

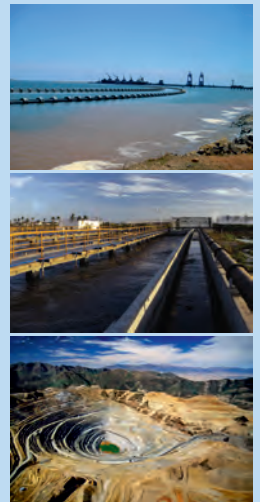
29<sup>th</sup>

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# ANNUAL REPORT

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2015-2016



**E. SUDHIR REDDY**  
**R. BALARAMI REDDY**  
**K. ASHOK REDDY**  
**T. R. C. BOSE**  
**P. R. TRIPATHI**  
**V. MURAHARI REDDY**  
**M. HIMA BINDU**  
**B. SUBRAHMANYAM**

Chairman & Managing Director  
 Joint Managing Director  
 Joint Managing Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Independent 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

## Registrar & Transfer Agents

M/s. KARVY Computershare Private Limited  
 Karvy Selenium, Tower B, Plot number 31 & 32,  
 Financial District, Gachibowli, Hyderabad 500 032

## Statutory Auditors

### M/s. Chaturvedi & Partners

Chartered Accountants  
 212A, Chiranjeev Towers 43,  
 Nehru Place,  
 New Delhi

## Registered Office

M-22/3RT, Vijayanagar Colony,  
 Hyderabad – 500 057, Telangana, 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, Telangana, India  
 Ph: 91-40-2335 6613 / 15/ 18/21/ 51 to 55, 30931111/1444  
 (60 Lines)  
 Fax: 91-40-2335 6693

## 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                                      |
| ○ IDBI Bank                          | ○ Indian Overseas Bank                                |
| ○ IndusInd Bank Ltd                  | ○ International Assets Reconstruction Company Pvt Ltd |
| ○ KarurVysya Bank Ltd                | ○ LIC of India  |
| ○ Punjab & Sind Bank                 | ○ Standard Chartered Bank                             |
| ○ State Bank of India                | ○ SREI Equipment Finance Pvt Ltd                      |
| ○ The Lakshmi Vilas bank             | ○ Tamilnadu Mercantile Bank Ltd                       |
| ○ TATA Capital Financial Service Ltd | ○ Union Bank of India                                 |

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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

Notice is hereby given that Twenty Ninth Annual General Meeting of IVRCL Limited (CIN: L45201AP1987PLC007959) will be held on Monday, 26th day of September, 2016 at 3.30 pm at "K.L.N. Prasad Auditorium", the Federation of Telangana & Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March, 2016, together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Balarami Reddy (DIN: 00022176) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended, from time to time, and resolution passed by the members of the Company at the Annual General Meeting held on September 26, 2014, the appointment of M/s. Chaturvedi & Partners, Chartered Accountants (Firm registration no. 307068E), as Statutory Auditors, be and is hereby ratified to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting to be held in the year 2017, at such remuneration as may be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS:

4. **To re-appoint Mr. R. Balarami Reddy as Joint Managing Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval of the Central Government and such other approvals, as may be required, the consent of the members of the Company

be and is hereby accorded for re-appointment of Mr. R. Balarami Reddy (DIN:00022176) as Whole time Director designated as Joint Managing Director for a term of five years w.e.f 01.06.2016 and remuneration, as detailed hereunder, be paid for a period of three years, from 01.06.2016 to 31.05.2019.

- A. Salary - ₹ 4,98,168/-p.m (Basic Salary- ₹ 2,89,906/-p.m and Perks & Allowances- ₹ 2,08,262/- p.m)
- B. Retiral Benefits:
  - i. Provident fund @ 12% of basic pay.
  - ii. Superannuation benefits as per rules of the company.
- C. Any other perquisites as per rules of the Company.

**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 as specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, 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."

