

IVRCL LIMITED



24th ANNUAL REPORT

2 0 1 0 - 2 0 1 1

BOARD OF DIRECTORS

E. SUDHIR REDDY

Chairman & Managing Director

E. SUNIL REDDY

Vice Chairman

R. BALARAMI REDDY

Executive Director - Finance & Group CFO

K. ASHOK REDDY

Executive Director

E. ELLA REDDY

Director

T.N. CHATURVEDI

Director

T.R.C. BOSE

Director

P.R. TRIPATHI

Director

DR. L. SRINIVASA REDDY

Director

V. MURAHARI REDDY

Director

B. SUBRAHMANYAM

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

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.

Bankers / Institutions

- | | | |
|--------------------------------|---------------------------|----------------------------------|
| ○ Allahabad Bank | ○ Andhra Bank | ○ Bank of Baroda |
| ○ Bank of India | ○ Bank of Nova Scotia | ○ Barclays Bank PLC |
| ○ Bajaj Auto Finance Limited | ○ Canara Bank | ○ Central Bank of India |
| ○ Corporation Bank | ○ DBS Bank Ltd | ○ Dena Bank |
| ○ Deutsche Bank | ○ EXIM Bank Ltd | ○ Federal Bank Ltd |
| ○ HDFC Bank Ltd | ○ ICICI Bank Ltd | ○ IDBI Bank |
| ○ Indian Overseas Bank | ○ IndusInd Bank Ltd | ○ ING Vysya Bank Ltd |
| ○ Karur Vysya Bank Ltd | ○ Kotak Mahindra Bank Ltd | ○ LIC of India |
| ○ Punjab & Sind Bank | ○ Reliance Capital Ltd | ○ Standard Chartered Bank |
| ○ State Bank of India | ○ Syndicate Bank | ○ SREI Equipment Finance Pvt Ltd |
| ○ Tamilnad Mercantile Bank Ltd | ○ TATA Capital Ltd | ○ UCO Bank |
| ○ Union Bank of India | ○ Yes Bank Ltd | |

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

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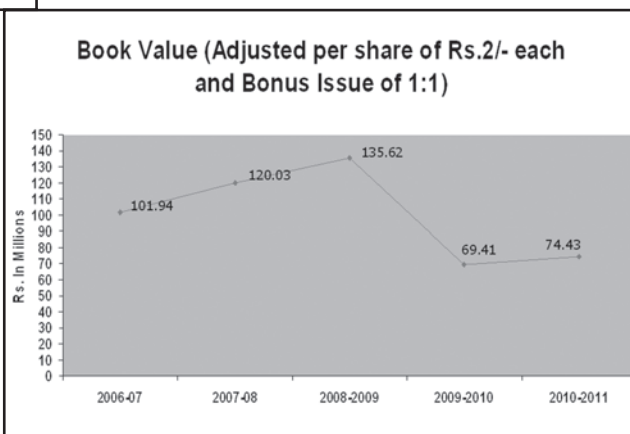
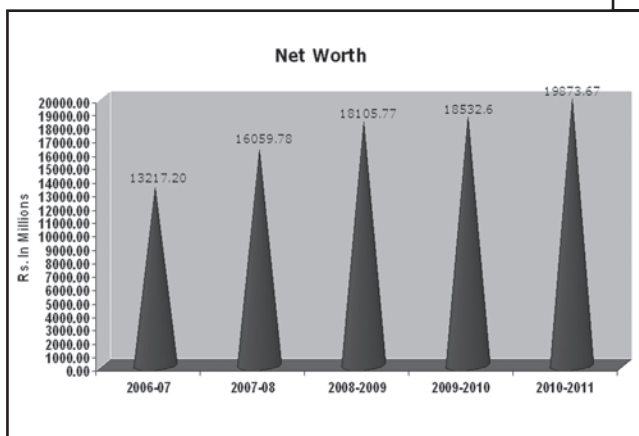
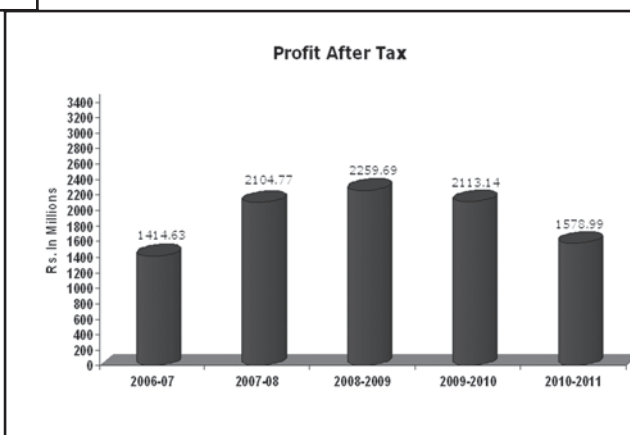
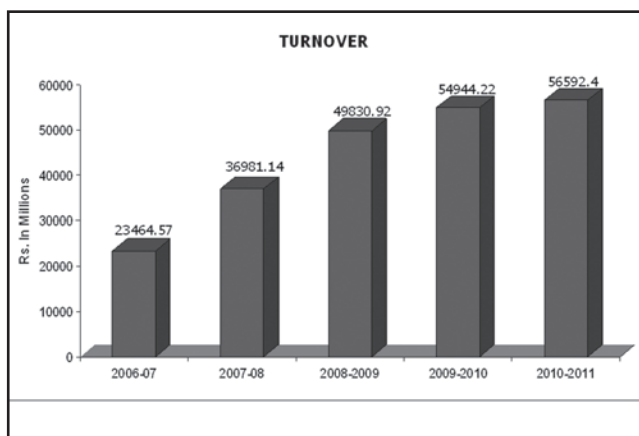
FORWARD LOOKING STATEMENT

