



26th Annual Report 2012-2013

BOARD OF DIRECTORS

E. SUDHIR REDDY

E. SUNIL REDDY

R. BALARAMI REDDY

K. ASHOK REDDY

E. ELLA REDDY

T.R.C. BOSE

P.R. TRIPATHI

Dr. L. SRINIVASA REDDY

V. MURAHARI REDDY

B. SUBRAHMANYAM

Chairman & Managing Director

Vice Chairman

Executive Director - Finance & Group CFO

Executive 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

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

- | | |
|-----------------------------|----------------------------------|
| ○ Andhra Bank | ○ Axis Bank Ltd |
| ○ Bank of Nova Scotia | ○ Barclays Bank plc |
| ○ Canara Bank | ○ Corporation Bank |
| ○ DBS Bank Ltd | ○ EXIM Bank Ltd |
| ○ HDFC Bank Ltd | ○ ICICI Bank Ltd |
| ○ ING Vysya Bank Ltd | ○ IDBI Bank |
| ○ Indian Overseas Bank | ○ IndusInd Bank Ltd |
| ○ Karur Vysya Bank Ltd | ○ LIC of India |
| ○ Punjab & Sind Bank | ○ State Bank of India |
| ○ Standard Chartered Bank | ○ The Lakshmi Vilas bank |
| ○ Union Bank of India | ○ Tamilnad Mercantile Bank Ltd |
| ○ TATA Capital Ltd | ○ SREI Equipment Finance Pvt Ltd |
| ○ Shriram Equipment Finance | |

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.

NOTICE TO SHAREHOLDERS



Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of IVRCL Limited will be held on Thursday, 26th September, 2013 at 3.30 p.m. at K.L.N Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation house, 11-6-841, Red Hills, Hyderabad-500 004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for 9 months period ended March 31, 2013, 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, Director, who retires by rotation under Article 121 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. K. Ashok Reddy, a Director who retires by rotation under Article 121 of the Articles of Association of the Company 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. Deloitte Haskins & Sells, Chartered Accountants bearing Registration No. 008072S, and M/s Chaturvedi & Partners, Chartered Accountants bearing Registration No. 307068E, the retiring Joint Statutory Auditors be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this 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:

5. Making Mr. R. Balarami Reddy and Mr. K. Ashok Reddy as Non- Rotational Directors

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

"RESOLVED THAT subject to the provisions of Sections 255 & 256 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and further

subject to any statutory or other approvals as may be required, Mr. R. Balarami Reddy, Executive Director - Finance & Group CFO and Mr. K. Ashok Reddy, Executive Director of the Company, shall not be liable to retire by rotation at any Annual General Meeting of the Company and their period of office shall not be liable to determination by retirement of directors by rotation.

6. To Re-appoint Mr.R.Balarami Reddy as Executive Director – Finance & Group CFO.

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

RESOLVED THAT Mr.R.Balarami Reddy be and is hereby appointed/reappointed as Executive Director-Finance & Group CFO for a period of five years w.e.f. 26.09.2013 .

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required, the Company hereby accords its approval for the payment of the following remuneration to Mr.R.Balarami Reddy, Executive Director – Finance & Group CFO, during his tenure.

- i) Salary – ₹ 3,49,250/- p.m
(Basic Salary – ₹ 2,18,281/- p.m and Allowances – ₹ 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 Mr. R. Balarami Reddy
- 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 in the event of inadequacy or absence of profits in any financial year, during the currency of tenure of Mr.R.Balarami Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, enhance, or widen the scope of remuneration and perquisites payable to Mr.R.Balarami Reddy during his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities, if required, to give effect to this resolution.

7. To Re-appoint Mr.K.Ashok Reddy as Executive Director.

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

RESOLVED THAT Mr. K.Ashok Reddy be and is hereby appointed/reappointed as Executive Director for a period of five years w.e.f. 26.09.2013 .

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including the rules made there under and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force ("the Act") and subject to approval of the Central Government, if required and all other sanctions, approvals and permissions as may be required, the Company hereby accords its approval for the payment of the following remuneration to Mr.K.Ashok Reddy, Executive Director, during his tenure.