5. **Remuneration payable to Mr. K. Ashok Reddy, Joint Managing Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the resolutions dated May 30, 2015 and September 26, 2015 of the Board and Shareholders respectively, approving the re-appointment and remuneration of Mr. K. Ashok Reddy (DIN:00024497) as Joint Managing Director and subject to approval of the Central Government and such other approvals, as may be required, the consent of the

members of the Company be and is hereby accorded for the payment of remuneration, as detailed hereunder, to Mr. K. Ashok Reddy, Joint Managing Director, for a period of three years, from 01.06.2016 to 31.05.2019.

- A. Salary: ₹ 4,93,034/-p.m (Basic Salary - ₹ 287000/- p.m and Perks & Allowances – ₹ 206,034/- p.m)
- B. Retiral Benefits:
  - i. Provident fund @ 12% of basic pay.
  - ii. Superannuation benefits as per rules of the company.
- C. Any other perquisites as per rules of the Company.

**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 as specified in Schedule V and other applicable provisions, if any, of the Companies Act, 2013, 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."

**6. To adopt new Articles of Association of the Company.**

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

**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended, from time to time, the draft Articles of Association of the Company as submitted before this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit for giving effect to this resolution.

**7. Remuneration payable to Cost Auditor.**

*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 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and such other applicable rules or regulations, if any, the Company hereby ratifies the remuneration of ₹ 2,00,000/- p.a. payable to M/s. Sagar & Associates, who were appointed as Cost Auditor, to audit the cost records of the Company for financial year 2016-17, as approved by the Board of Directors.

**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 fit for giving 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 143(8) and the Rules framed thereunder, including the statutory modification(s) or re-enactment thereof for the time being in force, the Board of Directors of the Company 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, and to fix their remuneration.

**By order of the Board of Directors  
For IVRCL Limited**

Place: Hyderabad  
Date: 30.05.2016

**B. Subrahmanyam  
Company Secretary**

**NOTES:**

1. Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 for the resolutions at items No(s). 4 to 8 is given below. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (SEBI LODR Regulations) and Secretarial Standards, of the person seeking appointment/re-appointment as Directors are also annexed.
2. A member entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of

the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed.

4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from September 23, 2016 to September 26, 2016 (both days inclusive).
6. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with your Depository Participant(s).
8. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary at an early date so as to enable the management to keep the information ready.
9. Members attending the Meeting are requested to complete and bring the attendance slip along with Annual Report to the meeting.
10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
11. All documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days except Saturdays, during business hours, upto the date of the Annual General Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining

their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the Company/R&T Agent.

13. Pursuant to the provisions of Section 124 of the Companies Act, 2013 as amended, read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remains unpaid or unclaimed for a period of 7(seven) years will be transferred to the Investor Education and Protection Fund (IEPF). Accordingly dividend declared for financial year 2008-09 will be transferred to IEPF in the current financial year 2016-17. Shareholders / Investors who have not encashed the dividend warrant(s) so far are requested to make their claim by specifying their Folio No./ DP ID and Client ID to the RTA, Karvy Computershare Private Limited.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Pursuant to provisions of Section 108 of the Act and the Rules framed thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Ltd, on all resolutions set forth in this Notice. The instructions and other information relating to e-voting are provided in another sheet attached to the Annual Report and shall forms part of this Notice.
16. Poll pursuant to Section 109 of the Act, shall be made available at the AGM for the purpose of voting of members at the meeting. Members who have not exercised their vote through e-voting facility, can vote through poll conducted at the meeting.
17. Route map showing directions to the venue of AGM is annexed.

**By order of the Board of Directors**  
**For IVRCL Limited**

Place: Hyderabad  
Date: 30.05.2016

**B. Subrahmanyam**  
**Company Secretary**

#### **EXPLANATORY STATEMENT**

**(Pursuant to provisions of Section 102 of the Companies Act, 2013)**

##### **Item No: 4**

Mr. R. Balarami Reddy, Director, who was liable to retire by rotation, was appointed as Joint Managing Director (JMD) with the approval of members of the Company at the Annual General Meeting held on September 26, 2014. He holds the office of JMD till he retires by rotation as Director.