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 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.



PERFORMANCE AT A GLANCE

(₹ in million)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Turnover	56592.40	54950.50	49830.92	36,981.14	23,464.57	15,214.23	10,547.33	7,734.53	4,403.49	3,919.96
Profit Before Tax	2326.19	3288.37	2737.76	2,853.30	1,850.96	1,037.25	594.67	427.12	240.06	199.22
Profit After Tax	1578.99	2113.13	2259.69	2,104.77	1,414.63	929.55	567.08	391.81	155.09	130.94
Equity Capital	534.02	534.02	267.01	266.98	259.32	213.88	169.80	106.19	105.06	104.44
Reserves & Surplus	19339.65	17998.57	17838.76	15,792.80	12,957.88	4,556.25	2,406.58	1,247.87	913.82	796.05
Net Worth	19873.67	18532.59	18105.77	16,059.78	13,217.20	4,770.13	2,576.38	1,354.06	1,018.88	900.49
Gross Block	9242.27	7501.77	6623.50	4,175.96	2,593.35	1,580.10	1,107.10	964.34	898.60	755.18
Net Block	6918.07	5663.94	5206.97	3,191.94	1,929.13	1,107.35	741.03	672.97	703.94	644.74
Book Value (₹) per share	74.43	69.41	135.62	120.31	101.94	44.61	151.74	127.50	96.98	86.22
EPS (₹) Basic	5.91	7.91	16.93	16.08	12.38	8.84	33.56	37.04	14.85	12.54
Dividend	30%	40%	70%	70%	50%	50%	30%	30%	30%	30%

The Book Value and EPS are per share of ₹ 2/- each for the year 2005-06 to 2010-11, while figures for 2001-02 to 2004-05 indicate per share of ₹ 10/- each.

Equity share of ₹ 10/- each was sub-divided into five equity shares of ₹ 2/- each with effect from 4th March, 2006.