- i) Salary – ₹ 3,45,700/- p.m (Basic Salary – ₹ 2,16,063/- p.m and Allowances - ₹ 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 Mr.K.Ashok Reddy

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 in the event of inadequacy or absence of profits in any financial year, during the currency of tenure of Mr.K.Ashok Reddy, the aforesaid remuneration be paid as minimum remuneration, notwithstanding that the same exceeds/ may exceed the ceiling limits laid down in Sections 198, 309 and Schedule XIII of the Act, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, enhance, or widen the scope of remuneration and perquisites payable to Mr.K.Ashok Reddy during his tenure, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to Central Government or such other regulatory authorities, if required, to give effect to this resolution.

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 the 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 any person(s) qualified to act as Auditor/Auditors for the Branch Office(s) of the Company, including those which may be opened/acquired hereafter, in India or abroad, in consultation with the Company's Auditor(s) and to fix their remuneration.

9. To consider the Employees Stock Option Scheme (IVRCL ESOP- 2013).

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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and directions issued by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall also include any committee constituted/to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot upto 1,00,00,000 (One Crore) options convertible into 1,00,00,000 (One Crore) equity shares of nominal value of ₹ 2/- each at one option liable to be converted into one share of ₹ 2/- each at a price which shall be 50% of the closing price recorded on National Stock Exchange of India Limited (NSE) on the date of such grant and on such terms and conditions as may be specified and determined by the Board.

RESOLVED FURTHER THAT the shares allotted on exercise of the options shall rank paripassu with the shares outstanding on the date of allotment in all respect including dividend.

RESOLVED FURTHER THAT the Company may formulate IVRCL-ESOP:2013 Scheme for the benefit of

the employees of the Company, inter alia, on the broad terms and conditions as given in the explanatory statement annexed to this notice and to make any modifications, changes, variations, revisions in the terms and conditions of the scheme.

RESOLVED FURTHER THAT in accordance to the aforesaid resolutions and provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the consent of the company be and is hereby granted to the Board to issue, offer, allot and grant such options to permanent employees of the Company whether in India or Overseas including executive, non-executive and Independent Directors but excepting promoter directors and directors who hold directly or indirectly more than 10% of the outstanding equity shares of the Company and on such terms and conditions as may be specified and determined by the Board.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to determine and frame all other terms and conditions of the issue of the said options convertible into equity shares of ₹ 2/- each as the Board may in its discretion deem fit and proper.

RESOLVED FURTHER THAT the grant of options and issue and allotment of such equity shares thereof to the employees who are non-residents will be subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, or any other applicable enactment introduced by Government of India from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek listing of such equity shares of face value of ₹ 2/- each at all such Stock Exchanges where the equity shares of the company are listed for the time being.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of fresh shares, to effect any modification to the foregoing resolutions in the best interests of the Company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary or desirable including of the readjustment of shares to be allotted in case of sub division or consolidation of share capital.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the aforesaid resolutions."

10. To consider Grant of options to the employees of subsidiaries of IVRCL Limited under Employees Stock Option Scheme (IVRCL ESOP- 2013).

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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and directions issued by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred

to as the “Board”, which term shall also include any committee constituted/to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to extend the benefits of Employees Stock Option Scheme (IVRCL ESOP- 2013) proposed in Resolution No.9 in this notice to all employees being permanent employees a Director whether whole-time Director or not, of any subsidiary of the Company in India or outside India

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of fresh shares, to effect any modification to the foregoing resolution in the best interests of the Company and its shareholders and to execute all such writings and instruments as the Board may in its absolute discretion deem necessary or desirable including of the readjustment of shares to be allotted in case of sub division or consolidation of share capital.

By order of the Board of Directors

Regd. Office :
M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date: 30-05-2013