Pursuant to provisions of Section 152 of the Act, certain number of Directors have to retire at every AGM. Accordingly Mr. R. Balarami Reddy's office is liable to retire by rotation at this AGM and being eligible offers himself for re-appointment. As he is being re-appointed as a Director, it is proposed by the Board upon recommendation of Nomination and Remuneration Committee, to re-appoint him as JMD for a term of five years at remuneration as specified in resolution set out at item no 4, for a period not exceeding three years, subject to approval of Central Government, as may be required.

Details of Mr. R. Balarami Reddy as required under Secretarial Standards, are provided hereunder.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. R. Balarami Reddy and his relatives, is concerned or interested, in the Resolution set out at item no. 4.

The Board recommends the Special Resolution as set out at item no. 4 of the Notice for approval of the Members.

#### Item No: 5

Mr. K. Ashok Reddy, Director, who was liable to retire by rotation, was re-appointed as Joint Managing Director (JMD) with the approval of members of the Company at the Annual General Meeting held on September 26, 2015, for a term of five years w.e.f 26.09.2015.

It was proposed by the Board upon recommendation of Nomination and Remuneration Committee, to revise the remuneration payable to Mr. K. Ashok Reddy as specified in resolution set out at item no 5, for a period not exceeding three years, subject to approval of Central Government, as may be required.

Details of Mr. K. Ashok Reddy as required under Secretarial Standards, are provided hereunder.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. K. Ashok Reddy and his relatives, is concerned or interested, in the Resolution set out at item no. 5.

The Board recommends the Special Resolution as set out at item no. 5 of the Notice for approval of the Members.

#### Item No: 6

The existing Articles of Association (AoA) of the Company are based on the provisions of Companies Act, 1956 and some of them are no longer in conformity with the provisions of Companies Act, 2013. In this regard, it is proposed to alter the AoA to keep them in line with provisions of Companies Act, 2013. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA are being uploaded on the Company's website [www.ivrcl.com](http://www.ivrcl.com) for perusal by the shareholders.

AoA is available for inspection by the members at the Registered office during working hours upto date of AGM and also at the AGM.

None of the Directors, Key Managerial Personnel and their respective relatives is concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the members.

#### Item No: 7

As per the provisions of Section 148 of the Act and the Rules made thereunder, Company is required to get the cost accounting records of the company audited by a Cost Accountant. Accordingly the Board of Directors has re-appointed M/s. Sagar & Associates, Cost Accountant in practice to audit the Cost records of the Company. Pursuant to Rule 14 of the Companies (Audit and Accounts) rules, 2014, the members of the company have to ratify the remuneration as approved by the Board of Directors. Accordingly the member's approval, to ratify the remuneration as approved or fixed by the Board, is sought at item no. 7 of the accompanying notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, in the Resolution set out at item no. 7.

The Board recommends the Ordinary Resolution as set out at item no. 7 of the Notice for approval of the Members.

#### Item No: 8

In terms of Section 143(8) of the Act, if a Company has a branch office(s) in India or abroad, then the accounts of that branch office(s) has to be audited either by Company's auditor or by person qualified to audit such accounts. In this regard it is proposed to authorise the Board to appoint an auditor for the branch office(s) opened/ to be opened hereafter, for the purpose of getting the accounts of that office audited.

None of the Directors, Key Managerial Personnel and their respective relatives is concerned or interested, in the Resolution set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval of the Members.

**By order of the Board of Directors  
For IVRCL Limited**

Place: Hyderabad  
Date: 30.05.2016

**B. Subrahmanyam  
Company Secretary**

**Details of the Directors seeking re-appointment/appointment at the Annual General Meeting (Pursuant to SEBI LODR Regulations and Secretarial Standards).**