In the financial year 2009-10, 1:1 Bonus equity shares have been issued.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of IVRCL Limited will be held on Monday, the 26th day of September 2011 at “K.L.N.Prasad Auditorium”, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500004 at 3.30 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, 2011, 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. E.Ella 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. P.R.Tripathi, 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 place of Dr. L.Srinivasa Reddy, 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, Chartered Accountants (Registration No.008072S) and M/s. Chaturvedi & Partners, Chartered Accountants (Registration No.307068E), 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 appoint Mr. V.Murahari Reddy as a 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 be and is hereby appointed Director of the Company liable to retire by rotation.

8. To appoint Auditors to the Branch Offices 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 pursuant to provisions of Section 228 and other applicable provisions if any of the Companies Act, 1956, the Board of Directors be and is hereby authorized to appoint Branch Auditor / Auditors of any Branch Office(s) of the company existing, including those which may be opened / acquired hereafter, in India or abroad, in consultation with the Company's Auditor(s), any person (s) qualified to act as Branch Auditor (s) within the provisions of Section 228 of the Companies Act and to fix their remuneration.

By order of the Board of Directors of
IVRCL Limited

Regd. Office :

M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date : 28.05.2011

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 and 8 of the Notice is attached. The Statement of particulars of Directors seeking appointment/re-appointment, 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 19.09.2011 to 26.09.2011 both days inclusive, for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.**
6. The dividend on Equity Shares, if declared at the Meeting, will be paid to those members whose names shall appear

on the Company's Register of Members on September 19, 2011 in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

8. 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.

Financial year	Date of declaration	Due date 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
2009-10	18-09-2010	24.11.2017

9. Members are requested to furnish bank details, change of address etc., to M/s. KARVY Computershare Pvt. Ltd. (Unit : IVRCL Limited, 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 September 10, 2011 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.

10. 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.

11. Non-Resident Indian Members are requested to inform Karvy, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

To appoint Mr. V.Murahari Reddy as a Director of the Company

Mr. V.Murahari Reddy was co-opted as an Additional Director of the Company w.e.f 14.05.2011 and he will hold the office until the conclusion of this Annual General Meeting. The Company has received a notice along with requisite deposit proposing him for being elected as Director liable to retire by rotation.

Memorandum of Interest: None of the Directors except Mr. V.Murahari Reddy is interested in the above resolution.

ITEM NO.8

To appoint Auditors to the Branch Offices of the Company

The company has branch offices in United Arab Emirates and Kingdom of Saudi Arabia. In respect of other branch offices of the company if any, which may be opened during the year in India as well as abroad, the shareholders are requested to authorize the Board to appoint Branch Auditors in accordance with the provisions of the Companies Act, 1956 in consultation with the Company's Statutory Auditors and to fix their remuneration.

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

Memorandum of Interest: None of the Directors is concerned or interested in the above resolution.

By order of the Board of Directors of
IVRCL Limited

Regd. Office :
M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date : 28.05.2011

B. Subrahmanyam
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited, Registrars & Transfer Agents.

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

Annexure -A			
Name of Director	Mr. E. Ella Reddy	Mr. P.R. Tripathi	Mr. V. Murahari Reddy
Date of Birth	18.08.1933	24.06.1943	01.07.1943
Date of Appointment	07.12.1994	07.07.2006	14.05.2011
Expertise in Specific functional areas	Advocate with 28 years of standing	He is an expert in the areas of mine planning, operation and management of mineral projects and has 43 years of experience in the mining industry	He is experienced in hydraulic & water resources engineering. He is author of several books, contributed articles in professional magazines, submitted research reports, has close partnership with several controlled systems manufacturers in USA, France etc.
Qualification(s)	B.A. B.L.	B.Sc.(Hon.) A.I.S.M. (Mining), F.C.C (Coal & Metal)	Ph.D, M.Tech., B.E. (Civil) Engineering
List of other Companies in which Directorship is held as on 31 March, 2011	Eragam Holdings Ltd.	a) Minman Consultancy Services Private Limited b) Sarda Energy & Minerals Ltd c) IVRCL Assets & Holdings Ltd d) HDO Technologies Ltd e) Premier Explosives Ltd f) Dharni Sampada Private Ltd g) Hindustan Dorr-Oliver Ltd h) IVR Hotels & Resorts Ltd	a) Fluid Hammer Consultancy Services Private Limited b) Saisanket Enterprises Private Limited c) ACWASYS Engineering Pvt Ltd
Chairman/Member of the Committees of the Board of the Companies in which he is a Director as on March 31, 2011	NIL	a) Hindustan Dorr- Oliver Ltd Member Audit Committee b) IVRCL Assets & Holdings Ltd Member Audit Committee Shareholders Grievance Committee	NIL
Equity shares held in the Company	NIL	NIL	NIL
Relationship between Directors Inter-se	NIL	NIL	NIL