B. Subrahmanyam
Company Secretary

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 such 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 Secretary 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 Item 5, 6, 7, 8, 9 and 10 is provided beneath.
4. Pursuant to Clause 49 of the Listing Agreement, the particulars of the Directors seeking appointment/re-appointment at this meeting are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company shall be closed from September 20, 2013 to September 26, 2013 inclusive of both days.
6. Members are requested,
 - i) To Bring the duly filled in Attendance slip and deliver the same at the entrance of the meeting hall
 - ii) To notify the changes, if any, in their addresses and/or bank particulars, in respect of the physical shares held by them to the Karvy Computershare Private Limited, RTA and their Depository Participants (DP) in respect of shares held in dematerialized form.
 - iii) Quote Folio/ Client Id and DP ID no.s in all their correspondence.
- iv) To note that the copies of Annual Reports will not be distributed at the Annual General Meeting.
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. Non Resident Indian Members are requested to inform RTA or DP, as the case may be, immediately of:
 - i) Change in their residential status on return to India for permanent settlement.
 - ii) 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.
9. A Corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e only if the corporate member sends certified true copy of the Board and/or Committee resolution or Power of Attorney authorizing the Representative to attend and vote at the meeting on its behalf.
10. i) Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956 the Company had transferred the dividend amount that was remaining unpaid or unclaimed for the Financial year 2004-05 to the Investors Education and Protection Fund on 05.12.2012. The Company will transfer the dividend amount that remains unpaid or unclaimed for the Financial year 2005-06 to the Investors Education and Protection Fund on 04.12.2013. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio no. / Client ID and DP ID to the Karvy Computershare Private Limited, RTA.
- ii) The details of unclaimed dividend are as follows,

Financial Year	Particulars	Date of Declaration/received	Due date of transfer to IEPF
2005-06	Dividend	29.09.2006	04.12.2013
2006-07	Dividend	07.09.2007	10.11.2014
2007-08	Dividend	15.09.2008	20.11.2015
2007-08	Dividend of IVRCL A&H*	15.09.2008	22.11.2015
2008-09	Dividend	09.09.2009	14.11.2016
2009-10	Dividend	18.09.2010	02.11.2017
2010-11	Dividend	26.09.2011	02.12.2018

* IVRCL A&H means IVRCL Assets & Holdings Limited, which has been merged with the Company.

11. Ministry of Corporate Affairs (MCA), vide its circular no. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively has permitted companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we are sending documents like the notice convening the general meetings, Financial Statements, Director's Report and Auditor's Report etc., to the email address provided by you with your Depository Participants.

We request you to update your email address with your Depository Participant to ensure that the annual report and other documents reach you on your preferred email Id.

12. The Securities and Exchange Board of India (SEBI) has notified that the holders of the shares in physical form are required to furnish certified copy of their PAN card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly all the shareholders are required to furnish their certified true copy of PAN card. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item 5

Mr. R. Balarami Reddy, Executive Director - Finance & Group CFO and Mr. K. Ashok Reddy, Executive Director have been associated with the Company since 1997. Their term of office is liable to determination by retirement of directors by rotation under Sections 255 & 256 of the Companies Act, 1956.

Considering their competence and invigorating leadership, which has resulted in sustained growth for the Company, it is proposed by the Board to make Mr. R. Balarami Reddy and Mr. K. Ashok Reddy as permanent members on the board not liable to retire by rotation and their period of office shall not be liable to determination by retirement of directors by rotation. Such appointment if approved by the shareholders through the resolution contained in item 5 of the accompanying notice, will be within the provisions of Section 255 of the Companies Act, which allows the Company to appoint one-third of the total number of directors as non-rotational directors.

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

None of the directors of the Company except Mr. R. Balarami Reddy and Mr. K. Ashok Reddy is interested in the above resolution.

Item 6 & 7.

Mr.R.Balarami Reddy is retiring at the ensuing Annual General Meeting being longest in the Office. It is proposed that Mr.R.Balarami Reddy be reappointed for a further tenure and the Compensation Committee and the Board

approved the said proposal of reappointing Mr.R.Balarami Reddy as Executive Director-Finance & Group CFO for a period of five years w.e.f. 26.09.2013. Mr.K.Ashok Reddy is retiring at the ensuing Annual General Meeting being longest in the Office. It is proposed that Mr.K.Ashok Reddy be reappointed for a further tenure and the Compensation Committee and the Board approved the said proposal of reappointing Mr.K.Ashok Reddy as Executive Director for a period of five years w.e.f. 26.09.2013 .

The Compensation Committee considering the rich experience and contribution of Mr.R.Balarami Reddy and Mr.K.Ashok Reddy, approved to pay the remuneration as specified in the respective resolutions during their tenure, not exceeding three years, subject to required compliances of the Act.

Approval of the members by way of Special resolution is sought for the said proposals.

The Compensation Committee and Board recommends the above resolutions for adoption by the members.