Particulars	R. Balarami Reddy	K. Ashok Reddy
Date of Birth	01.07.1954	09.12.1955
Date of Appointment	25.11.1997	25.11.1997
Qualifications	FCA, ACS and ACMA	B.SC, PGDBA (XLRI)
Expertise in specific functional areas / Brief Resume	Mr. R. Balarami Reddy is a Fellow member of the Institute of Chartered Accounts of India ("ICAI"), and Associate member of the Institute of Cost Accountants of India ("ICAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 62 years. He has over 30 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a practicing chartered Accountant for a period of seven years before joining IVRCL Limited	Mr. K. Ashok Reddy is a Science Graduate with PGDBA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 60 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS India before joining IVRCL Limited.
Directorships held in other companies (excluding foreign companies)	1) Hindustan Dorr-Oliver Limited, 2) IVRCL PSC Pipes Private Limited 3) First STP Private Ltd 4) IVR Enviro Projects Private Limited 5) IVRCL EPC Limited 6) IVR Hotels and Resorts Limited 7) IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited 8) HDO Technologies Limited 9) Chennai Water Desalination Limited 10) Indravati Investments Pvt Ltd	1) IVRCL PSC Pipes Private Ltd 2) IVR Enviro Projects Private Limited 3) IVRCL Building Products Limited 4) Alkor Petroo Limited 5) Geo IVRCL Engineering Ltd 6) IVRCL EPC Ltd 7) Mummidhi Developers Private Ltd 8) Tirumani Developers Private Ltd 9) Annupampattu Developers Private Ltd
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	Hindustan Dorr Oliver Limited Member - Audit Committee IVRCL Limited Member-Stakeholders Relationship Committee	Alkor Petroo Limited Chairman - Audit Committee
Number of shares held in the Company	254304	102500
Terms of appointment including remuneration	As stated in the resolution at item no. 4	As stated in the resolution at item no. 5
Last drawn remuneration	As stated at page no. 8	As stated at page no. 8
Date of first appointment on Board	25.11.1997	25.11.1997
No. of Board meetings attended	As provided in the Corporate Governance Report	As provided in the Corporate Governance Report
Relationship with Directors & KMP	Not related to any other director & KMP	Not related to any other director & KMP

**Statement in terms of sub-clause (iv) of the proviso to Paragraph (B) of Section II of Part II of Schedule V to the Act.**

**I. GENERAL INFORMATION.**

- (1) Nature of Industry : Engineering and Construction
- (2) Date of Commencement of Commercial Production : Not Applicable
- (3) In case of new Companies, expected date of Commencement of activities as per project approved by Financial institutions appearing in the Prospectus : Not Applicable
- (4) Financial Performance  
Financial performance of the Company for the last five years.

(₹ In Millions)

S. No	Particulars	Year				
		2011-2012 (15 Months)	2012-2013 (9 months)	2013-2014	2014-15	2015-16
1	Paid-up Capital	613.77*	613.77	613.77	918.28	1,457.37
2	Reserves & Surplus	22,091.03	21,077.97	13,889.04	10,444.05	3,046.67
3	Turnover	61,779.60	37,590.88	43,048.07	31,174.17	23,616.78
4	Net Profit after Tax	180.81	(1,016.61)	(7,167.79)	(6,722.34)	(10,604.39)
5	Rate of Dividend declared	Nil	Nil	Nil	Nil	Nil

\* Includes an amount of ₹ 79.75 million as share capital suspense

- (5) Foreign investments or collaborators, if any : There is no Foreign collaboration for any investment or direct foreign investment.

**II. INFORMATION ABOUT THE APPOINTEES.**

**(1) Background Details**

**Mr. R. Balarami Reddy**

Mr. R. Balarami Reddy is a fellow member of the Institute of Chartered Accountants of India ("ICAI"), Associate member of the Institute of Cost Accountants of India ("ICAI"), and the Institute of Company Secretaries of India ("ICSI") and aged about 62 years. He has over 30 years of experience in the fields of Corporate Accounts, Finance and Taxation matters. He worked as a Practicing Chartered Accountant for a period of seven years before joining IVRCL Limited. He has been on the board of IVRCL, as Director – Finance from November 1997. Since then, he has been re-appointed from time to time. His current tenure of appointment as Joint Managing Director of the Company was approved by the shareholders with effect from July 01, 2014.