DIRECTORS' REPORT

To

The Members

The Directors have pleasure in presenting the 24th Annual Report and Audited Accounts for the financial year ended 31st March 2011.

1. FINANCIAL RESULTS

(₹ in million)

	Year ended 31.03.2011	Year ended 31.03.2010
Gross Turnover	56,592.40	54,950.50
Profit before Interest, Depreciation, Extraordinary items & Tax	5,265.55	5,467.77
Less : Interest & Finance Charges	2,181.55	1,636.56
Less : Depreciation	757.81	542.84
Profit before tax (PBT)	2,326.19	3,288.37
Provision for tax	747.20	1,177.21
Profit after tax (PAT)	1,578.99	2,113.13
Balance brought forward from previous year/ Adjustment	4,129.96	3,082.03
Profit available for appropriation	5,708.95	5,195.16
Appropriations : Transfer to		
General Reserve	400.00	500.00
Debenture Redemption Reserve	147.21	315.29
Proposed Dividend	160.21	213.61
Corporate Dividend Tax (Net)	22.62	36.30
Sum total of Appropriations	730.04	1,065.20
Balance carried to Balance Sheet	4,978.91	4,129.96
Paid-up Capital	534.02	534.02
Reserves and Surplus	19,339.65	17,998.57

2. DIVIDEND

Your Directors have pleasure in recommending a dividend of 30% i.e. ₹ 0.60 paise per share of ₹ 2/- each (previous year ₹ 0.80 paise per share of ₹ 2/- each) on 267,009,858 equity shares of ₹ 2/- each for the financial year ended 31st March, 2011.

The dividend pay out for the year under review is in accordance with the Company's policy of suitably rewarding the shareholders besides keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum.

3. RESERVES

It is proposed to transfer ₹ 400 million to the General Reserves of the Company, constituting 25.33% of the profits made during the year. Further, it is proposed to transfer ₹ 147.21 million to Debenture Redemption Reserve.

4. REVIEW OF PERFORMANCE

The financial year 2010-11 is a year of moderate growth. Your company achieved a gross turnover of ₹ 56,592.40 million for the year ended 31st March, 2011 as against ₹ 54,950.50 million for the previous financial year registering an incremental turnover of ₹ 1,641.90 million and recording a growth rate of 3% over the previous year.

The Earnings before Interest, Depreciation, Taxes and Amortisation (EBIDTA) at ₹ 5,265.55 million are 9.3% of the Gross Turnover for the year under review as against 9.95% for the previous financial year.

5. ORDER BOOK POSITION:

The Order Book has increased to ₹ 239,790 million (including L1 of ₹ 23,740 million) as on date.

Sl. No.	Name of the Division	Amount (₹ in million)
1	Water & Environment	111,090
2	Transportation	61,270
3	Power	10,050
4	Buildings & Industrial Structures	55,340
5	Oil & Gas	1,740
6	Mining	300
	TOTAL	239,790

6. CHANGE IN THE NAME OF COMPANY

Your Directors are glad to inform that, after securing the approval of the members of the Company through Postal Ballot and that of the Central Government, the name of the company has been changed to "IVRCL Limited" with effect from 18th March, 2011.