sup>th</sup> May 2010, a separate resolution for his re-appointment is proposed as Executive Director–Finance & Group CFO, so long as he continues to be a Director liable to retire by rotation and to authorise the Board to fix his remuneration.

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

**Memorandum of Interest:** None of the Directors except Mr. R.Balarami Reddy is interested in the above resolution.

This may be treated as an abstract of the terms of re-appointment of Mr. R. Balarami Reddy, Executive Director- Finance & Group CFO under Section 302 of the Companies Act 1956.

### **ITEM NO. 8**

To re-appoint Mr. K.Ashok Reddy, Executive Director and fix his remuneration

Mr. K.Ashok Reddy is retiring at the ensuing Annual General Meeting being longest in office. As decided by the Compensation Committee and the Board at their meeting held on 29<sup>th</sup> May 2010, a separate resolution for his re-appointment is proposed as Executive Director, so long as he continues to be a Director liable to retire by rotation and to authorise the Board to fix his remuneration.

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

**Memorandum of Interest**

None of the Directors except Mr. K.Ashok Reddy is interested in the above resolution.

This may be treated as an abstract of the terms of re-appointment of Mr. K.Ashok Reddy, Executive Director under Section 302 of the Companies Act 1956.

**ITEM NO.9**

Increase of borrowing powers from Rs.75,000 million to Rs.85,000 million.

The Board of Directors were authorised by a resolution passed in the annual general meeting dated 15<sup>th</sup> September, 2008, to borrow monies upto a limit of Rs.75,000 million under Section 293(1)(d) of the Companies Act, 1956. To meet the increasing financial requirements of the Company and to be in tune with the internal policies of some bankers who are considering temporary working capital loans as monies to be covered by the

borrowings under Section 293 (1)(d) of the Companies Act, 1956, it was felt necessary that the borrowing powers of the Board of Directors be increased from Rs.75,000 million to Rs.85,000 million.

The Board recommends the said resolution for adoption by members.

**Memorandum of Interest**

None of the Directors is interested in the above resolution, except to the extent of their shareholding, if any.

By order of the Board of Directors  
of **IVRCL Infrastructures & Projects Limited**

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

**B. Subrahmanyam**  
Company Secretary