**Mr. K. Ashok Reddy**

Mr. K. Ashok Reddy is a Science Graduate with PGDMA in Marketing and Finance from Xavier Institute of Social Sciences, Ranchi and aged about 60 years. He worked for 11 years with Tata Motors and for 3 years with SIEMENS INDIA before joining IVRCL Limited. He has been on the board of IVRCL, as Executive Director from November 1997. Since then, he has been re-appointed from time to time. His current tenure of re-appointment as Joint Managing Director of the Company was approved by the shareholders with effect from September 26, 2015.

**(2) Past Remuneration:**

**Mr. Balarami Reddy**

Salary – ₹ 445,366/- p.m (Basic Salary – ₹ 252,094/- p.m, Perks and Allowances – ₹ 132,272/- p.m) plus retiral benefits.

**Mr. K. Ashok Reddy**

Salary – ₹ 440,894/- p.m (Basic Salary – ₹ 249,563/- p.m, Perks and Allowances – ₹ 191,331/- p.m) plus retiral benefits.

**(3) Recognition/Awards : NIL**

**(4) Job Profile and suitability**

**Mr. R. Balarami Reddy**

In his rich and diverse experience of over 30 years Mr.R.Balarami Reddy has a career span of around 22 years with the Company. As Joint Managing Director, he is responsible for Accounts, Finance, Corporate Law and Taxation matters. In the present economic scenario raising funds for the infrastructure projects has become a challenge and Mr.R.Balarami Reddy has been shouldered with increased responsibilities of financing the ongoing and upcoming projects.

**Mr. K. Ashok Reddy**

In his rich and diverse experience of over 30 years, Mr.K.Ashok Reddy Reddy has a career span of around 19 years with the Company. As Joint Managing Director, he is responsible for all resource matters such as Human Resources, Purchasing and Equipment. As Joint Managing Director he has a holistic involvement in the entire administration of the Company. In his present role, he has to discharge multi-faceted responsibilities and with his rich talent and dynamic experience it is firmly believed that he will continue to provide able guidance and contribution as ever.

**(5) Remuneration proposed**

**Mr. R. Balarami Reddy**

Details of total remuneration which is proposed to be paid to Mr. R.Balarami Reddy have been fully set out in the resolution at item no. 4 of the Notice to Shareholders.

**Mr. K. Ashok Reddy**

Details of total remuneration which is proposed to be paid to Mr. K. Ashok Reddy have been fully set out in the resolution at item no. 5 of the Notice to Shareholders.

**(6) Comparative Remuneration Profile with respect to Industry, size of the Company, profile of the position and person**

The Nomination & Remuneration Committee of the Board and the Board of Directors considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the respective role and the competence and invigorating leadership of Mr. R. Balarami Reddy and Mr. K. Ashok Reddy, had approved the payment of remuneration stated at item No. 4 and 5 which is commensurate to prevailing levels in the industry and therefore it is fit and justified for payment of the said remuneration to them.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

**Mr. R. Balarami Reddy**

Apart from receiving remuneration, Mr. R. Balarami Reddy does not have any pecuniary relationship directly or indirectly with the Company. He is not related to any other director or managerial personnel.

**Mr. K. Ashok Reddy**

Apart from receiving remuneration, Mr. K. Ashok Reddy does not have any pecuniary relationship directly or indirectly with the Company. He is not related to any other director or managerial personnel.

**III. OTHER INFORMATION.**

**(1) Reasons of loss or inadequate profits.**

Currently the construction industry is witnessing sluggish growth due to economic and policy concerns. At the same time, the economy has been witnessing high interest costs, commodity prices, execution delays and delays in payment from clients. The key economic and policy concerns being faced by the Industry include delays in land acquisition, significant rise in commodity prices, low realization of revenues and execution delays. The cumulative impact of the above factors coupled with an industry and economic downturn with a combination of tightened liquidity conditions and an inflationary environment has caused a liquidity stress on IVRCL which in turn causing loss to the Company.