In respect of item 6, except Mr.R.Balarami Reddy, none of the directors is interested in the aforesaid resolutions.

In respect of item 7, except Mr.K.Ashok Reddy, none of the directors is interested in the aforesaid resolutions.

Item 8.

The Company has Branch Offices in Dubai, Kingdom of Saudi Arabia and Kenya. In respect of the existing branch offices and 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.

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

Item 9 & 10

In order to attract and retain qualified, talented and competent personnel in the Company, your Company has instituted a "IVRCL ESOP 2013" (hereinafter called as ESOPs) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications therein from time to time (hereinafter known as SEBI Guidelines). The salient features of the proposed "IVRCL ESOP 2013" are as follows.

a) The total Number of Options to be granted

The total number of options to be granted under this scheme are 1,00,00,000 (One Crore only). Each option granted, shall entitle the employee to apply for and be allotted one equity share of the Company subject to the fulfilment of vesting requirements.

b) Identification of classes of employees entitled to participate in the ESOS

All Permanent employees of the Company and its subsidiaries whether in India or Overseas including the Executive, Non- executive and Independent Directors of the Company and its subsidiaries as may be eligible in accordance with the SEBI Guidelines are entitled to participate in the Scheme.

Such other persons, as may from time to time be allowed under applicable laws and regulations prevailing from time to time and as may be approved by the Board of Directors / Compensation Committee.

c) Requirements of Vesting and period of vesting

The vesting requirements shall, inter alia consist of satisfactory performance of the employees, their continued employment in the Company and its subsidiaries and such other reasonable requirements as may be specified by the Compensation Committee. There shall be minimum period of one year between the grant of options and vesting of options.

d) Maximum period within which the option shall be vested

The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

e) Exercise price or pricing formula

The Price at which the options which are convertible into equity shares on nominal value of Rs.2/- per share shall be at a price which is 50% of the closing price recorded on National Stock Exchange (NSE) on the date of such grant and on such terms and conditions as may be specified and determined by the Board / Compensation Committee.

f) Exercise period and process of exercise

The exercise period shall be as decided by the Compensation Committee of the Board of Directors. The options will be exercisable by the employees by written application to the Company to exercise the options in such manner and on execution of such documents as may be prescribed by Compensation Committee / Board of Directors from time to time. During the exercise period, the option holders shall exercise the options and pay the exercise price of the options for conversion into Equity Shares of the Company.

g) The appraisal process for determining the eligibility of employees to the ESOS

Board/Compensation Committee shall decide on the selection of employees and grant of options, the basis of which shall include but shall not be limited to:

1. Performance of the employee
2. Position and responsibility of the employee
3. Nature of employee's services to the Company

4. The period for which the employee has rendered his services to the Company
5. Potential of the employee to contribute to the Company's performance
6. The extent of contribution made by the employee towards business results, achievement of medium to long term plans of the Company, processes, customers satisfaction etc,

Any other criteria as may be decided by the Board / Compensation Committee from time to time.

The Board/Compensation Committee may also decide to offer a fixed number of options to new eligible employees based on the grade and/or criticality of the position.

h) Maximum number of options to be issued per employee and in aggregate.

The Maximum number of options to be granted per employee including Directors during any one year, shall not be equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of the option. The aggregate of all such grants under the scheme shall not exceed such number of Equity shares per employee of the Company as may be decided by the Compensation Committee.

i) A statement to the effect that the company shall conform to the accounting policies specified in Clause 13.1

It is hereby stated that the Company shall conform to the accounting policies specified in Clause 13.1 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or such other guidelines as may be applicable, from time to time.

j) The Company intends to use the Intrinsic value Method to calculate the employees' compensation cost in respect of the shares allotted by the Company to the Employees under the Employee stock Option Scheme

k) In case the Company calculates the employee compensation cost using the intrinsic value of the Share, the difference between the employee compensation cost so computed and the employee Compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed in the Directors' report and also impact of this difference on profits and on EPS of the Company, if applicable shall also be disclosed in the Directors' report.

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

None of the Directors is concerned or interested in the above resolutions.

By order of the Board of Directors

Regd. Office :
M-22/3RT,
Vijayanagar Colony,
Hyderabad - 500 057
Date: 30-05-2013

B. Subrahmanyam
Company Secretary